

• 2023 ENGAGEMENT REPORT

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1. INTRODUCTION-

1.1. Our engagement policy at Ostrum AM and our principles for applying it

Ostrum Asset Management¹ has been committed to sustainable development and socially responsible investment (SRI)² for nearly 40 years as we consistently strive to improve and develop our CSR³ and responsible asset management policy to resonate with our convictions.

The role of a responsible investor is to support company transformations to improve environmental, social and governance (ESG) practices. This necessarily involves dialogue with equity and bond issuers to urge them to make commitments that bring about improvements in the management of ESG issues and, thus, guarantee their sustainability.

“Engagement is a priority area of development for Ostrum AM now more than ever.”

By systematically incorporating ESG criteria into our analysis, Ostrum AM is able to develop a much deeper understanding of the companies we invest in.

Beyond our management process, Ostrum AM relies on ongoing dialogue with the companies in which we invest. We notably draw on our influence as a shareholder through engagement and our voting policy to encourage greater transparency among companies, and spur them to enhance their governance practices and develop economically viable and socially responsible solutions in response to ESG challenges.

Our engagement policy plays a crucial role in our sector policies and in the implementation of green, social and sustainability bonds.⁴ The tightening of our coal policy limits in 2021 and the implementation in 2022 of our new oil and gas policy have boosted our goals of talking to businesses and helping them build a sustainable future for upcoming generations. These policies will continue to evolve to gradually bring companies towards better practices. Ostrum AM also holds dialogue with bond issuers as one of our priority areas of engagement.

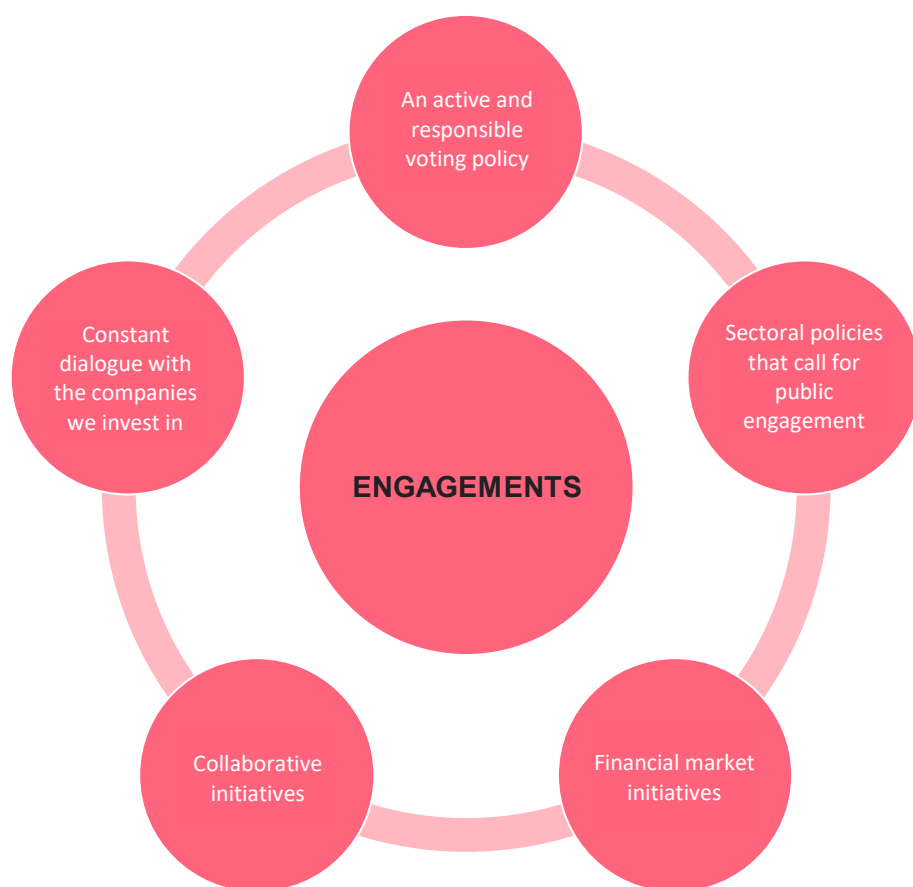
We apply an engagement policy focused on five different themes:

¹ Ostrum AM was created by the separation of Ostrum AM's fixed-income and equity investment management operations into a separate subsidiary on 1 October 2018 (registered on the Paris Trade and Companies Register under number 329 450 738, previously Natixis AM). Our first socially responsible fund, Natixis Impact Nord Sud Development, was launched in 1985. A broad range of SRI and social solidarity funds has since been developed.

² For funds presented under the title "socially responsible investment", investment decisions are based on social, ethical or environmental criteria, in addition to traditional financial criteria.

³ Corporate social responsibility

⁴ GSS.



You can find our engagement policy at:

[Our CSR and ESG publications | Ostrum Asset Management](#)

1.2. Some figures on our engagement practices

Ostrum AM promotes its convictions in particular through its engagement efforts, which involve individual dialogue with issuers, collaborative initiatives and voting.



ONGOING DIALOGUE WITH COMPANIES

197

commitments*
achieved

99

companies were the
subject of an
engagement plan

128

meetings and contacts**
with companies

of which

58

with fixed income issuers
[excl. GSS]



AN ACTIVE AND RESPONSIBLE VOTING POLICY

97%

votes cast,

of which

8%

resolutions not approved

15

Say on climate votes at
shareholder meetings,

of which

27%

votes against



COLLABORATIVE ENGAGEMENT INITIATIVES

14

Collaborative
initiatives in 2023,

of which

6

new

Regarding 5 Sustainable
Development Goals
[SDG]



Source: Ostrum AM at 31/12/2023. * One meeting can lead to several commitments.

** On financial and non-financial subjects. *** Green, social and sustainability bonds

1.3. Priority themes and areas of engagement

Ostrum AM has identified eight priority themes of engagement in environmental, social and governance matters that cross-cut our equity and fixed-income investment activities.

Our priority themes and areas of engagement:

1. Support mitigation and adapt to climate change	<ul style="list-style-type: none"> • By reducing CO₂ emissions to achieve carbon neutrality by 2050 • By managing physical and transition risks 	 
2. Limit impact on environmental ecosystem	<ul style="list-style-type: none"> • By optimizing resource management • By safeguarding biodiversity 	 
3. Promote human capital	<ul style="list-style-type: none"> • By maintaining strong relationships with staff • By ensuring staff's and subcontractors' health and safety 	  
4. Enhance relationships with stakeholders	<ul style="list-style-type: none"> • By guaranteeing human rights in supply chains • By maintaining strong relationships with local communities 	 
5. Ensure consumer security and protect their data	<ul style="list-style-type: none"> • By ensuring consumers' security and health • By ensuring their data security 	
6. Safeguard business ethics	<ul style="list-style-type: none"> • By rolling out an anti-corruption policy • By ensuring a transparent tax policy 	
7. Balance powers and compensation	<ul style="list-style-type: none"> • By implementing balanced governance • By making the compensation policy transparent 	 
8. Improve data transparency	<ul style="list-style-type: none"> • By facilitating access to financial and non-financial data 	

Source: Ostrum AM

These themes of engagement are shared across all of Ostrum AM's portfolio management teams. **Some are emphasised more by the fixed-income portfolio management teams and our credit analysts while others are prioritised by our equity portfolio management teams.**

Some themes are not the subject of specific engagement efforts by our portfolio management teams. Certain themes are deemed essential and are the subject of ongoing dialogue while for others there is insufficient data on them at this stage to be able to engage with companies on them. Nonetheless, these themes can be highly significant in our assessment of companies' CSR policies. As such, we pay close attention to them as part of our **controversy management policy**. Ostrum AM is careful in particular to ensure that issuers that are the subject of a controversy are monitored closely in accordance with our procedures.

Our Worst Offenders Committee, which spans our portfolio management, risk and compliance activities, applies an extremely stringent process enabling us to assess the severity of controversies compared with commonly established international standards (UN Global Compact, OECD). The committee decides on whether to exclude from our portfolios any issuers that have been the subject of a major controversy. If it believes that the controversy does not warrant exclusion from the portfolios, but that it should be monitored, the issuer is placed on the Watch List and is carefully observed while engagement efforts are also conducted.

Some controversies that are relevant in relation to our aforementioned priority areas of engagement are also covered under collaborative engagement efforts.

1.4. Principle underlying the escalation of engagement

Engagement is escalated based on the question: **How to manage engagement feedback?**

There is no easy answer to this question, it depends on the context.

In the majority of cases, engagement serves as a basis for monitoring a company, a process which ends when our expert credit analysts and equity analysts and managers believe that the company has provided a lasting solution to a specific problem. This may be, for example, the resolution of factors that caused serious controversy.

Some topics are more complex, however, and take longer to resolve: adopting an appropriate climate strategy for the climate change challenges involved and achieving carbon neutrality by 2050 are matters of long-term engagement. In this case, our experts are required to closely assess the company's progress in the context of its sector (and its peers) and to pick out areas in which it is not efficient or transparent enough.

This analysis also helps us assess the issuer and can inform our investment recommendations.

An unfavourable outcome from engagement can, in certain cases, lead us to exclude an issuer from our investments. For example, if its practices contravene international standards (as these

relate to our standards policies on worst offenders or controversial weapons, for instance) or if they do not meet our engagement requirements, such as exiting coal by 2030 (Coal Policy).

In the case of long-term engagement, such as in relation to climate, we strive to monitor activity on an annual basis at a minimum, so that our views reflect the progress made.

What do we assess?

We assess companies first and foremost on the results they deliver. For this, we draw up engagement frameworks or targeted questionnaires – notably as part of the engagement campaigns arising out of our policies. These questionnaires must enable us to assess the quality of the answers provided as objectively as possible.

For our climate engagement, for example, we design detailed questionnaires on companies' carbon neutrality goals, how they implement them (key indicators required) and how they govern them (the form they take in the company, how they are monitored and the various incentives introduced to ensure they are met).

In our assessment we do not look just at results, however, but also at companies' responsiveness and their ability to provide as much detailed information as possible in relation to the identified challenges.

2. INDIVIDUAL ENGAGEMENT: DIALOGUE WITH BOND ISSUERS AND PORTFOLIO COMPANIES

As part of our engagement approach, Ostrum AM closely monitors all companies held in our portfolios, whether via fixed-income or equity investments. We dialogue not only to help issuers comply with our sector policies and thereby avoid being excluded but also, more generally, to inform them of the ESG aspects of the various parts of our engagement policy.

2.1. Constant dialogue with bond issuers

“Bond investors are not shareholders, but as creditors, through corporate and sovereign bonds, they can play an important role in promoting responsible investment.”

UN PRI¹

¹ Source: PRI – <https://www.unpri.org/>

Pursuing dialogue with bond issuers across all social, environmental and governance dimensions ensures:

- better management of material ESG risks¹;
- increased transparency and quality of disclosure as regards ESG factors;
- enhanced practices to promote both financial and non-financial goals.











Ostrum AM's portfolio management teams hold **meetings and conference calls** with bond issuers as part of our due diligence or prior analysis process. We embark on these dialogue efforts either before making our investments, or as part of our constant monitoring of positions in our portfolios.

Our goal is to pre-empt ESG risks, although we may also stage these efforts in response to problems that have already affected the issuer, such as a specific controversy. We systematically disclose the results to our investment teams.

• Engagement with sovereign issuers

Through engagement and dialogue with sovereign issuers, investors can work collaboratively with policy makers to incentivise governments to take all necessary measures to ensure compliance with the principles of the UN, align with the Paris Agreement and respond to the challenges of biodiversity.

In 2023, Ostrum continued to strengthen engagement initiatives in this area. This entailed engagement with five sovereign issuers: Turkey, Greece, Ireland, Portugal and Australia.

Commitments with sovereign issuers			
Issuer country	SDG Global Index	SDGs to work on	Topics covered
Turkey 21/03/2023	70.8/100	 	Climate change Just transition
Greece 06/09/2023	78.4/100	 	Climate change (forest fires and carbon intensity) Tax evasion Just transition
Ireland 07/11/2023	80.1/100	  	Corporate taxation Climate change Just Transition Circular economy
Portugal 09/11/2023	80/100	 	Taxation Housing
Australia 10/11/2023	75.9/100		Coal policy Just transition

¹ An ESG factor is deemed to be material if it has a positive or negative impact on the company's credit risk profile and a relatively high likelihood of occurrence during our investment timeframe.

Engagement is crucial for green, social and sustainability bonds

At the end of 2023, Ostrum AM had invested a total of €35 billion in green, social, sustainability and sustainability-linked bonds. These investments aim to promote a more responsible economy, from both an environmental and a social point of view. Ostrum AM's green, social, sustainability and sustainability-linked (GSSS) bond analysts met issuers during the year with a focus on engagement theme 15 – Ensure financial and non-financial data transparency. The analysts dialogue with the issuing companies to encourage them to communicate in a transparent manner the information necessary for a good understanding of the quality of the instruments issued. They also discuss aspects where issuers could improve their practices in terms of GSSS bond issues, so as to promote good market practice.

Our areas of engagement in 2023 were:

- Issuer practices in terms of transparency and consistency of information communicated during the time of issue and in the context of annual allocation and impact reports. The objective is to ensure that we have a good understanding of the nature of the (re)financed projects, as well as their actual impacts (or, if applicable, to ensure that we have a good understanding of the key reference indicators, and the associated sustainability performance objectives).
- The level of requirement and clarity of the definitions of the categories of eligible projects, as published in the framework by the issuers. A reference to the activities and technical examination criteria defined by the European Taxonomy is favoured.
- Issuers' sustainable development strategies and their level of ambition. Particular attention is paid to the coherence of the sustainable bond issues with these strategies, and to the contribution of the sustainable bonds to the achievement of the issuer's environmental and social objectives.



2.2. Shareholder engagement to support better practices

Ostrum AM holds itself to the highest standards as an active and engaged shareholder, and is therefore committed to constructive dialogue with the companies in its portfolios. Our in-house teams are frequently in contact with the large issuers that make up the core universe of our assets under management. This dialogue is based on extensive analysis to examine companies' practices in detail, determine the key issues related to their sectors and look at potential areas for improvement. This includes in particular an assessment of issuers' ESG practices prior to shareholder meetings where voting rights are exercised.

The aim is to draw each issuer's attention to any potential ESG risks that may have been overlooked or underestimated, and share ESG best practices with the company. The identified areas for improvement and expected outcomes are conveyed to the firm either verbally or in writing, with the aim of encouraging progress. Any changes are monitored over time to measure improvements made by the issuer and adjust its ESG score accordingly.

2.3. Sector policies - a mark of active engagement

Ostrum AM continued to put in place sector exclusion policies, enabling its teams to engage actively.

At the end of 2023, in accordance with the GCEL (Global Coal Exit List), we lowered the thresholds for energy production generated by coal and related turnover from 20% to 10%.

This new stricter threshold is applicable from 1 January 2024 and will help to strengthen dialogue with issuers that do not meet their climate targets.

COAL

Ostrum AM excludes companies that develop new coal capacity and those that have not introduced a coal exit plan in accordance with the Paris Agreement. It also exclude companies that exceed the following limits:

- 10% of revenue derived from the production of coal-generated energy;
- 10 m tons of thermal coal produced per year;
- 5 GW of installed capacity;
- 10% of energy production generated by coal.

Since 2021, based on a gradual tightening of our sector policy on exiting coal, we have excluded **five companies** from our portfolios.

5

companies excluded from our portfolios

In parallel, in 2022, Ostrum AM introduced a new oil and gas policy that aims to strengthen our environmental protection commitments and lay down strict criteria for ongoing activities. The adoption of this policy shows Ostrum AM's engagement and determination to be at the cutting edge of the transition to a low-carbon economy.

OIL AND GAS

Since 2022, Ostrum AM has set about a program to fully exit non-conventional* and/or controversial oil and gas exploration and production activities by 2030:

- it no longer invests in companies that produce 10% or more of their energy in volume terms from these sources¹. This policy applies to companies at all stages of the value production chain, including exploration, development and, necessarily, a large downstream section of this chain;
- it operates a voting and engagement policy on both non-conventional and controversial activities and conventional activities¹.

This policy will evolve over time: the associated limits will gradually be tightened to support companies in their transition while maintaining a high level of stringency.

All of our individual and collaborative engagement initiatives, as well as our sector and exclusion policies (on coal, oil and gas and tobacco, and our broadened controversial weapons policy, etc.), enable us to target and contribute to certain sustainable development goals (SDG). Drawing on the SDG relating to the climate and biodiversity, we are also able to identify sustainability risks, as required by European (SFDR) and French (Energy-Climate Act) regulations.

Further details on links with the SDG and how we apply this policy for both equity and fixed income investments, along with our collaborative engagement initiatives, are provided in our engagement policy.

* In accordance with the recommendations of the reference institutions, based on scientific studies, non-conventional and controversial activities are defined as those that use hydraulic fracturing processes to obtain shale oil and gas and tight oil and gas, or are based on ultra-deep offshore drilling, drilling in the Arctic, and the extraction of oil sands, coal-bed methane or heavy crude oil.

¹ For more information see: <https://www.ostrum.com/en/our-csr-and-esg-publications#voting-policy-and-shareholder-engagement-policy>

2.4. Our individual engagement in 2023

Key figures

197 engagement initiatives were conducted with **99** different companies.

- 128 meetings and contacts on financial and non-financial topics were organised with companies;
- including 58 with fixed-income issuers (excl. GSS).

Main themes for dialogue in 2023:

Environmental themes



- Support mitigation and adapt to climate change
- Limit impact on environmental ecosystem

Social themes



- Promote human capital
- Enhance relationships with stakeholders
- Ensure a balance of powers and compensation

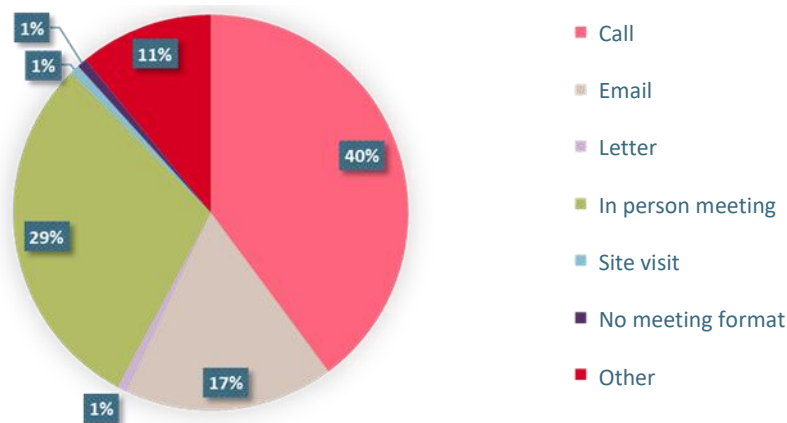
Governance themes



- Improve transparency
- Ensure consumer security and protect their data
- Safeguard business ethics

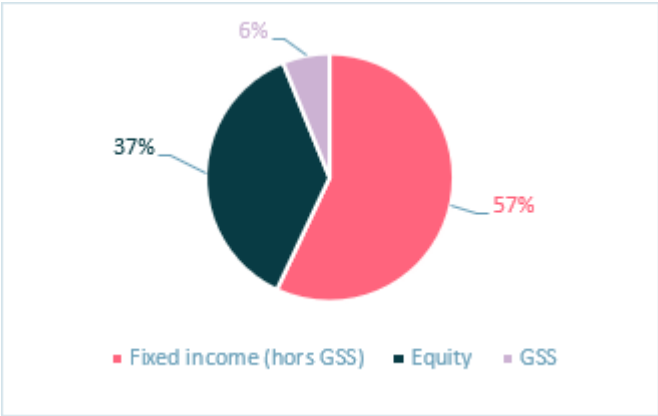


Main meeting formats:



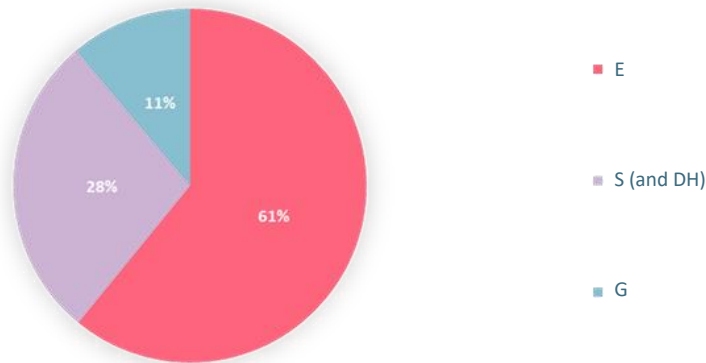
Source: Ostrum AM

Breakdown of our engagement initiatives by asset class:



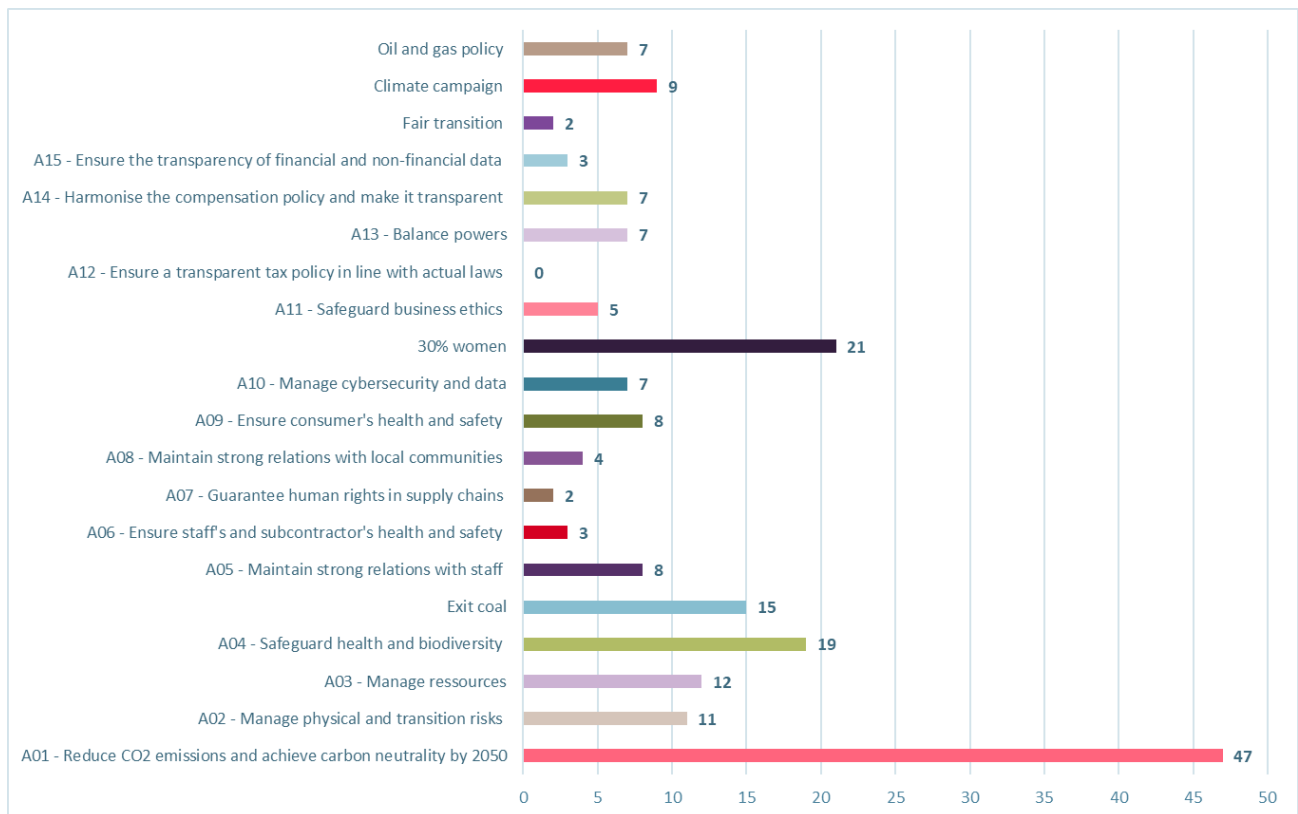
Source: Ostrum AM

Breakdown of commitments by ESG criteria:



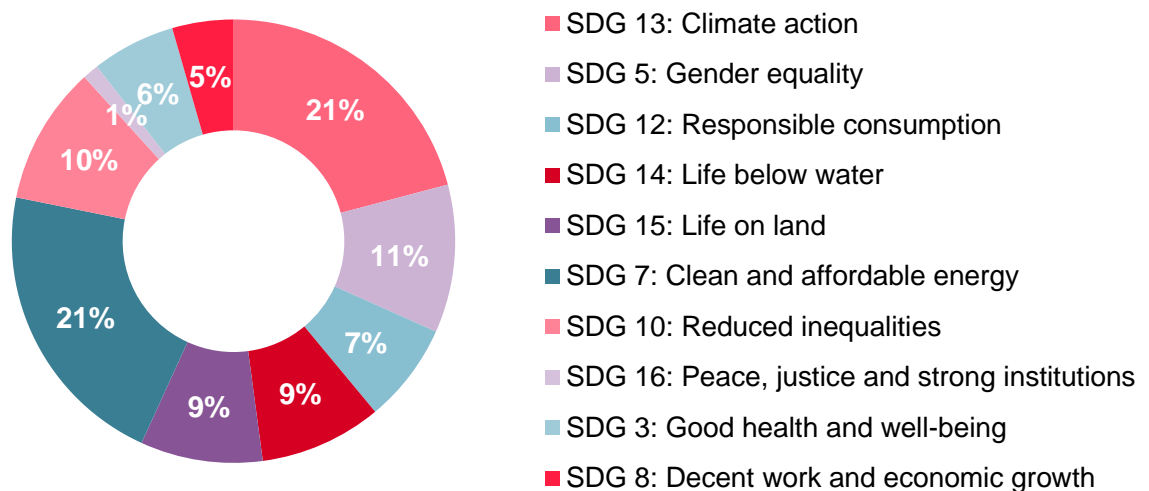
Source: Ostrum AM

Breakdown of engagement initiatives by area:



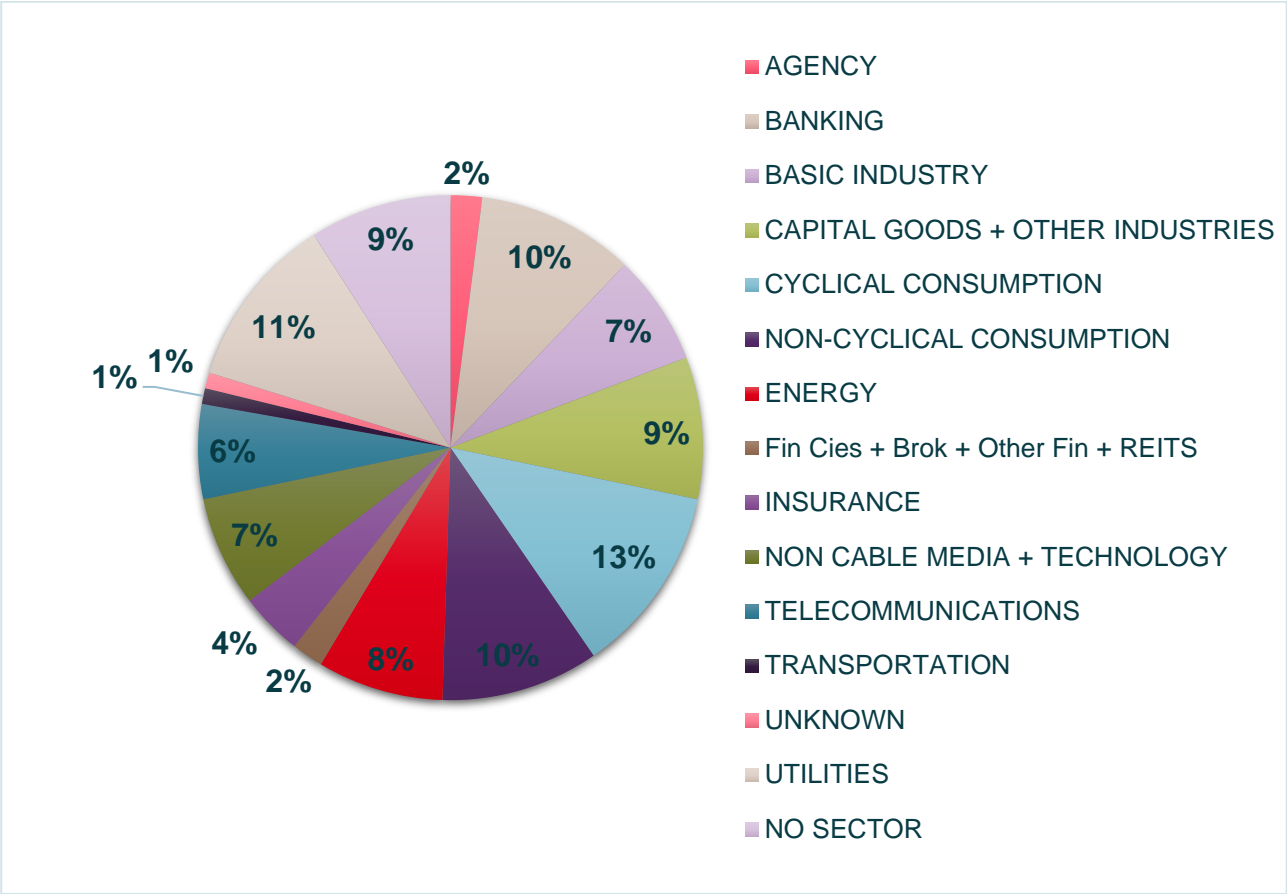
Source: Ostrum AM

Breakdown of engagement initiatives by SDG:



Source: Ostrum AM

Breakdown by sector:



Source: Ostrum AM



2.5. Some examples of our engagement in action

The aim of dialogue with issuers is to change practices. In this chapter, we wanted to give some concrete examples of companies taking environmental issues into account.



Royal Philips NV is a Dutch multinational company specialising in healthcare, in particular imaging equipment and image-guided therapy, connected care, and consumer healthcare.

We have had the opportunity to **engage with the company on product safety issues that negatively impact the health of patients and consumers.**

In 2021, Philips began to have a **product safety issue when the company had to recall 5.5 million Respironics units worldwide.** This product, which aims to help with breathing during sleep, is associated with a health risk due to the foam present in some ventilation devices.

Ostrum AM believes that **the remediation measures and commitments made by Philips are necessary to ensure the safety of the product,** which is a key issue for a healthcare products company, and has asked the company about this.

During the discussions, Philips provided details of the terms of the consent decree signed with the US regulator. **In particular, it will establish a multi-year action plan with milestones to improve management monitoring and risk assessment.**

The group also detailed the corrective measures taken beyond the product recalls: **patient safety is now one of the company's priorities.** Product safety review is now integrated into each business unit, with monthly committee oversight. A patient quality and safety manager has been appointed and is now part of the board.

The long-term executive incentive plan now includes an ESG commitment. Concerning annual incentives, 30% are associated with non-financial targets.

In terms of investment, this issuer represents significant amounts.

Source: Ostrum AM



Teleperformance (TEP) is a global leader in call centres, operating in 88 countries. Since 2017, the multinational has also developed a content moderation business. In November 2022, the stock lost more than 35 percent in one day following a controversy in Colombia. **The company was accused of anti-union practices and poor working conditions at its Colombian site.**

We have had the opportunity to **engage in dialogue** with Teleperformance on these issues. After several discussions with the company, **Ostrum AM noted its responsiveness on the subject and remediation measures**, in particular with regard to compliance with trade union law in the group's various sites and the treatment of employees.

In 2023, Teleperformance signed a framework agreement with UNI Global, sending positive signals about the company's desire to remedy the controversy.

The agreement has started to be implemented in the five countries identified as most at risk [Colombia, Jamaica, Romania, Poland and El Salvador].

It is planned that every nine months, it will be implemented in five more countries.

The implementation of effective remediation seems to be on track, even if there is still room for improvement.

Source: Ostrum AM



DNB is Norway's largest bank. DNB has significant exposure to the Norwegian residential real estate market and is also exposed to the oil and gas sector.

Given this exposure, **we have begun dialogue with the bank to better understand how it integrates climate risks into its business model and to discuss its climate ambitions.**

Our dialogue with DNB focused on various climate-related topics (climate ambition, underlying action plan, climate governance). **DNB's ambitions have increased considerably since our first discussions, following the implementation of new targets in its 2023 transition plan.**

Ostrum AM also discussed with the issuer how its green bond issues contribute to the achievement of its climate strategy.

DNB's overall objective is to achieve carbon neutrality in its loan and investment portfolios by 2050. However, DNB is not part of the Net Zero Banking Alliance (NZBA), unlike its Scandinavian peers. For DNB, the NZBA requirements related to oil and gas are not clear enough.

Despite not being a member of this alliance, DNB has published several targets for decarbonising its loan portfolio: residential mortgage loans, real estate cooperative, commercial real estate, maritime transport, motor vehicles, steel and oil and gas (O&G). These targets now cover 70% of the emissions financed in their loan portfolio. We see this as very good progress towards good market practices.

DNB's sector exclusion policy will not change in the short term given the weight of oil and gas in the Norwegian economy and DNB's status as the largest lender to the domestic economy.

In order to support its customers in their transition, DNB is holding discussions with those whose transition trajectories are considered too weak and also with players in carbon-intensive sectors that do not have a transition plan.

DNB aims to finance and facilitate sustainable activities worth NOK 1.5 billion by 2030.

Concerning the integration of climate issues into its governance, the entire board complies with an ESG dashboard. In addition, the climate strategy is reflected in the variable remuneration of the Board of Directors.

Thus, although DNB is constrained by the environment in which it operates (oil and gas are essential for the Norwegian economy), we appreciate the transparency it is showing and its efforts in terms of climate commitments. The evolution of these decarbonisation trajectories for its loan portfolio and in particular its oil and gas target could lead to new climate commitments.

Source: Ostrum AM

3. An active and responsible voting policy

Ostrum AM applies a **stringent and demanding voting policy** when exercising its voting rights at shareholder meetings across a comprehensive voting universe, addressing social and environmental issues, as well as corporate governance guidelines. Ostrum AM publicly discloses all votes that it takes part in at shareholder meetings.

For 2023, we recorded the following figures for all portfolios held by Ostrum AM as at 31/12/2023:

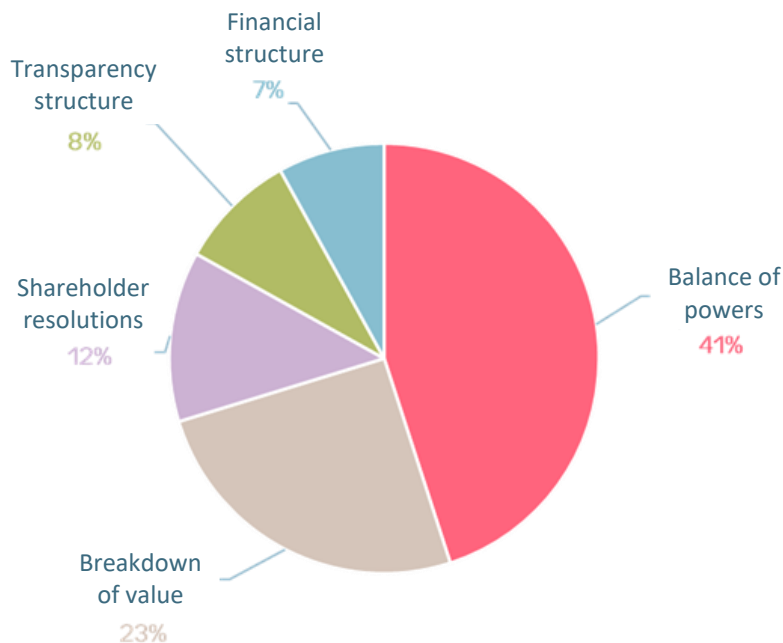
- Ostrum AM's participation rate in shareholder meetings: **97%**
- Votes cast in accordance with Ostrum AM's 2023 voting policy:

Shareholder meetings	1,177
Resolutions voted on	18,037
Share of resolutions approved	89%
Share of resolutions not approved	8%
Abstention rate	3%

Ostrum Asset Management places particular emphasis on **the robustness of the governance bodies** within the portfolio companies. We actively analysed **data transparency, requirements in relation to objectives, integration of non-financial aspects** and assessed whether amounts paid out were reasonable.

Ostrum Asset Management also factored its **sector policy commitments** into its voting decisions, notably as regards climate strategy questions related to the oil, gas and coal sectors.

In terms of dissent, the breakdown of the topics of resolutions which Ostrum voted against is as follows:



Focus on climate resolutions (Say on Climate and shareholder resolutions)

A detailed consistency analysis was carried out on the climate resolutions, in particular on the following elements:

- the presence of short-, medium- and long-term objectives for relevant scopes;
- a clear strategy to achieve these objectives with, where possible, a quantified action plan (capex);
- transparency of information needed to understand the company's challenges and progress;
- governance designed to achieve these climate goals: board competence, dialogue with business stakeholders, accountability and executive incentives.

a) Say on Climate

This year, the number of Say on Climate resolutions fell compared to 2022, with 23 proposals worldwide (of which 15 within the voting scope of Ostrum AM), compared with 40 last year. It is interesting to note that no Say on Climate resolution was proposed by North American companies, linked to a context of rejection of certain climate themes, and more broadly ESG. The support rate for this type of resolution remained stable at 89%. Ostrum supported 73% of them.

Brief review of the four Say on Climate resolutions that Ostrum AM voted against:

27%

Votes against Say on Climate resolutions

Say on climate		
Shareholder meetings	Sector	Comments
Covivio	Real estate	No targets set beyond 2030.
Klépierre	Real estate	The missing elements from this resolution were the lack of absolute emission reduction targets, a lack of details on the methods of achieving the 2030 targets and the lack of commitments after 2030.
TotalEnergies	Energy	The TotalEnergies climate plan does not comply with some of the key elements of our Oil & Gas policy and therefore we could not vote in favour or even abstain.
Vallourec	Energy	The company has not committed to carbon neutrality by 2050, the short-term objectives set have, in reality, already been achieved and the long-term objectives rely far too much on carbon capture.

b) Shareholder climate resolutions

93%

*Support rate for shareholder
climate resolutions*

The number of external climate resolutions (proposed by shareholders) remained strong at the global level, with around 90 resolutions proposed, **57** of which within Ostrum Asset Management's voting scope, up compared with 2022 (74 resolutions). Over the past two years, however, the rate of support has tended to decline. From 35% support in 2021, the rate fell to 28% and then 17% respectively in 2022 and 2023. Ostrum Asset Management, which is very committed to this theme, supported **93%** of the resolutions.

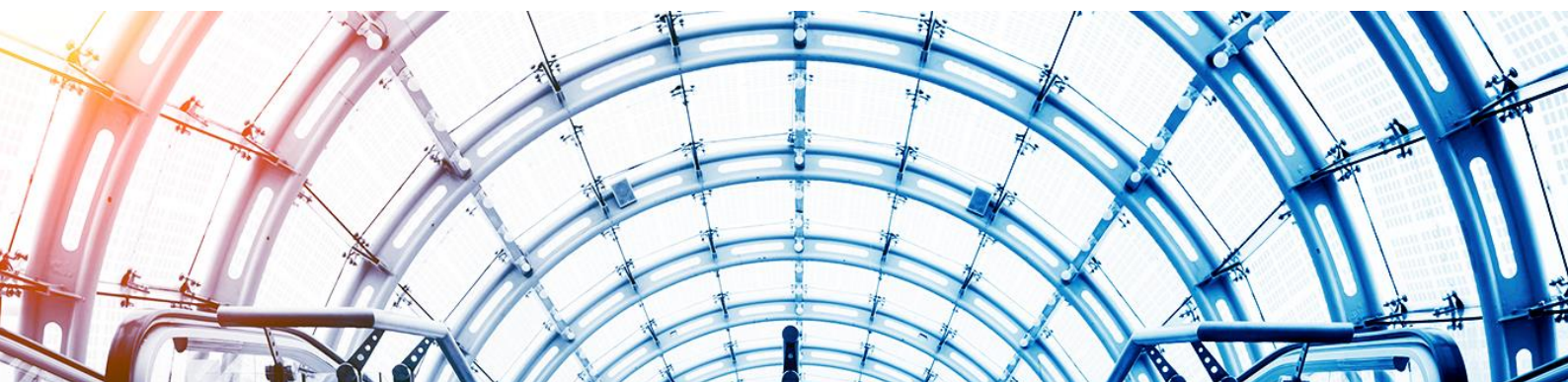
The reasons for this decrease vary:

1. the many resolutions and repeated filing from year to year of the same resolutions by the same groups has tended to dilute their scope for the shareholder;
2. as shareholder resolutions are more frequent in the United States, for legal reasons, the low priority of, if not hostility to, ESG issues has led to a reduction in the rate of support for these resolutions.

While support is on a downward trend in the United States, it has tended to increase in Europe. It increased from 5% to 25% between 2022 and 2023.

For more information, see our report on voting rights exercised in 2023:

<https://www.ostrum.com/en/our-csr-and-esg-publications>



4. Collaborative engagement initiatives

Ostrum Asset Management pursues a consistent policy and, with this in mind, goes beyond the individual engagement initiatives coordinated by the portfolio management teams.

Each year, we pledge to get involved in collaborative initiatives that resonate with our own convictions.

Collaborative engagement entails identifying controversial practices within an industry or group of companies and engaging in dialogue to appeal for increased transparency and a change in practices, where necessary.

Engagement is conducted with other investors with a view to increasing the influence of responsible investors and encouraging issuers to make clear and measurable changes within a specific timeframe. Engagement can also be conducted at the level of sector-wide organisations and/or public policy.

Dialogue is formally established either by a personal letter signed by all investors involved, or by a publicly disclosed investor statement.

Ostrum Asset Management has been actively involved in collective initiatives for several years. The process for conducting these engagement actions involves selecting collaborative initiatives that chime with our own convictions. We then inform the members of the Executive Committee and the portfolio management department of these points to ensure the overall consistency of our engagements. The CSR department monitors these actions on a long-term basis.

In 2019, Ostrum AM decided to contribute to initiatives that focus on the **UN's Ten Principles**, programmes to promote the **Paris Agreement on Climate Change** and the **declaration from the Paris financial centre in July 2019** for a low-carbon economy.

Ostrum AM is unable to take part in all initiatives to address these key principles, and has focused on actions that target Sustainable Development Goals **3** (Good Health and Wellbeing), **5** (Gender Equality), **13** (Climate Action), **14** (Life Below Water) and **15** (Life on Land).

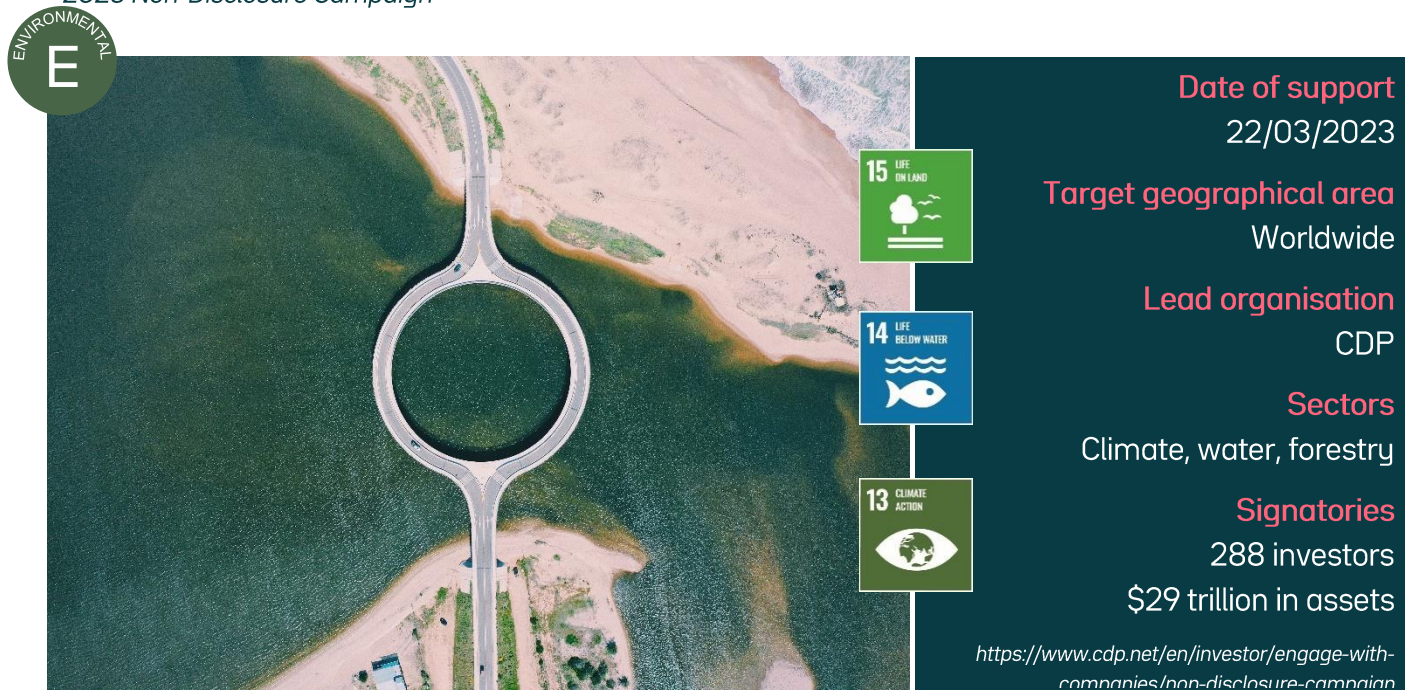


4.1. Actions supported in 2023

In 2023, Ostrum AM contributed to the following six new initiatives:

1. 2023 Non-Disclosure Campaign

2023 Non-Disclosure Campaign



Background and summary

- The CDP [Carbon Disclosure Project]

The CDP was set up in 2000 to disclose data on the largest companies and their environmental impacts. It has developed a reporting platform to provide investors with a reliable source of environmental data that are self-reported by companies in a consistent and comparable fashion.

- The CDP has coordinated a worldwide engagement campaign championed by investors since 2017, the **non-disclosure campaign** (NDC).

Via this campaign, the CDP asks more than 7,000 large companies worldwide to fill in a form each year to disclose their impact and management of climate change, forests and water security.

Investors are encouraged to conduct engagement initiatives or co-sign letters in cooperation with other investors to request the disclosure of information from companies that have not yet issued their data.

Goals and actions

The CDP's initiatives

In 2022, the CDP asked more than 10,000 companies to fill in the questionnaires. The campaign focused on the 3,800 companies that did not disclose this information in 2021.

Progress made in 2023

- In 2023, a record number of financial institutions (FI) and participating companies were targeted for engagement. The CDP campaign was supported by 288 financial institutions.
- 1,590 companies were selected from a list of non-reporting companies for a targeted commitment to the importance of disclosure – representing an 8% increase compared to 2022.
- 1,134 were asked directly by their shareholders or bondholders to disclose information on climate change, 414 on forests and 463 on water safety.
- In 2023, the targeted companies were 6.8 times more likely to disclose information on forests. This result demonstrates that companies are ready and able to provide critical information on forest impacts, if they find that this data is requested by their investors and lenders.

Ostrum AM participated directly in this campaign by engaging in dialogue with one of the targeted companies.

2. Three Say on Climate initiatives

- **Say on Climate Tribune**
24/03/2023
- **Letter to the Minister of Finance [Bruno Lemaire]**
21/04/2023
- **Letter to the President of the Republic [Emmanuel Macron] Green Industry**
12/07/2023

Target geographical area

Worldwide/France

Sectors

Finance

Lead organisation

FIR [Forum pour l'Investissement Responsable]

Sector

Finance



Say on Climate

As investors, we have a crucial role to play in the global economy's rapid shift toward a more resource-efficient, more socially just and less environmentally destructive model.

A Say on Climate resolution is put to the vote of the shareholders at the company's general meeting. It may be filed by the company itself or by its shareholders, in order to seek the opinion of the shareholders on the climate strategy and/or its implementation. This approach aims to encourage the active involvement of shareholders in decisions relating to the company's climate policy and thus to ensure ongoing dialogue on environmental issues

Overall objective

The Say on Climate resolutions aim to encourage companies to provide a clear vision of their climate strategy and their sustainability ambitions, and to assess their alignment with the targets set by the Paris Agreement.

The three initiatives in which Ostrum AM participated to support a greater practice of these resolutions:

a) FIR Say on Climate Tribune⁷:

https://www.frenchsif.org/isr_esg/tribune-du-fir-en-faveur-de-la-generalisation-de-say-on-climate-exigeants/

Background and summary: Since 2021, the FIR has been taking a stand and issuing its expectations regarding Say on Climate resolutions. This involves publishing an opinion piece to which Ostrum AM is a signatory, reiterating the need for dialogue with shareholders, social partners and all company stakeholders on their ecological transition and asking companies from the most polluting sectors to systematically put climate resolutions on the agenda of general meetings.

Goals and actions: Encourage companies to provide a minimum base of information under their "Say on Climate" resolutions for a clear vision of their climate strategy and objectives. This information should include: comprehensive targets, a specific timeline and short-term (up to 2025), medium-term (2030) and long-term (2050 or earlier) emission reduction targets.

b) Letter to Bruno Lemaire on "Say on Climate":

https://www.frenchsif.org/isr_esg/newsletter-du-fir-lettre-a-bruno-le-maire-sur-le-projet-de-loi-industrie-verte/

Background and summary: As part of the public consultation on the green industry bill, 34 investors and responsible finance players, including the responsible investment forum FIR, signed a letter addressed to the Minister of the Economy and Finance asking to have a provision on the improvement of shareholder dialogue on climate issues in France included in the law.

Goals and actions: The signatories called for removing existing obstacles to shareholder dialogue by reforming the regulatory and legislative framework based on the following proposals and provisions:

1. Broaden the inclusion of "Say on Climate" resolutions and define clear specifications;
2. Facilitate and clarify the conditions for filing shareholder resolutions by setting out a concrete case of application: climate resolutions.

c) Letter to the French President, Emmanuel Macron:

https://www.frenchsif.org/isr_esg/emmanuel-macron-repond-au-fir/

Background and summary: In this letter sent to Emmanuel Macron and the Deputy Minister for Industry, investors expressed their support for Amendment No. 483 tabled as part of the Green Industry Bill. They indicated their desire to systematically express themselves on the climate and sustainability strategies of listed companies at general meetings (AGMs) and advocated the inclusion of draft resolutions by listed companies at their AGMs, as well as the annual report on the implementation of this strategy.

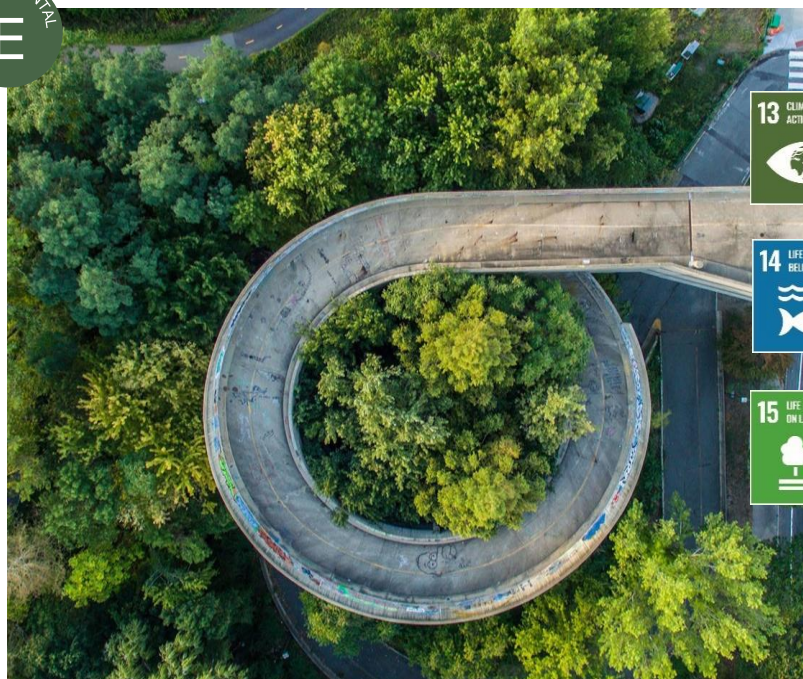
⁷ Investment forum

Goals and actions: Implementation of an amendment aimed at broadening the inclusion of "Say on Climate" resolutions for a mandatory but non-binding vote on the climate strategies of listed companies.

Results: Amendment rejected. Although it had been voted in July, against the government's opinion, Amendment No. 483 to the Green Industry Bill was finally withdrawn on 9 October following an agreement reached between the two rapporteurs of the bill.

3. The CDP Science-Based Targets (SBTs) Campaign

The CDP Science-Based Targets (SBTs) Campaign



Ostrum has been supporting the campaign since 07/07/2023

Target geographical area
Worldwide

Lead organisations
CDP

Sectors
Climate, water, forests

<https://www.cdp.net/en/investor/engage-with-companies/cdp-science-based-targets-campaign>

Background and summary

Science-based targets provide companies with a roadmap for reducing their emissions at the pace and scale that science tells us is necessary for a 1.5°C world.

Goals and actions

The SBT engagement campaign, initiated by the CDP, seeks to enable investors to step up more ambitious corporate action by specifically asking companies to set science-based targets.

Already adopted by nearly 2,900 companies across the globe, science-based targets prepare businesses for the transition to a zero-carbon economy. Adapting early is likely to lead to reduced regulatory uncertainty, improved profitability and competitiveness, thereby boosting investor confidence.

In driving businesses' adoption of science-based emission reduction targets, investors can decarbonise their portfolios and mitigate the climate-related risks to which they may be exposed.

The success of this campaign will be assessed by looking at how many new companies signed the SBTi commitment letter during the campaign.

Key achievements of the 2022-2023 campaign:

- 318 financial institutions and multinational companies, representing \$37 trillion in assets and purchasing power, supported the campaign, **an increase of nearly 30% compared to the previous year**;
- **1,060 high-impact companies were targeted** as part of the CDP's 2022-2023 SBT campaign;
- **99 new companies joined the SBTi** (worth \$3.57 trillion);
- 74% of support for the campaign came from financial institutions headquartered in Europe and the UK, showing a high level of ongoing engagement from financial institutions in these markets;
- Japan recorded the largest number of companies joining the SBTi during the 2023-2024 campaign, accounting for 28% of the total emissions of high-impact companies joining the SBTi;
- **the materials and energy production sectors are the two largest emitting sectors in the targeted sample of the campaign, accounting for 73% of targeted emissions.** However, the actions and objectives set by these sectors remain below average;
- the manufacturing sector demonstrated increased engagement, accounting for 12% of the total emissions of companies joining the SBTi during the 2022-2023 campaign, compared to 7% in the previous campaign.

4. Support for disclosure by retailers selling products that contain tobacco

Transparency requirement for revenue from the sale of products that contain tobacco



Ostrum has been supporting the initiative since
October 2023

Target geographical area
United States

Lead organisation
Pella Funds Management

Sector
Consumer discretionary,
consumer staples, health

<https://www.sec.gov/files/rules/petitions/2023/pe-tn4-813.pdf>



Background and summary

Pella Funds Management started from the following observation: the vast majority of US companies do not report their revenue from the sale of tobacco. This lack of transparency poses a problem for investors on two counts, both commercially (in terms of financial risk) and ethically.

Goals and actions

Pella Funds Management has petitioned the Securities and Exchange Commission (SEC) to establish rules requiring public-sector companies in the retail sector that sell products containing tobacco to disclose their revenue from the sale of such products.

If the SEC does not accept this first request, at a minimum, Pella Funds Management is asking for more transparency from companies.

It would like to make transparency mandatory and for companies to report when more than 10% of their income comes from the sale of products that contain tobacco.

5. Climate transition plan resolution letter

Ostrum has been supporting the initiative since
October 2023

Target geographical area
United Kingdom

Lead organisations
CCLA Investment Management
LAPFF (Local Authority Pension Fund Forum)

Sector
Environment

Signatories
12 members

<https://www.ccla.co.uk/insights/say-climate>



Background and summary

This is an investor statement, initiated by CCLA Investment Management and LAPFF (Local Authority Pension Fund Forum), which aims to encourage companies to provide shareholders with details of their climate strategy through a resolution. The initiative invites investors to sign a letter to 35 high carbon emitting UK companies asking

about their approach to providing shareholders with the opportunity to support their climate strategy by means of a specific AGM resolution.

Goals and actions

- Encourage companies to submit a resolution on their climate transition plan for approval at their 2024 AGM;
- Introduce more regular votes on proposals for transition plans towards a zero-emission target;
- Offer shareholders the opportunity to vote on their climate strategy, in particular for companies with a high impact and facing increased climate risks;
- In the absence of a vote on the transition plan, encourage investors to reflect on their ambitions in relation to other agenda items, such as the election of board members.

6. Spring

A PRI stewardship initiative on nature

Ostrum has been supporting the initiative since
December 2023

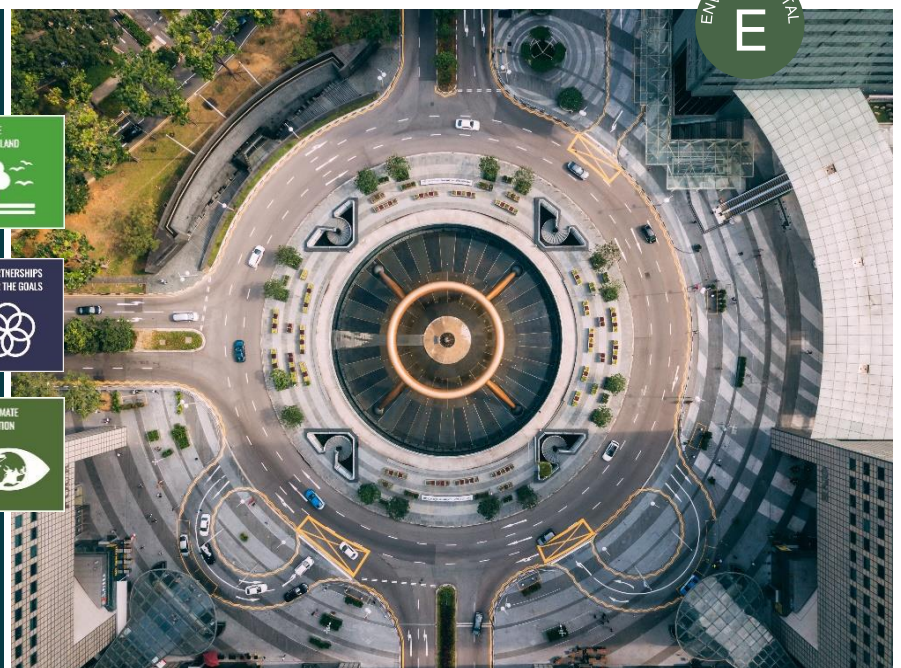
Target geographical area
Worldwide

Lead organisation
PRI

Sectors
Biodiversity, nature

Signatories
144 members

<https://www.unpri.org/investment-tools/stewardship/spring/about-spring>



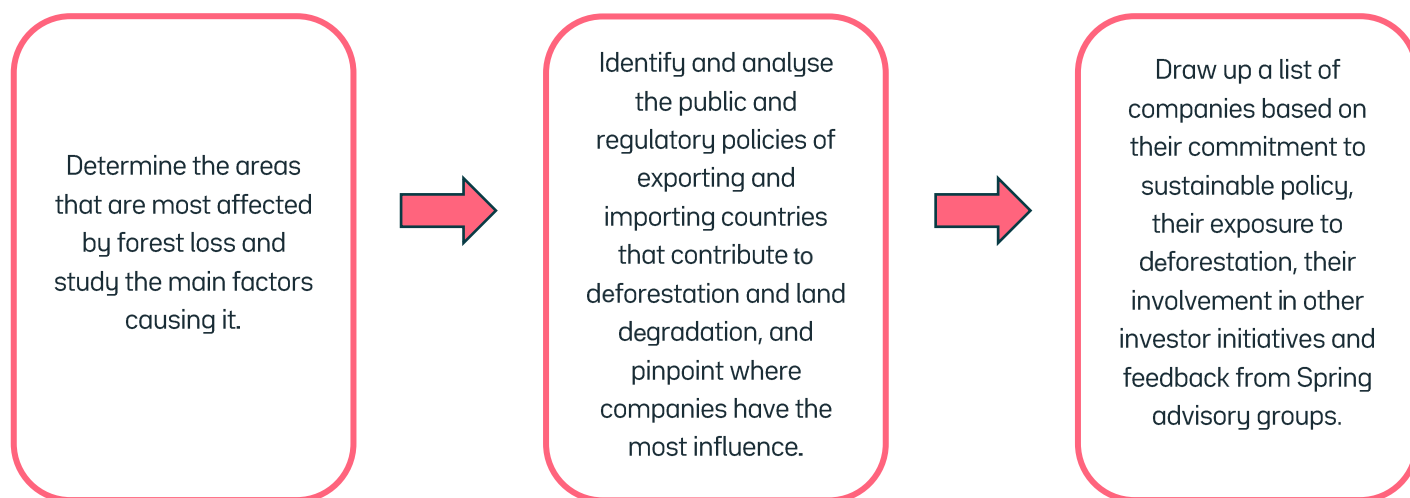
Background and summary

Spring is a PRI initiative that aims to focus, in its first phase, on deforestation and land degradation as key factors in biodiversity loss, targeting companies with a strong impact on biodiversity.

As the initiative develops, the PRI will take into account other factors responsible for biodiversity loss.

Details of the methodology

A rigorous methodology has been put in place to select the companies with which to engage in dialogue. This selection process involves three distinct phases, each designed to identify companies with the greatest potential impact on policies related to deforestation and land degradation, and which could contribute to the establishment of firm and effective public policies.



A final list of 40 companies was drawn up to be involved in the first phase of the Spring initiative. This list will be extended to engage in dialogue with a larger number of companies during 2024.

Goals and actions

The Spring initiative aims to see companies take action at three levels:

- Companies must set ambitious targets to combat deforestation and the destruction of biodiversity and assess the impacts of land degradation;
- Companies must map, measure and monitor risks within the supply chain and establish escalation processes in the event of non-compliance;
- Companies must publicly commit to aligning their engagement activities with the Kunming-Montreal Global Biodiversity Framework and the Paris Agreement.

The initiative aims to mobilise the investor community to contribute to the global objective of halting and reversing the trend of biodiversity loss by 2030. By addressing this issue, the initiative also seeks to support other sustainable development goals, such as climate change mitigation and adaptation, and the promotion of human rights.

4.2. Other initiatives that continued in 2023

Investors for a Just Transition

Just Transition Coalition



Ostrum has been supporting the initiative since 11/10/2021

Target geographical area
Worldwide

Lead organisation
Finance For Tomorrow

Sectors
Climate
Water
Forestry

Signatories
Amundi, Aviva France, Axa & Axa IM, Caisse des Dépôts, CNP Assurances, CPR AM, Eiffel, ERAFP, La Banque Postale AM, Oddo BHF AM, Rothschild & Co AM Europe, SCOR IP

<https://www.ostrum.com/fir/news->



Background and summary

The concept of a just transition is necessary to minimise the negative social consequences of the environmental transition and to optimise its positive effects. In 2019, Finance for Tomorrow brought together experts from all over the world to discuss the Just Transition.

In 2020, a working group was formed to promote the emergence of a consensus on the definition of the Just Transition and to support the development of tools to understand and integrate its different dimensions. An operational roadmap was then published to make the Just Transition a priority of the Paris financial market and to work on a methodology and indicators to integrate the Just Transition into financing and investment strategies.

Goals and actions

This coalition has a triple objective:

1. Encourage companies to incorporate the Just Transition into their environmental strategies by engaging regularly with them;
2. Promote best practices in business sectors that are most affected by the environmental transition;
3. Support collaboration between investors and corporations.

To achieve these objectives, the coalition is implementing several actions:

1. Conduct a policy of sectoral and/or thematic engagement with companies around the Just Transition;
2. Create an academic partnership to support the publication of research and key indicators on the Just Transition;
3. Steer a "Just Transition Hub" to centralise data on companies and enable investors to monitor progress in their commitments.

Results achieved in 2023

The coalition of "Investors for a Just Transition", launched by Finance for Tomorrow which in 2023 was renamed the Institut de la Finance Durable [Sustainable Finance Institute], continued to dialogue with companies in four sectors that emit high carbon levels and are expected to transition significantly: energy, transport, agriculture and food, and building, construction and materials.

The aim of these discussions was to draw up an initial assessment of what is understood by the concept of a Just Transition.

While the majority of the companies with whom we have engaged are at the beginning of the process of formalising and managing this concept, it is attracting interest and is being rolled out across the entire value chain. The energy sector appears to have made the most progress in this area.

During 2023, the coalition also held dialogue with other stakeholders, such as a trade union organisation and various institutes and researchers committed to this theme.

The 30% Club Investor Group for the promotion of better gender diversity within SBF 120 executive management teams

The 30% Club Investor Group to promote greater diversity within SBF 120 management teams



Summary and objectives

The 30% Club Investor Group [“the Group”] was created in 2020 to promote greater diversity within the management teams of the SBF 120.

By combining the commitment and voting capabilities of its member companies, the Group aims to increase the representation of women in the management teams of the SBF 120 to at least 30% by 2025. It does not intend to set mandatory quotas, but supports a voluntary approach to implement meaningful and sustainable change.

In a press release published on 11 September 2020, the Group called on French large caps to implement an action plan to include at least 30% women in their management teams by 2025.

Amundi, AXA IM, La Banque Postale AM, Sycomore AM, Mirova and Ostrum AM are engaging with companies (CEOs, HR managers, boards of directors, appointment committees) on the issue of diversity in management teams and will encourage better representation of women, including in operational positions.

In addition to leadership, the Group looks at:

- how the gender diversity criterion is taken into account in the recruitment and promotion process, to ensure the creation of a sufficiently diversified talent pool throughout the company;
- whether companies have set clear gender diversity targets and put in place action plans to achieve them;
- using its voting rights at annual AGMs to encourage companies to take concrete measures, when measures taken to promote gender diversity are considered insufficient and engagement with the company would not have resulted in a satisfactory result.

Asset management companies investing in SBF 120 companies, as well as institutional investors, are strongly encouraged to join the Group in the coming months.

In **2022**, **103** of the SBF 120 companies published information on gender diversity, regarding the composition of their governing bodies.

In addition, **97** of these companies have already published commitments and targets to increase gender diversity within their governing bodies.

Progress made in 2023

The engagement campaign continued in 2023 and **25 in-person engagement meetings** were held, compared with 18 in 2022.

In 2023, **51% of SBF 120 companies had at least 30% women** on their executive committees, and 23% had 40% or more women.

Furthermore, the proportion of women in governing bodies averaged **29.8%** in 2023, representing a **2.4% increase** on 2022.

The majority of SBF120 companies have set **gender diversity targets**, with four new companies committing to support women leaders in 2023.

Lead organisation

The 30% Club Investor Group

Ostrum AM has been supporting the initiative since 2020

Sector
Diversity



<https://30percentclub.org/france-investor-group/>

Tobacco-Free Finance Pledge

Tobacco-Free Finance Pledge



Lead organisation

Tobacco Free Portfolios

Ostrum AM has been supporting the initiative since

2019

Sector

Tobacco



<https://tobaccofreeportfolios.org/the-pledge/>

Summary and objectives

The Tobacco-Free Finance Pledge (TFFP) is an initiative whose main objective is to reduce the number of deaths due to tobacco-related diseases, i.e. seven million people per year. The TFFP's objectives are to:

- highlight the leadership of financial institutions that have implemented tobacco-free finance policies and encourage others to follow suit;
- encourage the finance sector to play an active role in addressing global priorities, as outlined in the SDG and the WHO Framework Convention on Tobacco Control;
- raise awareness among financial institutions of the essential role the finance sector must play to assist effective tobacco control and to ensure a tobacco-free world;
- de-normalise financial and corporate associations with tobacco companies;
- encourage financial institutions to reflect on and reconsider their business relationships with the tobacco industry in light of the global tobacco epidemic;
- encourage the transition towards tobacco-free finance policies;
- prioritise tobacco on the corporate agenda as a product and industry distinct from any other.

In 2023:

- On the occasion of the fifth anniversary of Tobacco Free Portfolios, an event was organised at the UN around the theme "There's no room for tobacco in a Net Zero world".
- The total number of signatories now stands at more than 200, including four new banks, accounting for nearly \$17.5 trillion in tobacco-free funding.

Investor Expectations Statement on Climate Change for Airlines and Aerospace Companies

Investor Expectations Statement on Climate Change for Airlines and Aerospace Companies



Summary and objectives

Long-term investors recognised the threat that climate change poses to their investments and saw the achievement of the Paris Agreement's goal – to keep the increase in the global average temperature to "well below 2°C above pre-industrial levels" – as imperative. Since aviation is a means of transport that consumes a lot of carbon, this declaration has been signed in order to:

- lobby in accordance with the Paris Agreement and support ambitious climate policy;
- establish sound governance procedures for climate lobbying;
- acting when it is determined that the lobbying activities of either the company or one of its trade associations is not aligned with ambitious climate policies;
- be transparent about the company's lobbying activities through appropriate disclosures.

To date, **131** institutional investors with a total of **\$6.3** trillion in assets under management have signed the declaration.

Lead organisation

Share Action

Ostrum AM has been supporting the initiative since

2017



Sectors

All sectors

<https://collaborate.unpri.org/group/2131/stream>

Investor Decarbonisation Initiative

Investor Decarbonisation Initiative



Lead organisation

Share Action

Ostrum AM has been supporting the initiative since 2017

Sectors

All sectors



<https://shareaction.org/investor->

Summary and objectives

The Investor Decarbonisation Initiative (IDI) aims to amplify the actions of investors through, in particular, the ratification of the Paris Agreement and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). It seeks to obtain commitments from companies to:

- set science-based objectives in line with the objectives of the Paris Agreement;
- set additional energy objectives to support the development and achievement of scientific objectives;
- establish a clear and unified programme of action to support meaningful corporate commitments on decarbonisation;
- design a mechanism for investors to contribute to Sustainable Development Goals 7 [affordable and clean energy] and 13 [climate action].

Progress made in 2023

The Investor Decarbonisation Initiative has taken on a new form. It is now focused on specific sectors and is determined to maintain a more flexible approach for investors interested in decarbonisation issues.

Among these sectors, work is under way on the decarbonisation of the European chemical sector and new projects concerning the construction sector are also being considered.

Letter to meatpackers and processors on the traceability of indirect suppliers in their Brazilian supply chains

Letter to meatpackers and processors on the traceability of indirect suppliers in their Brazilian supply chains



Lead organisation

IISF, PRI, CERES

Ostrum AM has been supporting the initiative since

29/06/2020

Sector

Environment



<https://www.unpri.org/collaborative-commitments/investor-initiative-for-sustainable-forests-engagement-results/9595.article>

Summary and objectives

Meat processors JBS, Marfrig and Minerva play a key role in the fight against deforestation in the Brazilian beef industry because they control about 70% of the cattle slaughter capacity in the Amazon and a similar share of the beef export market. These companies have been mobilised by investors under the IISF for years, including during a video conference in February 2020, where they shared their approach to the traceability of indirect suppliers and the fight against deforestation in industry. Following this videoconference, PRI and Ceres, as well as the main investors supporting this commitment, decided that a private letter to the three companies was the next most appropriate step. The goal is to combat deforestation of the Amazon rainforest. The letter was addressed directly to Marfrig, Minerva and JBS. In particular, it aims to significantly increase the vigilance and requirements of Brazilian meat processing companies with regard to their suppliers, their supply chain (including livestock) and their role in deforestation (illegal and legal).

Results obtained

According to the report published in 2022, very modest improvements have been noted.

Investor statement on job standards and community impacts

[Investor statement on job standards and community impacts]



Lead organisation

ICCR

Ostrum AM has been supporting the initiative since

26/01/2022

Sectors

Finance



<https://www.iccr.org/global-investors-representing-over-us38t-issue-statement-principles-job-standards-and-community>

Summary and objectives

The idea for this statement came from one of the ICCR's Just Transition partners, Gas Leaks Allies, who identified the need to demonstrate investor support for Just Transition values and principles to policymakers and businesses.

It was deemed useful for meetings with governments and companies to convey investor support for Just Transition principles as they prepare their climate transition plans. Until now, much of this planning has failed to take into account the impacts on workers and communities. At the same time, the need was expressed for a more granular set of expectations as regards Just Transition principles, to help educate investors.

This statement is intended to be used extensively with a wide range of stakeholders in all sectors.

Progress made in 2023

In 2023, signatories used this statement in their individual exchanges with companies, primarily energy utilities, to clearly illustrate what investors are looking for when it comes to a Just Transition.

This statement was also the main material in a multi-stakeholder roundtable organised by the ICCR in January 2023. Representatives from utility companies and various stakeholder groups shared their experiences and perspectives on the energy transition, highlighting challenges and opportunities to implement methods of dialogue with stakeholders.

The ICCR plans to open this declaration to new signatories in 2024.

Investor initiative for responsible care

[Investor initiative for responsible care]



Lead organisation

UNI Global Union

Ostrum AM has been supporting the initiative since

22/09/2022

Sectors

Healthcare / Retirement home



<https://uniglobalunion.org/investor-initiative-for-responsible-care/>

Summary and objectives

The effects of the pandemic highlighted and exacerbated many long-known problems in the nursing home sector.

These problems have multiple causes, including the inherent vulnerability of elderly care recipients, the lack of preparedness for the pandemic globally, poor working conditions and, in some cases, the inability of governments to adequately support and/or regulate this sector.

2023 progress

As part of this coalition, Ostrum has begun talks with several healthcare companies.

Discussions were held with some of them regarding the development of their strategy, while discussions were initiated with three major groups operating in the pharmaceutical sector and retirement homes on the different terms discussed by the coalition.

5. Initiatives around the development and promotion of ESG standards

5.1. Our responsible investment practices:

Ostrum AM is also committed to applying and constantly honing its responsible investment policy by contributing to the development of ESG standards and ensuring their promotion. The company plays an active role in sector initiatives aimed at improving and standardising responsible investment practices.

In 2023, Ostrum Asset Management was signatory to:



Ostrum AM has been a signatory to the six UN Principles for Responsible Investment since 2008. These guidelines seek to promote responsible investment practices internationally. Signatory organisations must complete an annual questionnaire on their responsible investment practices and publish a follow-up report. Ostrum AM is also involved in collaborative engagement efforts as part of the PRI.

<https://www.unpri.org/>



CDP is an international non-profit organisation that was known as the Carbon Disclosure Project until the end of 2012. It maintains one of the world's largest global databases on the environmental performance of cities and companies. It encourages investors, companies and cities to take action to build a truly sustainable economy by measuring and understanding their environmental impact.

Ostrum AM has been a direct signatory since 2018 and has taken part in the CDP survey since 2010 via its parent company, Natixis.

<https://www.cdp.net/fr>



The French responsible investment forum, Forum pour l'Investissement Responsable, was set up in 2001 by fund managers, specialists in environmental and social analysis, consultants, trade unions, academics and citizens. Investors later joined in the initiative. The FIR aims to promote socially responsible investment and best practices.

Ostrum AM has been directly involved in the FIR since 2019.

<https://www.frenchsif.org/isr-esg/>



The IIGCC has more than 230 members, primarily pension funds and asset managers spanning 15 countries, and with assets under management of more than €30 billion.

Ostrum AM is an active member of the Institutional Investors Group on Climate Change, a European body for investor collaboration on climate change, and the voice for investors who take steps to bring about a prosperous and low-carbon future.

Ostrum AM joined in order to contribute to various programmes, such as policy, corporate, investor strategies, real estate, as well as initiatives and collaboration. The IIGCC plays a key role in the delivery of global investor initiatives and works closely with other investor networks.

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



The UN Global Compact is a call to companies and stakeholders to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption and take actions that advance societal goals. The initiative is the largest of its kind, with approximately 24,000 members in 167 different countries. Ostrum AM supports this initiative through Natixis, which is a signatory.

<https://www.unglobalcompact.org/>



The Climate Action 100+ initiative was set up to encourage and motivate the world's 100 largest greenhouse gas emitters to seize opportunities to transition to clean energy and comply with the Paris Agreement. Launched in December 2017 during the One Planet Summit, it is considered one of the 12 most relevant initiatives to address climate change issues. To date, 700 global investors, including Ostrum AM, have joined the initiative.

<https://www.climateaction100.org/>



The Task Force on Climate-related Financial Disclosures (TCFD) is a working group that aims to propose recommendations on how risks and opportunities related to climate change should be disclosed.

Since 2020, Ostrum AM has published its TCFD report to disclose the integration of climate risks into its overall strategy.

<https://www.fsb-tcf.org/>



EFAMA is the voice of the European investment management industry, representing 27 member associations, 58 corporate members and 27 associate members.

Ostrum AM is a member of the Stewardship, Market Integrity & ESG Investment standing committee. Ostrum AM is also involved in working groups on responsible investment and corporate governance.

<https://www.efama.org/about/SitePages/Home.aspx>



The Association Française de la Gestion Financière [AFG] brings together French asset management industry professionals and promotes their interests. The association also supports ESG issues through the work of a dedicated committee, of which Ostrum is a member.

<https://www.afg.asso.fr/>



The International Capital Market Association [“ICMA”] is an international body headquartered in Switzerland, with more than 620 members based in nearly 68 different jurisdictions. The mission of ICMA is to promote resilient and well-functioning international debt capital markets.

Working actively with its members in all segments of markets, ICMA focuses on a comprehensive range of regulatory, market and other relevant issues which impact market practices and the functioning of the international debt capital markets.

<https://www.icmagroup.org/>



The Green Bond Principles [GBP] and the Social Bond Principles [SBP] are an initiative of the International Capital Market Association [ICMA] whose aim is to establish recommendations on transparency and disclosure and promote integrity in the development of the green and social bonds market.

<https://www.icmagroup.org/>



Created in 2015 by the Jeremy Collier Foundation, the FAIRR Initiative is a collaborative investor network that raises awareness of the environmental, social and governance (ESG) risks and opportunities in the global food sector.

It now has more than 370 investor members representing some \$70 trillion in assets. FAIRR provides research and ESG data on the food sector and focuses on the intensive animal production industry to encourage the development of a sustainable food system.

<https://www.fairr.org/>

5.2. Participation in working groups

In 2023, Ostrum mainly participated in working groups initiated by three bodies: Association française de la gestion (AFG), Institut de la finance durable (IFD) and Forum pour l'investissement responsable (FIR).

AFG working groups

Fossil fuels working group

This working group pursued its work on fossil fuels, in particular as part of the overhaul of the SRI label.

Transition working group

The objective of this working group is to draw up a guide for analysing companies' transition plans and their compliance with the Paris Agreement, while integrating social issues into the transition of their business model.

SFDR working group

After working on the main concepts of the SFDR (promotion of environmental or social characteristics, DNSH, etc.), the working group responded in particular to the European Commission consultation on the revision of this Regulation.

Sustainable investment working group

This working group has been very involved in defining sustainable investment, and establishing questionnaires and benchmarks. A guide has been published to help management companies with their definitions.

SRI label working group

As part of the overhaul of the SRI Label, several sub-groups were created to stimulate discussions and reflection by the label committee. In particular, we participated in the sub-group on the overhaul of the parts relating to engagement, voting and controversies.

CSRD – biodiversity working group

Following the publication by EFRAG of draft detailed reporting standards, the AFG formed several groups on each topic addressed in order to provide feedback to EFRAG. We worked in particular on issues relating to biodiversity.

Institut de la Finance Durable

We participated in the IFA working group on trajectories relating to fossil fuels (IFD climate project 5). In addition to the commitments already made on coal and unconventional oil and gas, this group is focused on the issue of financing oil and gas in general.

The objective of IFD project 5 is to prepare two main deliverables:

- A shared net-zero trajectory (non-financial and financial companies) to reduce fossil fuels by 2025, 2030 and 2050 (with a first version by the end of October 2023);
- An estimate of the investment needs still required in fossil fuels, as well as in renewable energies, to meet energy demand and enable a just transition.

Forum pour l'Investissement Responsable

Dialogue & Engagement Committee

This committee meets several times a year to bring together all members who wish to be involved in issuer-related engagement actions conducted by the platform: investor statements, written questions campaign, thematic campaigns, etc.

The committee reports to the platform of collaborative engagement activities carried out and supported by the FIR, aimed at positively influencing the behaviour of companies in relation to ESG issues. The platform's activities revolve around three main areas: an annual campaign of written questions on ESG issues to the AGMs of large listed companies, thematic commitments and investor statements on ESG controversies.

Social working group

The purpose of this working group is to clarify semantic issues, define terms such as diversity, share added value, and reflect on what is meant by impacts in terms of social cohesion, helping to reduce inequalities, contributing to well-being, and so on. It provides an opportunity to take stock of engagement practices and reflect on social impact KPIs (key performance indicators) beyond HR issues. The work forms part of the work carried out at European level (EFRAG, CSRD, etc.).

ICMA

We are a member of the Advisory Council of the Green Bond Principles established by the International Capital Market Association (ICMA). We are involved in several of this association's working groups on the following topics: social bonds, climate transition finance and sustainability-linked bonds. We also participate in the sub-working groups on green CPs, green securitisation, covered bonds and green repo in the ICMA's Task Force on Sustainable Financial Products.

Additionally, Ostrum AM is involved in various events relating to responsible finance in general as well as more specific themes such as taxonomy and biodiversity.

DISCLAIMER

Ostrum Asset Management

A société anonyme (limited company) with share capital of €50,938,997

An asset management company accredited under No. GP-18000014

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