

# ● STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

PORTFOLIO MANAGEMENT ACTIVITY

30 June 2025

## Financial market participant

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Ostrum Asset Management

LEI number: 969500YVSB0RNS7OCS11

## Summary

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Ostrum Asset Management has long been committed to pioneering sustainable development and responsible investment. The company incorporates non-financial aspects into its issuer quality analysis and offers its clients responsible investment solutions that address their specific ESG (Environmental, Social, Governance) philosophies and goals.

Ostrum Asset Management is committed to co-constructing a long-term relationship with its clients, based on responsibility and transparency, but also to being an exemplary company as a whole, as it fosters close dialogue with all its stakeholders to promote a positive impact from its business on surrounding society. We strive to consistently act as a responsible investor by addressing our clients' needs, while also endeavouring to have a positive impact on society as a whole.

We have set out our responsible investment policy which is available on our website, specifically in Article 29 of the French Energy and Climate Law report in which we outline our contribution to the energy transition, our responsible investment initiatives, and our pledges to our clients and broader society.

Sustainability risks and opportunities are factored into our assessment of business sectors and companies through our quality and risk analysis.

These sustainability risks and opportunities are taken into account via five pillars:

- Our sector and exclusion policies
- Our controversy management policy
- Incorporating double materiality into the issuer analysis
- Our engagement policy
- Our impact solutions through sustainability bonds

We combine all these pillars to identify any environmental, social or governance event or situation that, if it occurs, could have an actual or potential material adverse impact on the value of the investment.

In this way, Ostrum Asset Management considers principal adverse impacts of its investment decisions on sustainability factors. This document is the consolidated statement on principal adverse impacts on sustainability factors of Ostrum Asset Management.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024. All the data presented in the report is valid as of 31 December 2024 unless stated otherwise.

Ostrum Asset Management has further taken account of adverse sustainability impacts in its decisions and its organisation. Governance on these aspects is set out in its procedures, geared towards clarifying the roles and responsibilities of the various teams.

A number of policies identify and prioritise the principal adverse impacts on sustainability factors.

Ostrum Asset Management makes commitments to responsible investment across its full business range, complying and keeping up to date with French and international regulations.

Ostrum Asset Management has developed an engagement policy that covers all asset classes and sets out shared themes and areas for engagement. Engagement and voting are closely connected in equity portfolio management.

Ostrum Asset Management encourages companies it invests in to improve their practices by voting at shareholder meetings for all holdings and in accordance with its active policy, following the most stringent standards and taking into account social and environmental issues.

Ostrum Asset Management is committed to actively contributing to the vital fight against climate change and supporting the transition to a low-carbon economy. To strengthen its climate commitments, in late 2024 Ostrum Asset Management undertook an analysis of its portfolios based on the Net Zero Investment Framework (NZIF) developed by the Institutional Investors Group on Climate Change (IIGCC<sup>1</sup>), one of the three methodological frameworks supported by the Net Zero Asset Management Initiative (NZAM<sup>2</sup>). This study aims to define Ostrum Asset Management's climate commitment regarding its open-ended funds, with a target implementation date of end-2025. To this end, Ostrum AM has developed a proprietary quantitative scoring methodology to rank corporate issuers in one of the five categories of the climate maturity scale defined by the NZIF (categories ranging from companies that are not transparent in terms of climate transition to those that are already net zero).

In addition, in 2024 Ostrum Asset Management developed a proprietary qualitative analysis methodology, the CSA (Climate Strategy Assessment) score, for issuers with a high climate impact. This methodology assesses a company's ability and willingness to transition. It is structured around three pillars: ambition, implementation and governance. By putting the company in its context, analysts assess the climate objectives set by the company, the means by which it intends to achieve them and the way in which it is organised (alignment of interests).

These two methodologies complement each other and are coherently interconnected. The CSA qualitative score takes precedence over the quantitative score where applicable.

All sector and exclusion policies also provide a clear view of the principal adverse impacts taken into consideration by Ostrum Asset Management. Ostrum Asset Management has adopted a series of stringent sector and exclusion policies to exclude companies that have significant ESG risks or do not comply with certain fundamental principles of responsibility from its portfolios and thus curb any risks that could have an actual or potential material negative impact on the value of the investment.

Some exclusion policies apply to all portfolios managed by Ostrum Asset Management (Controversial Weapons and Worst Offenders), while others cover all managed open-ended funds (Coal, Oil & Gas, Tobacco), and we promote them to our clients through constant dialogue. We also help our clients implement specific exclusion policies, in line with their objectives.

We apply the principles set out in the United Nations Global Compact on certain major themes, i.e. support for human rights, compliance with international labour standards, protection of the environment, anti-corruption efforts and compliance with the sustainable development goals (SDG).

On the basis of these principles, we exclude from our portfolios any issuers carrying high sustainability risks and adverse impacts on environmental, social and governance aspects. This is all formalised in our Controversy Management Policy: the Worst Offenders Policy.

We also exclude controversial issuers on the basis of our other exclusion policies:

- Controversial weapons
- Coal
- Oil & Gas
- Tobacco
- Palm oil

A number of initiatives are also outlined in Ostrum Asset Management's general CSR policy.

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<sup>1</sup> <https://www.iigcc.org/>

<sup>2</sup> <https://www.netzeroassetmanagers.org/>

## Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator						Metric	Impact Year Y	Impact Year Y-1	Impact Year Y-2	Explanation	Measures taken, measures planned and targets set for the next reference period
	Indicators applicable to investments in investee companies										
	CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS										
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	7,510,154.09 tCO2e	4,326,106.07 tCO2e	7,360,289.36 tCO2e	To calculate PAIs, we include all investments in the denominator	These indicators are taken into account through our sector and exclusion policies: Oil & Gas policy Coal policy Worst Offenders policy  They are integrated into our climate approach.  Some are used in connection with SRI accreditation and taken into account in the management of the funds concerned.  Some are also considered via the GREaT score when companies are analysed and are factored into the issuer's overall score at the time of the investment decision.  They are also part of the climate engagement aimed at effectively supporting companies' transition and their shift towards low-carbon models.  Finally, via Sub-theme 1: "Reduce CO2 emissions and achieve carbon neutrality by 2050" of our Engagement Policy, we try to influence companies in order to limit the adverse impacts of our investment decisions on environmental matters.  As of 1 January 2024, the thresholds of the coal policy were lowered, which enabled us to exclude new issuers that do not comply with the thresholds for the				
		Scope 2 GHG emissions	1,888,668.63 tCO2e	1,330,066.23 tCO2e	1,592,595.71 tCO2e	To calculate PAIs, we include all investments in the denominator					
		Scope 3 GHG emissions	10,284,138.86 tCO2e	6,718,969.26 tCO2e	16,218,807.85 tCO2e	To calculate PAIs, we include all investments in the denominator					
		Total GHG emissions	19,682,959.59 tCO2e	12,375,141.57 tCO2e	25,171,692.92 tCO2e	To calculate PAIs, we include all investments in the denominator					
	2. Carbon footprint	Scope 1+2+3	54.28 tCO2e / mEUR invested	38.62 tCO2e / mEUR invested	65.10 tCO2e / mEUR invested	To calculate PAIs, we include all investments in the denominator					
	3. GHG intensity of investee companies	Scope 1+2+3	81 tCO2e / mEUR revenues	66.06 tCO2e / mEUR revenues	91.73 tCO2e / mEUR revenues	To calculate PAIs, we include all investments in the denominator					
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4.1%	6.41%	4.53%	To calculate PAIs, we include all investments in the denominator  Definition of active companies: companies exposed to fossil fuel-related activities, including exploration, extraction, mining, storage, distribution					

						and trade of oil and gas, thermal coal production and distribution, and the production, distribution, storage and reserves of metallurgical coal	following reference period.  In 2024, Ostrum AM developed a proprietary qualitative analysis methodology, the CSA (Climate Strategy Assessment) score. This methodology measures the impact that the company has on the environment and, more specifically, on the climate by assessing the company's ability to reduce its greenhouse gas emissions. This methodology will be implemented in 2025.  To strengthen its climate engagement, in late 2024 Ostrum AM undertook an analysis of its portfolios to begin a climate alignment process with a target implementation date in 2025.
	<b>5. Share of non-renewable energy consumption and production</b>	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	36.6%	91.86%	29.18%	To calculate PAIs, we include all investments in the denominator	
	<b>6. Energy consumption intensity per high impact climate sector</b>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	See breakdown by sector	0.88 GWh / mEUR revenues	0.27 GWh / mEUR revenues	To calculate PAIs, we include all investments in the denominator	
		NACE A sector	0.0000002220597 GWh / mEUR revenues	NA	NA		
		NACE B sector	0.00108725766711 GWh / mEUR revenues	NA	NA		
		NACE C sector	0.04877918901712 GWh / mEUR revenues	NA	NA		
		NACE D sector	0.07258203198844 GWh / mEUR revenues	NA	NA		
		NACE E sector	0.02082837093988 GWh / mEUR revenues	NA	NA		
		NACE F sector	0.00116431575792 GWh / mEUR revenues	NA	NA		
		NACE G sector	0.00035831587461 GWh / mEUR revenues	NA	NA		
		NACE H sector	0.01214245783882 GWh / mEUR revenues	NA	NA		
		NACE L sector	0.00864506157805 GWh / mEUR revenues	NA	NA		
<b>Biodiversity</b>	<b>7. Activities negatively affecting biodiversity-sensitive areas</b>	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	4.7%	3.96%	0.17%	To calculate PAIs, we include all investments in the denominator	These indicators are taken into account through our sector and exclusion policies and are integrated into our biodiversity approach.  They are also considered via the GREaT score when companies are analysed and are included in the issuer's overall score at the time of the investment decision.
<b>Water</b>	<b>8. Emissions to water</b>	Tonnes of emissions to water generated by investee companies per million EUR invested,	0.00 tCO2e / mEUR invested	0.00 tCO2e / mEUR invested	0.00 tCO2e / mEUR invested	To calculate PAIs, we include all investments in the denominator	

		expressed as a weighted average					Via Sub-theme 3: "Manage resources" and Sub-theme 4: "Safeguard health and biodiversity" of our Engagement Policy, we try to influence companies in order to limit the adverse impacts of our investment decisions on environmental matters.
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.26 tCO2e / mEUR invested	0.17 tCO2e / mEUR invested	0.12 tCO2e / mEUR invested	To calculate PAIs, we include all investments in the denominator	<p>In 2024, Ostrum AM approved its palm oil policy for implementation in 2025.</p> <p>The year 2024 was also marked by the implementation of a new analysis methodology for the main PFAS producers. It generated several exclusions in our investment universe and two companies were excluded from our portfolios.</p> <p>In 2025, Ostrum AM will expand its deforestation approach and continue to work on a pesticides policy.</p>

#### INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.01%	0.01%	0.47%	To calculate PAIs, we include all investments in the denominator	These indicators are taken into account through our Worst Offenders Policy, which allows us to exclude issuers that do not comply with them.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.32%	0.46%	35.65%	To calculate PAIs, we include all investments in the denominator	<p>They are also considered via the GREaT score when companies are analysed and are included in the issuer's overall score at the time of the investment decision.</p> <p>In 2025, we will continue to focus on these matters, which we consider very important. We will also continue to give greater consideration to controversy management.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap at investee companies	7.6%	7.11%	2.52%	To calculate PAIs, we include all	This indicator is taken into account through our Worst Offenders Policy.

						investments in the denominator	<p>It is related to the 30% Club France Investor Group engagement campaign.</p> <p>Via Sub-theme 14: “Standardise the remuneration policy and make it transparent” of our Engagement Policy, we try to influence companies in order to limit the adverse impacts of our investment decisions on social matters.</p> <p>It is also considered through the GREaT rating at the time of the analysis of the companies and is included in the overall rating of the issuer at the time of the investment decision.</p> <p>In 2025, we will strengthen this indicator via our engagement policy and as part of the 30% Club France Investor Group campaign.</p>
	<b>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies	23%	21.97%	17.80%	To calculate PAIs, we include all investments in the denominator	<p>This indicator is taken into account through our Worst Offenders Policy.</p> <p>It is related to the 30% Club France Investor Group engagement campaign.</p> <p>It is used in connection with SRI accreditation and taken into account in the management of the funds concerned.</p> <p>Via Sub-theme 13: “Balance powers” of our Engagement Policy, we try to influence companies in order to limit the adverse impacts of our investment decisions on governance matters.</p> <p>It is also considered through the GREaT rating at the time of the analysis of the companies and is included in the overall rating of the issuer at the time of the investment decision.</p> <p>In 2025, we will strengthen this indicator via our engagement policy and as part of the</p>

							30% Club France Investor Group campaign.
	<b>14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</b>	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	0%	To calculate PAIs, we include all investments in the denominator	This indicator is taken into account through our Controversial Weapons policy.
<b>Indicators applicable to investments in sovereigns and supranationals</b>							
<b>Environment</b>	<b>15. GHG intensity</b>	GHG intensity of investee countries	65 tCO2e / mEUR GDP	28.64 tCO2e / mEUR GDP	103.60 tCO2e / mEUR GDP	To calculate PAIs, we include all investments in the denominator	<p>This indicator is used in connection with SRI accreditation and taken into account in the management of the funds concerned.</p> <p>In 2025, we will strengthen our climate approach and continue our dialogue with countries.</p>
<b>Social</b>	<b>16. Investee countries subject to social violations</b>	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	5 countries 8%	0.01%	0.01%	To calculate PAIs, we include all investments in the denominator	<p>This indicator is taken into account through our Blacklisted States Policy.</p> <p>In 2025, we will continue our dialogue with countries.</p>



## Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Impact Year Y	Impact Year Y-1	Impact Year Y-2	Explanation	Measures taken, measures planned and targets set for the next reference period
Environment	15. Deforestation	Share of investments in companies that do not have an anti-deforestation policy	48.27%	17.29%	NA	To calculate PAIs, we include all investments in the denominator	<p>This indicator is taken into account through our sector policies and is integrated into our biodiversity approach.</p> <p>It is also considered through the GREaT rating at the time of the analysis of the companies and is included in the overall rating of the issuer at the time of the investment decision.</p> <p>Via Sub-theme 3: “Manage resources” and Sub-theme 4: “Safeguard health and biodiversity” of our Engagement Policy, we try to influence companies in order to limit the adverse impacts of our investment decisions on environmental matters.</p> <p>In 2024, we approved our palm oil policy for implementation in 2025.</p> <p>In 2025, we will continue our deforestation approach.</p>
Social	9. No human rights policy	Share of investments in entities that do not have a human rights policy	2.59%	1.51%	NA	To calculate PAIs, we include all investments in the denominator	<p>This indicator is taken into account through our Worst Offenders Policy.</p> <p>Via Sub-themes 3: “Promote human capital” and 4: “Enhance relationships with stakeholders” of our Engagement Policy, we try to influence companies in order to limit the adverse impacts of our investment decisions on social and human rights matters.</p> <p>In 2025, we will strengthen this indicator via our engagement policy.</p>

## **Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

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### **A. Identification and management of principal adverse impacts**

The principal adverse impacts on sustainability factors in terms of the portfolios managed by Ostrum Asset Management are taken into account at several levels.

#### **1. Quantitative measurement of PAI<sup>3</sup>**

Each PAI is calculated based on data provided by data supplier MSCI ESG Research at the issuer and sovereign level and aggregated at the portfolio level.<sup>4</sup>

The EU SFDR requires participants to obtain adverse impact data in a variety of ways, including through research providers, internal analysis, commissioned studies, publicly available information, and direct contact with companies.

Ostrum Asset Management calculates all PAI for its Article 8 and 9 portfolios and at the entity level (see table above).

#### **2. ESG performance indicators**

SRI-accredited funds must choose two indicators subject to ESG performance targets from amongst the sustainability indicators relating to adverse, mandatory or additional impacts (PAIs).

*Ostrum Asset Management considers these two PAI indicators in the management of SRI-accredited funds. For example, carbon intensity is monitored and must be lower than that of the investment universe.*

#### **3. GREaT indicators**

For companies' non-financial rating, we use the GREaT methodology, La Banque Postale Asset Management's proprietary model, which analyses companies from the standpoint of sustainable development. In addition to taking into account environmental, social and governance (ESG) criteria, this non-financial rating of private issuers is based on four pillars (responsible governance, sustainable resource management, energy transition and territorial development), 13 criteria and 60 indicators<sup>5</sup>.

*The GREaT indicators that correspond to PAI are considered when issuer companies are analysed and are factored into the issuer's overall score at the time of the investment decision.*

#### **4. Policies**

Ostrum Asset Management draws on several policies to identify and categorise the main adverse impacts on sustainability.

Ostrum Asset Management has developed an engagement policy that covers all asset classes and sets out shared themes and areas for engagement.

All sector policies also provide a clear view of the principal adverse impacts taken into consideration by Ostrum Asset Management.

The sector and exclusion policies are as follows:

- Coal policy
- Oil & gas policy

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<sup>3</sup> Principal adverse impact on sustainability factors.

<sup>4</sup> <https://www.msci.com/our-solutions/esg-investing>

<sup>5</sup> Criteria and indicators are subject to change.

- Controversial weapons policy
- Worst Offenders policy
- Tobacco sector policy
- Palm oil policy

Once the principal adverse impacts have been identified, Ostrum Asset Management assesses the probability of them occurring through, among other things, an analysis of historical data and an issuer analysis by our experts to obtain qualitative assessments. After the probability is assessed, we estimate the severity of these impacts based on the double materiality principle. Finally, Ostrum identifies impacts whose occurrence could cause damage that is permanent or difficult to repair. This could result in a decrease in their materiality score, their exclusion or the implementation of our Engagement Policy.

The data we use to identify and manage principal adverse impacts still give rise to uncertainty regarding the assessment methods. The data used to assess adverse impacts may be incomplete or biased, which may affect the results. Ostrum Asset Management relies on data providers such as MSCI and Trucost S&P for PAIs and is dependent on these data.

The coverage of the data is sometimes limited, which impacts the results. Future regulations should improve the standardisation of reports and disclosures by companies on which ESG data is based. We are aware of these limits and endeavour to minimise them by using multiple data providers or qualitative assessments.

## B. Governance

Governance on these aspects is set out in the procedures (relating to several of these policies) geared towards clarifying the roles and responsibilities of the various teams. The Sustainable Transitions Department is behind proposals to create or update the Policies and coordinates activities related to PAIs. The Sustainable Finance Committee<sup>6</sup> approves the creation or updating of these Policies.

In addition, a weekly meeting is held to address all issues relating to implementation of the EU SFDR. All the departments involved in this matter participate in the meeting, including the Compliance Department, the Development Department, the Risk Department, the Sustainable Transitions Department and the Products, Marketing and Solutions Department.

The Sustainable Finance Committee, which is responsible for approving the main decisions regarding Ostrum AM's ESG policy, approved the policies on the following dates:

Controversial Weapons policy	December 2021
Oil & Gas policy	June 2022
Voting policy (updated)	October 2023
Palm Oil policy	December 2024
Tobacco policy	February 2025

Once the creation or update of the Policy has been approved by the Sustainable Finance Committee, it is subject to internal approval by the Compliance Department, Internal Control and the Risk Department before its publication on the following dates:

Coal policy	March 2024
Oil & Gas policy	August 2023
Worst Offenders policy	September 2024
Management of sustainability risks and adverse impacts policy	December 2022
ESG policy	September 2024
Engagement policy	September 2024

<sup>6</sup> This committee comprises business line heads from the Portfolio Management and Development departments' teams, HR, Risk and Compliance, IT, Communications and CSR and is chaired by the CEO.

### C. Data sources

Climate-related PAIs are calculated based on Trucost S&P data to obtain all scopes 1, 2 and 3 (upstream) carbon emission data for corporates, sponsored agencies and non-guaranteed agencies in the portfolios. These data are then used to ascertain total carbon emissions.

Once carbon emissions are calculated, Ostrum AM can provide the entity's carbon footprint for scopes 1, 2 and 3 (upstream).

Ostrum AM also uses Trucost S&P for all scopes 1, 2 and 3 (upstream) carbon intensity data for corporates, sponsored agencies and non-guaranteed agencies in the portfolio.

Lastly, Ostrum AM also uses Trucost S&P to calculate the carbon intensities of the sovereign issuers in the portfolios.

Other PAIs are calculated based on data supplied by data provider MSCI ESG Research.

All these sources are used by MSCI ESG Research to collect data provided by companies:

- Direct company communication: sustainability reports, annual reports, regulatory filings and company websites;
- Indirect company communication: data published by government agencies, industry and trade associations and financial data providers;
- Direct communication with companies, as described below.

When communication about the company is not available, investors may choose to use a subset of suggested estimated metrics (if any) based on other MSCI ESG Research datasets. These datasets are built using exclusive proprietary methodologies and contain data from companies, market and industry peers, media, NGOs, multilateral institutions and other credible institutions.

The datasets include MSCI ESG Research's ratings, measurements, climate solutions and controversies. The components of the MSCI ACWI Index are reviewed within four months of their annual filing. All other companies in the coverage universe are reviewed on an ongoing basis within 12 months of their annual filing. Datasets whose sources are updated dynamically independent of annual filings, such as carbon emissions, board composition and controversies, are reviewed.

MSCI ESG Research maintains robust, transparent communications with all issuers in their coverage universe. This engagement includes:

- A data review process that allows companies to comment on the accuracy of the company's data for all MSCI ESG Research reports;
- Issuers' free access to published versions of all their MSCI ESG Research company reports;
- Direct communication with a company concerning the company's specific ESG performance;
- A prompt response to requests made by companies to discuss their MSCI ESG Research reports.

MSCI proactively contacts companies as part of its standardised and systematic review process. It does not issue surveys or questionnaires, does not conduct general interviews with companies, and does not accept or take into account in its analysis data provided by issuers that are not publicly available to other stakeholders. Given the dynamic nature of the research, companies may access and review data collected to date at any time via the issuer communications portal (ICP). They are invited to ask questions and provide feedback at any time during the year.

## Summary of how mandatory PAIs are taken into account

Mandatory PAI	Indicator HR ESG SRI accreditation	Sector/exclusion policy	Engagement campaign	Engagement policy	GREaT indicator
Corporates					
1. GHG emissions		Oil & Gas policy Coal policy Worst Offenders policy	X Climate commitment	Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality by 2050	Energy Transition pillar Criterion Climate risks Indicator carbon_emissions_score
2. Carbon footprint		Oil & Gas policy Coal policy Worst Offenders policy	X Climate commitment	Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality by 2050	Energy Transition pillar Criterion Climate risks Indicator prod_carb_ftprnt_score
3. GHG intensity of investee companies	GHG intensity	Oil & Gas policy Coal policy Worst Offenders policy	X Climate commitment	Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality by 2050	
4. Exposure to companies active in the fossil fuel sector		Oil & Gas policy Coal policy Worst Offenders policy	X Climate commitment	Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality by 2050	
5. Share of non-renewable energy consumption and production		Oil & Gas policy (share of renewables required)	X Climate commitment	Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality by 2050	Energy Transition pillar Criterion Climate risks Indicator Minimising environmental impacts from energy use
6. Energy consumption intensity per high impact climate sector		Coal policy Oil & Gas policy Worst Offenders policy	X Climate commitment	Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality by 2050	Energy Transition pillar Criterion Climate risks Indicator Minimising environmental impacts from energy use
7. Activities negatively affecting biodiversity- sensitive areas		Biodiversity strategy Worst Offenders policy		Sub-theme 4: Safeguard health and biodiversity	GDR pillar Biodiversity/water criterion biodiv_land_use_score indicators Protection of biodiversity
8. Emissions to water		Biodiversity strategy Worst Offenders policy		Sub-theme 3: Manage resources Sub-theme 4: Safeguard health and biodiversity	GDR pillar Biodiversity/water criterion Indicators Protection of water resources
9. Hazardous waste ratio		Biodiversity strategy Worst Offenders policy		Sub-theme 3: Manage resources Sub-theme 4: Safeguard health and biodiversity	GDR pillar Criterion Pollution/waste Indicators: toxic_emiss_wste_score
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		Worst Offenders policy			Pillar Regional Development Criterion Responsible practices with communities Indicator Respect for human rights standards and prevention of violations
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		Worst Offenders policy			Pillar Regional Development Criterion Responsible practices with communities Indicator Respect for human rights standards and prevention of violations

12. Unadjusted gender pay gap		Worst Offenders policy	X 30% women	Sub-theme 14: Standardise the compensation policy and make it transparent	Responsible governance pillar Criterion Fair compensation Indicator pay_score
13. Board gender diversity	Female director percentage	Worst Offenders policy	X 30% women	Sub-theme 13: Balance powers	Responsible governance pillar Criterion Balance of powers Indicator Board of Directors
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)		Controversial weapons policy			
Sovereign bonds					
15. GHG intensity	GHG intensity				
16. Investee countries subject to social violations		Blacklisted states			

## Engagement policies

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### 1. Engagement policy

Ostrum AM's engagement policy defines eight themes for engagement on environmental, social and governance aspects that are shared across the equity and fixed-income investment departments:

- Play a role in reducing and adapting to climate change
- Limit the impact on the environmental ecosystem
- Promote human capital
- Enhance relationships with stakeholders
- Ensure consumer security and protect their data
- Safeguard business ethics
- Balance powers and compensation
- Improve data transparency

Within these eight themes, several sub-themes have been defined. For more information, see the [engagement policy](#).

### 2. Engagement campaigns

As part of its sector and exclusion policies, Ostrum AM has implemented certain policies that focus on exclusion, but also on engagement. This enables us to remain actively engaged with the companies in which we invest. It also allows us to effectively support these companies' transition and contribute more broadly to their shift towards low-carbon models.

Alongside climate-related matters, we are part of two coalitions focused on social issues:

- 30% Club France Investor Group: created in 2020, this group, of which Ostrum is one of the founding members, aims to increase the representation of women on the management bodies of the SBF 120 by engaging in dialogue with issuers on this specific topic. The short-term goal is to have at least 30% representation by 2025.

*Through our engagement efforts and campaigns, we try to influence companies in order to limit the adverse impacts of our investment decisions on environmental, social, respect for human rights and anti-corruption matters.*

The PAIs that are taken into account through our engagement policy and our engagement campaigns are shown in the summary table in the previous section.

As part of the engagement campaigns related to our sector and exclusion policies (Coal and Oil & Gas), we have developed specific processes for issuers that may not meet our expectations.

We will review our Engagement Policy in due course to better define how adverse impacts are taken into account.

Our Engagement Policy was enhanced in 2024 to introduce an escalation principle. While the principal adverse impacts that we have identified are not reduced over a defined period of time, we have begun the escalation process that may lead to a cessation of investments, divestments, rating downgrades or changes of lists for the Worst Offenders. Details will be provided, particularly about this escalation process, in 2025.

## References to international standards

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When taking adverse impacts into consideration, Ostrum AM relies on a set of international conventions and standards, including:

- The United Nations Global Compact
- The OECD Principles
- The Ottawa Convention
- The Oslo Treaty
- The Chemicals Weapons Convention
- The Biological Weapons Convention
- The Nuclear Non-Proliferation Treaty

The indicators used to take into account the principal adverse impacts on sustainability factors that measure adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting are detailed in the summary table above.

We apply the principles set out in the United Nations Global Compact on certain major themes, i.e. support for human rights, compliance with international labour standards, respect for the environment, anti-corruption efforts and compliance with the sustainable development goals (SDG).

On the basis of these principles, we exclude from our portfolios any issuers carrying high sustainability risks and adverse impacts on environmental, social and governance aspects.

This is all formalised in our Controversy Management Policy: the Worst Offenders Policy.

Adverse impacts, including those related to the climate, are integrated into our climate approach.

To strengthen its climate commitments, in late 2024 Ostrum Asset Management undertook an analysis of its portfolios based on the Net Zero Investment Framework (NZIF) developed by the Institutional Investors Group on Climate Change (IIGCC<sup>7</sup>), one of the three methodological frameworks supported by the Net Zero Asset Management Initiative (NZAM<sup>8</sup>). This study aims to define Ostrum Asset Management's climate commitment regarding its open-ended funds, with a target implementation date of end-2025. To this end, Ostrum AM has developed a proprietary quantitative scoring methodology to rank corporate issuers in one of the five categories of the climate maturity scale defined by the NZIF (categories ranging from companies that are not transparent in terms of climate transition to those that are already net zero).

In addition, in 2024 Ostrum Asset Management developed a proprietary qualitative analysis methodology, the CSA (Climate Strategy Assessment) score, for issuers with a high climate impact. This methodology assesses a company's ability and willingness to transition. It is structured around three pillars: ambition, implementation and governance. By putting the company in its context, analysts assess the climate objectives set by the company, the means by which it intends to achieve them and the way in which it is organised (alignment of interests).

These two methodologies complement each other and are coherently interconnected. The CSA qualitative score takes precedence over the quantitative score where applicable.

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<sup>7</sup> <https://www.iigcc.org/>

<sup>8</sup> <https://www.netzeroassetmanagers.org/>



# ADDITIONAL NOTES

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#### Ostrum Asset Management

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