

• **OSTRUM ASSET
MANAGEMENT'S SECTOR AND
EXCLUSION POLICY
TOBACCO**

Application date 1 October 2018
Date updated 1 January 2023

CONTENTS

1.	INTRODUCTION	3
2.	SCOPE OF APPLICATION	5
3.	DETAILED DESCRIPTION	7
3.1.	Identifying issuers covered by the policy	8
3.2.	Issuers covered by the policy	9
3.3.	Updating the list of issuers covered by the policy	10
3.4.	Application date	11
3.5.	Policy communication	12
4.	REFERENCE TEXTS	13

The background is a solid teal color with several concentric circles of varying shades of teal and dark teal, creating a ripple effect. The circles are centered on the left side of the page.

- **1. INTRODUCTION**

Sector and exclusion policies are at the very heart of Ostrum Asset Management's CSR strategy.

As part of its Corporate Social Responsibility policy, Ostrum Asset Management defines sector and exclusion policies that are in line with its shareholders' philosophy and comply with the goals and pledges outlined specifically by the company to align with its Responsible Asset Management strategy, and with national and international regulations.

Sector and exclusion policies defined and implemented by Ostrum Asset Management aim to identify issuers excluded from the company's investment scope based on their operations, geographical locations, the way they work, their reputation, breach of international standards, etc.

The list of issuers covered by the sector and exclusion policies is updated at least once each year.

Find out more about Ostrum Asset Management's CSR initiatives at www.ostrum.com.

The background is a solid teal color with several concentric circles of varying shades of teal and dark teal, creating a ripple effect.

- **2. SCOPE OF APPLICATION**

Investment bans on issuers related to the Tobacco sector exclusion policy apply to all funds where Ostrum Asset Management is the investment manager, main or delegated manager. This policy applies to all open-ended funds for which Ostrum Asset Management is the financial investment manager¹.

Ostrum Asset Management therefore pledges to:

- Continue rolling out the tobacco exclusion policy across all its SRI funds,
- Exclude tobacco from all its open-ended funds where it is in charge of investment decisions, and
- Engage with clients and discuss application of this policy to their dedicated funds and/or mandates where Ostrum Asset Management is the financial manager. Ostrum Asset Management's clients will be responsible for deciding whether to apply this policy to the way this type of fund is managed, and Ostrum Asset Management will then be in charge of implementation.

¹ With the exception of trackers, and excluding structured funds existing at 1 January 2023, and based on the objectives and constraints related to the contractual documentation of Ostrum Asset Management's clients.

The background is a solid teal color with several concentric circles of varying shades of teal and dark teal, creating a ripple effect. The circles are centered on the left side of the page.

- **3. DETAILED DESCRIPTION**

3.1. IDENTIFYING ISSUERS COVERED BY THE POLICY

Ostrum Asset Management relies on the expertise of its teams of analysts and portfolio managers, who are responsible for updating and monitoring issuers covered by sector and exclusion policies.

3.2. ISSUERS COVERED BY THE POLICY

This policy covers companies that manufacture and/or produce tobacco products.

3.3. UPDATING THE LIST OF ISSUERS COVERED BY THE POLICY

Ostrum Asset Management updates the list of issuers covered by this policy at least once a year and as often as necessary in the event of a major incident involving the issuer. The updating of the list of issuers covered takes into account the various elements of analysis available and the results of engagement initiatives with issuers.

3.4. APPLICATION DATE

This policy has been effective since 1 October 2018, as follows:

- Tobacco investments were removed from all open-ended funds as of 1 October 2018, apart from the most affected funds, which gradually phased out investments in order to safeguard the interests of fund unit-holders, with gradual and full divestment by 2021 as stipulated in the funds' prospectuses.
- The tobacco exclusion policy was fully effective for money market funds after maturity dates were reached for holdings in this scope.
- Following Seeyond's merger through absorption into Ostrum Asset Management and the transfer to Ostrum AM of NIM Solutions' institutional insurance portfolio management and structured management activities (1 January 2023), the funds that were managed by Seeyond and NIM Solutions will fall within the scope of application of this policy as of 1 January 2023.²

² With the exception of trackers, and excluding structured funds existing at 1 January 2023, and based on the objectives and constraints related to the contractual documentation of Ostrum Asset Management's clients.

3.5. POLICY COMMUNICATION

All parties involved are informed of the contents of the policy via various media:

- General information on sector and exclusion policies is published on the Ostrum Asset Management website.³
- Ostrum Asset Management's exclusion policies are distributed by client services to clients of dedicated funds and mandates to confirm their application to these portfolios.

³ <https://www.ostrum.com/fr/notre-documentation-rse-et-esg>

The background is a solid teal color with several concentric circles of varying shades of teal and dark teal, creating a ripple effect. The circles are centered on the left side of the page.

- **4. REFERENCE TEXTS**

Ostrum Asset Management continues its initiatives and commitment to responsible investment management and pledges to halt support for the tobacco sector, one of the worst offender sectors.

Ostrum Asset Management has defined and implemented an ambitious responsible investment management approach, which it applies right across its investment processes.

This approach aims to promote greater inclusion of non-financial criteria in investment decisions, in accordance with the recommendations of the main international standards bodies, such as the United Nations Principles for Responsible Investment (UN-PRI), to which Ostrum Asset Management has been a signatory since 2008.

In keeping with this strategy, Ostrum Asset Management pledges to halt support for the tobacco sector, which is one of the worst offender sectors and runs contrary to the United Nations Development Program's Sustainable Development Goals⁴ due to its particularly negative social, societal and environmental effects.

⁴ Click here to find out more about the Sustainable Development Goals: <http://www.undp.org/content/undp/fr/home/sustainable-development-goals.html>

ADDITIONAL NOTES

This document is intended for clients of Ostrum Asset Management. It may not be used for any purpose other than that for which it was conceived and may not be copied, distributed or communicated to third parties, in part or in whole, without the prior written authorisation of Ostrum Asset Management.

None of the information contained in this document should be interpreted as having any contractual value. This document is produced purely for the purposes of providing indicative information. This document consists of a presentation created and prepared by Ostrum Asset Management based on sources it considers to be reliable.

Ostrum Asset Management reserves the right to change the information presented in this document at any time and without prior notice, particularly as regards the description of management processes, which under no circumstances constitutes a commitment by Ostrum Asset Management.

Ostrum Asset Management will not be held responsible for any decision taken or not taken on the basis of the information contained in this document, nor in the use that a third party might make of the information. Figures mentioned refer to previous years. Past performance does not guarantee future results. References to a ranking, an award or a rating do not indicate the future performance of a UCITS/AIF. The outlook described is subject to change and does not constitute a commitment or a guarantee.

Under Ostrum Asset Management's social responsibility policy, and in accordance with the treaties signed by the French government, the funds directly managed by Ostrum Asset Management do not invest in any company that manufactures, sells or stocks anti-personnel mines and cluster bombs.



Ostrum Asset Management

Asset management company regulated by AMF under No. GP-18000014

of 7 August 2018 – Trade register No. 525 192 753 Paris – VAT: FR 93 525 192 753.

Registered Office: 43, avenue Pierre Mendès-France – 75013 Paris – www.ostrum.com

