



**PUBLIC RI REPORT**

**2021 PILOT**

**OSTRUM ASSET MANAGEMENT**

**Generated 2022-11-21**

# About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

## Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

## PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# Senior Leadership Statement (SLS)

## Senior leadership statement

### Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment?
- What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?

Ostrum AM is aware of the importance of the social responsibility of companies for issuers and for itself. That's the reason why it develops a CSR policy in which its responsibility as investors is its priority concern. Our organisation engages in responsible investment because we think we have a role to play in accompanying our clients and enhancing the engagement they have through their investments. Our overall approach combines integration of material ESG approach in all asset classes, exclusion for sectors or issuers that are not acceptable in portfolios, transition financing for sectors or issuers that are willing to follow the transition way and engaging on thematics that encourage the path of a fair transition. The overall consistency of corporate responsibility is one of Ostrum AM's priorities. Whether through its values, its management or its internal functioning, it carries the same convictions. Committed to the issues of sustainable development and responsible financing for more than 35 years, Ostrum fully integrates the extra-financial dimensions into the analysis of the quality of issuers and offering its clients responsible investment solutions that meet the specificities of their ESG philosophies and ambitions. Acting as a responsible investor means delivering sustainable performance to our clients in accordance with our ethics and values, in order to increase our positive impact on society. By systematically integrating ESG criteria into our analysis, developing our SRI offer and applying a strict exclusion policy, we deploy these values in every aspect of our business. The main difference is the fact that ESG practise is discussed at the Executive committee level, for instance sectorial exclusions are validated at this management level, and always linked to CSR policy, whereas other investment practices are decided in Investment Teams.



## Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policy makers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Natixis and La Banque Postale has created a European leader in fixed income and insurance-related asset management: Ostrum Asset Management. Natixis and La Banque Postale have completed the combination of the fixed-income and insurance-related asset management businesses of Ostrum Asset Management and La Banque Postale Asset Management, following receipt of regulatory approvals. The closing of this combination on October 31, 2020 creates a European asset management leader with more than €430 billion in assets under management and over €590 billion under administration through its services platform as at end-September 2020.

We continued our ESG integration in 2020 in all our AuM. We have trained all our employees, whatever their function within the organization on the fundamentals of ESG/SRI management and 100% of managers and employees in client relations on the fundamentals of regulatory and competitive environment, main trends, market expectation and business issues.

We have continued our integration pathway on all assets and begun to think about a global engagement policy that could be applicable to all asset classes.

Ostrum is still highly aware of climate challenges and marks a fresh stage in its contribution to tackling climate challenges. Both our investment choices and our commitments support our efforts to reduce the share of coal in the world energy mix and again highlight our responsible investment approach. We also support our clients as they apply their own climate policies both by rolling out tailored measures and offering investment strategies to help them establish their own pledges.

Ostrum has taken in 2020 fresh measures to bolster the Coal sector and exclusion policy. We extend our coal sector exit strategy and pledge to fully phase out coal exposure by 2030 for OECD countries and by 2040 for non-OECD countries. We have decided to draw on the GCEL (Global Coal Exit List).

As of January 1, 2021, Ostrum Asset Management no longer invests in companies that:

- develop new coal projects
- that exceed one of the following thresholds:
  - more than 25% of their revenue streams from coal-fired energy generation or coal production
  - 20 million tons of thermal coal production on an annual basis
  - 10 GW in installed capacity
  - 30% of their energy production generated by coal

We engage firms to set out a transition plan by 2021 to exit the coal sector in alignment with the Paris Agreement.

We will undertake individual engagement efforts with any companies that did not already have a withdrawal plan in 2020 to inform them of this timeframe. We will monitor the credibility of these exit plans and their funding.

More generally, Ostrum AM paid a specific attention to engagement. It therefore rolls out an engagement policy that is based on four key principles: constant dialogue with companies included Fixed incomes issuers, an active and responsible voting policy, collaborative engagement initiatives, supporting the development and promotion of ESG standards.

At last, in 2020, Ostrum AM committed itself to have 98% of its open-ended funds AuM in SRI labelled funds by 2022.

## Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

### What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In the next two years, globally, we will pursue the objectives we have set for ourselves on ESG integration, SRI labelling of funds and mandates, on our involvement in the fight against climate change. This will be displayed via an Oil and gas policy among others. In 2021, we will once again strengthen our coal exclusion policy: all the exclusion thresholds will be reviewed by end-2021. We are publishing for the first time our own report on the TCFD recommendations. In 2021, we are also defining a new engagement policy that covered all Ostrum asset classes including fixed income and will implement it.

## Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name	Philippe Setbon
Position	CEO
Organisation's name	Ostrum Asset Management

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by OSTRUM ASSET MANAGEMENT in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of OSTRUM ASSET MANAGEMENT's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

## Organisational Overview (OO)

# Organisational information

## Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

(P) Fund of funds, manager of managers or sub-advised products

(2) This is an additional (secondary) type

## Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

☐ (A) Yes

☒ (B) No

## Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

## Assets under management

### All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US\$ 549,587,362,889.00
(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US\$ 0.00
(C) AUM subject to execution, advisory, custody, or research advisory only	US\$ 15,228,599,358.00

## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.**

Percentage of AUM	
(A) Listed equity – internal	4.5%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	95.5%
(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external	0.0%
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(Q) Other – internal, please specify:	0.0%
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(R) Other – external, please specify:	0.0%
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(S) Off-balance sheet – internal	0.0%
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(T) Off-balance sheet – external	0.0%
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your listed equity assets.**

**(A) Internal allocation**

(1) Passive equity	0.0%
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(2) Active – quantitative	0.0%
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(3) Active – fundamental	100.0%
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(4) Investment trusts (REITs and similar publicly quoted vehicles)	0.0%
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(5) Other, please specify:	0.0%
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your fixed income assets.**

**(A) Internal allocation**

(1) Passive – SSA	0.0%
(2) Passive – corporate	0.0%
(3) Passive – securitised	0.0%
(4) Active – SSA	54.55%
(5) Active – corporate	45.45%
(6) Active – securitised	0.0%
(7) Private debt	0.0%



# ESG strategies

## Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone	0.0%
(B) Thematic alone	0.0%
(C) Integration alone	0.0%
(D) Screening and integration	100.0%
(E) Thematic and integration	0.0%
(F) Screening and thematic	0.0%
(G) All three strategies combined	0.0%
(H) None	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only	0.0%
(B) Negative screening only	0.0%
(C) A combination of positive/best-in-class and negative screening	100.0%

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Screening alone	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%
(C) Integration alone	100.0%	70.5%
(D) Screening and integration	0.0%	21.1%
(E) Thematic and integration	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%
(G) All three strategies combined	0.0%	0.0%
(H) None	0.0%	8.4%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

**(2) Fixed income – corporate**

(A) Positive/best-in-class screening only	0.0%
(B) Negative screening only	0.0%
(C) A combination of positive/best-in-class and negative screening	100.0%

# Stewardship

## Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(3) (Proxy) voting on listed equity – active
(A) Through service providers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(4) Active – SSA	(5) Active – corporate
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## ESG incorporation

### Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>

(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>

# Voluntary reporting

## Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy	<input checked="" type="radio"/>
(A) Listed equity	<input checked="" type="radio"/>
(B) Fixed income – SSA	<input checked="" type="radio"/>
(C) Fixed income – corporate	<input checked="" type="radio"/>

# ESG/sustainability funds and products

## Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

### Percentage

(B) Listed equity – active	87.0%
(D) Fixed income – active	92.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

### Coverage of ESG/RI certification or label:

(A) Listed equity	0.0%
(B) Fixed income	20.0%

# Climate investments

## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

3.0%

## Other asset breakdowns

### Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate
(A) Developed	100.0%	99.9%	100.0%
(B) Emerging	0.0%	0.1%	0.0%
(C) Frontier	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%

## Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PUBLIC	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

### Internal and external fixed income assets subject to constraints

(A) Fixed income – SSA	100.0%
(B) Fixed income – corporate	100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20.1	CORE	OO 20	N/A	PUBLIC	Fixed income constraints	GENERAL

Describe the constraints to your fixed income assets.

### Fixed income constraints

(A) Fixed income – SSA	The constraints on our fixed income - SSA assets are: regulatory constraints, banned states, controversial weapons, rating constraints etc.
(B) Fixed income – corporate	The constraints on our fixed income - corporate assets are: regulatory constraints, banned states, controversial weapons, rating constraints etc.



# Context and explanation

## ESG not incorporated

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 35	CORE	Multiple, see guidance	N/A	PUBLIC	ESG not incorporated	1, 2

Describe why you currently do not incorporate ESG into your assets and/or why you currently do not conduct stewardship.

### Description

(C) Internally managed: Fixed income – SSA

We do not have an individual stewardship policy with countries as we think we have a sufficient power with these types of issuers. It happens that we have a collaborative action however.

# Investment and Stewardship Policy (ISP)

## Responsible investment policy & governance

### Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Approach to stewardship
- ☒ (F) Approach to sustainability outcomes
- ☒ (G) Approach to exclusions
- ☒ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- ☒ (I) Definition of responsible investment and how it relates to our fiduciary duty
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives
- ☒ (K) Responsible investment governance structure
- ☒ (L) Internal reporting and verification related to responsible investment
- ☒ (M) External reporting related to responsible investment
- ☒ (N) Managing conflicts of interest related to responsible investment
- ☐ (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

Ostrum AM has a robust and dedicated internal organisation to structure our SRI investment policies and services, via an SRI and Research department. This department is housed within the investment department and works closely with the various portfolio management teams, in particular on investment processes, engagement policy or sectoral approaches.

An ESG Strategy team is more particularly dedicated to overseeing all ESG / SRI / Climate topics in a transversal way and takes care of transversal needs as well as several major themes. The team conducts a reflection in order to form proposals for ESG Policies and Strategies. It also sets up the governance and associated comitology and defines the associated procedures. It has a role in facilitating these Policies, by leading working groups and dedicated committees and by assisting the management teams daily. The team also supports our clients in their reflection about their ESG policies and their implementation in portfolio management. Finally, the team oversees internal and external communication on these subjects via specific reporting, and more specifically supports requests from regulators.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

☒ (A) Overall approach to responsible investment. Add link(s):

Please find our LTE Report as well as our Policy on Management of Sustainability Risks and Adverse Impacts through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (B) Guidelines on environmental factors. Add link(s):

Please find our TCFD Report through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (C) Guidelines on social factors. Add link(s):

Please find our Policy on Management of Sustainability Risks and Adverse Impacts through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (D) Guidelines on governance factors. Add link(s):

Please find our Policy on Management of Sustainability Risks and Adverse Impacts as well as our Voting Policy through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (E) Approach to stewardship. Add link(s):

Please find our Engagement Policy through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (F) Approach to sustainability outcomes. Add link(s):

Please find our LTE Report through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>, our ESG approach through the following link: <https://www.ostrum.com/en/acting-responsible-investor>, and our website through the following link: <https://www.ostrum.com/en>

☒ (G) Approach to exclusions. Add link(s):

Please find our Exclusion Policies through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):

Please find our LTE Report as well as our Policy on Management of Sustainability Risks and Adverse Impacts through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):

Please find our Policy on Management of Sustainability Risks and Adverse Impacts through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☒ (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):

Please find our LTE Report through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>, and our website through the following link: <https://www.ostrum.com/en>

☒ (K) Responsible investment governance structure. Add link(s):

Please find our LTE Report through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>, and our website thought the following link: <https://www.ostrum.com/en>

☒ (L) Internal reporting and verification related to responsible investment. Add link(s):

Please find our Policy on Management of Sustainability Risks and Adverse Impacts through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☐ (M) External reporting related to responsible investment. Add link(s):

☒ (N) Managing conflicts of interest related to responsible investment. Add link(s):

Please find our Conflict of Interest Management Policy through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☐ (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?**

- ☐ (A) Overall approach to responsible investment
- ☐ (B) Guidelines on environmental factors
- ☐ (C) Guidelines on social factors
- ☐ (D) Guidelines on governance factors

**AUM coverage of all policy elements in total:**

92.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**Which elements does your exclusion policy include?**

- ☒ (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- ☒ (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- ☒ (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

**AUM Coverage:**

(A) Listed Equity	100.0%
(B) Fixed Income	92.0%

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- ☒ (A) Board and/or trustees
- ☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- ☒ (C) Investment committee
- ☒ (D) Other chief-level staff, please specify:  
 Head of Research and SRI
- ☐ (E) Head of department, please specify department:
- ☐ (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- ☐ (A) Board and/or trustees  
☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))  
☒ (C) Investment committee  
☒ (D) Other chief-level staff [as specified]  
☒ (E) Head of department [as specified]  
☒ (F) Portfolio managers  
☒ (G) Investment analysts  
☐ (H) Dedicated responsible investment staff  
☐ (I) Investor relations  
☐ (J) External managers or service providers  
☐ (K) Other role, please specify:  
☐ (L) Other role, please specify:  
☐ (M) We do not have roles with responsibility for implementing responsible investment.

## People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(3) Investment committee	(4) Other chief-level staff [as specified]
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>(5) Head of department [as specified]</b>	<b>(6) Portfolio managers</b>	<b>(7) Investment analysts</b>	
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

(F) Other objective related to responsible investment [as specified]



(G) No formal objectives for responsible investment exist for this role



**Please specify for "(E) Other objective related to responsible investment".**

Labelling policy: 98% of open-ended funds AuM in SRI labelled funds for 2022

**Please specify for "(F) Other objective related to responsible investment".**

Coal exclusion policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

**Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.**

The KPIs can be different from one team or function to the other. For instance, credit analysis team has KPIs in terms of engagement with corporate firms, whereas Investment teams have KPIs in terms of incorporating ESG in investment processes and labelling of funds, or implementing climate policies for main institutional investors. All the members of Executive Committee have KPIs in terms of CSR of the firm.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(1) Board and/or trustees	
(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>
(D) Objective on ESG performance	<input type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input type="checkbox"/>

**(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))**

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input checked="" type="checkbox"/>

**(3) Investment committee**

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input checked="" type="checkbox"/>

**(4) Other chief-level staff**

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input checked="" type="checkbox"/>

**(5) Head of department**

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input checked="" type="checkbox"/>

**(6) Portfolio managers**

(A) Objective on ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input checked="" type="checkbox"/>

**(7) Investment analysts**

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment (as specified in ISP 8 option E)	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment (as specified in ISP 8 option F)	<input checked="" type="checkbox"/>
(G) We have not linked any RI objectives to variable compensation	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

**How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?**

- ☒ (A) Quarterly or more frequently
- ☐ (B) Bi-annually
- ☐ (C) Annually
- ☐ (D) Less frequently than annually
- ☐ (E) On an ad hoc basis
- ☐ (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

## Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

**Does your organisation incorporate ESG factors into your strategic asset allocation?**

- ☐ (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- ☒ (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- ☐ (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- ☐ (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes

(2) for the majority of our assets

## Stewardship

### Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity

4.5%

(B) Fixed income

43.4%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- ☒ (A) Key stewardship objectives
- ☒ (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- ☒ (C) Prioritisation approach depending on entity (e.g. company or government)
- ☒ (D) Specific approach to climate-related risks and opportunities
- ☐ (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- ☒ (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- ☐ (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- ☒ (H) Approach to collaboration on stewardship
- ☒ (I) Escalation strategies
- ☒ (J) Conflicts of interest
- ☒ (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- ☒ (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Ostrum Asset Management has decided to make engagement one of its priority themes. Our responsibility towards issuers is to influence them to improve their practices. And it is through an ambitious policy of commitments both to the companies in which we invest and to the issuers that we play this role.

Among the engagement themes that have been identified by Ostrum Asset Management, some make it possible to meet the Sustainable Development Goals (SDGs) established by the United Nations.

From 2021, Ostrum Asset Management has identified themes and axes for which it seems essential to us to draw the attention of companies as to their importance in our assessment of their CSR policy.

The engagement themes are therefore identified at the level of the management company.

Some will be favored by the Fixed Income management teams and supported by the credit analysts, others by the Equity investment teams.

Not all themes will be the subject of a specific commitment by the investment teams. Indeed, some are considered mainstream and are part of the ongoing dialogue and / or are not the subject of sufficient data at this stage to engage with companies. These themes can nevertheless be major in our assessment of corporate CSR policy. They will therefore be particularly monitored through our controversy monitoring policy. Ostrum Asset Management will ensure that a controversial issuer is given special consideration in accordance with applicable procedures.

In keeping with these actions, Ostrum AM has put in place sectoral exclusion policies that allow strong commitment from the teams (sectoral coal exclusion policy, policy on Worst Offenders).

## Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 14	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship policy implementation	2

How does your organisation ensure that its stewardship policy is implemented by external service providers? Please provide examples of the measures your organisation takes when selecting external providers, when designing engagement mandates and when monitoring the activities of external service providers.

Provide examples below:

(A) Measures taken when selecting external providers:

the sole external provider hired to help the equities department on its stewardship policy is ISS. It provides advisory on voting as well as acts as a subcontractor is effectively casting votes for AGMs. Aside from the subcontracting task which is straightforward, ISS implement Ostrum's voting policy in its systems so that their recommendations fit best with our philosophy.

(C) Measures taken to monitor external providers' alignment with our organisation's stewardship policy:

to back the voting process up, each ISS advisory report is reviewed by an analyst in Ostrum's equities team so that risk of voting against Ostrum's policy is reduced as much as possible.



## Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income
(A) Maximise the risk–return profile of individual investments	<input type="radio"/>	<input type="radio"/>
(B) Maximise overall returns across the portfolio	<input type="radio"/>	<input type="radio"/>
(C) Maximise overall value to beneficiaries/clients	<input type="radio"/>	<input type="radio"/>
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input checked="" type="radio"/>	<input checked="" type="radio"/>

## Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

	(1) Listed equity	(2) Fixed income
(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	<input type="checkbox"/>	<input type="checkbox"/>
(B) The materiality of ESG factors on financial and/or operational performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The ESG rating of the entity	<input type="checkbox"/>	<input type="checkbox"/>
(E) The adequacy of public disclosure on ESG factors/performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific ESG factors based on input from clients	<input type="checkbox"/>	<input type="checkbox"/>
(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other criteria to prioritise engagement targets, please specify:	<input type="checkbox"/>	<input type="checkbox"/>
(I) We do not prioritise our engagement targets	<input type="checkbox"/>	<input type="checkbox"/>

## Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	2
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	4
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (ICI) or similar)	3

## Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation

- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

#### Describe your position on collaborating for stewardship.

Since 2019, Ostrum AM decided to contribute to initiatives that focus on the Ten Principles of the UN Global Compact, programs to promote the Paris Agreement on Climate Change and the declaration from the Paris Financial Center 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).

As of December 31, 2020, Ostrum AM is committed to 10 initiatives, 7 of which were launched in 2020.

## Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>

(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>
(H) We did not use any escalation measures during the reporting year. Please explain why below	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

**If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?**

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input type="checkbox"/>	<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(H) We do not have any restrictions on the escalation measures we can use



## Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

**Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.**

There is a strong and unified governance on sectorial or issuers exclusions that feed the investment decisions.

Concretely, we feed investment decisions with robust analysis provided by our experts based on their dialogue with issuers. For instance, at any point of time we closely monitor the developments of severe controversies on corporate issuers. When we investigate on a given company's poor practices, we put it in a "watch list". If the offense is significant and if there is no remediation, we take the decision to exclude it from our investments and put the issuer on a "worst offenders" list.

Besides, we also decide to exclude from our investments companies that do not meet material ESG standards: a third of companies that we put on the "Avoid" category in fixed income investment, have significant governance issues.

On the engagement side, Ostrum Asset Management has identified themes and axes at the end of 2020.

The ESG Strategy team is in charge of coordinating and implementing the engagement policy. Among all the areas identified, some will be favored by the Fixed Income management teams and supported by the credit analysts, others by the Equity management teams. Not all themes will be the subject of a specific engagement by the management teams. Indeed, some are considered mainstream and are part of the ongoing dialogue and/or are not the subject of sufficient data at this stage to engage with companies. These themes can nevertheless be major in our assessment of corporate CSR policy. They will therefore be particularly monitored through our controversy monitoring policy. Ostrum Asset Management will ensure that a controversial issuer is given special consideration in accordance with applicable procedures.

On the fixed income and on the equity side, some themes have been deemed a priority: for example, monitoring the coal exclusion policy, diversity within the management bodies of companies, transition to a low carbon economy, transparency of financial and extra-financial data.

With the support of the ESG Strategy team, each area deemed to be a priority will be the subject of specific questions that will be determined and, to the extent possible, KPIs will be defined.

Feedback on questions and KPIs will be formalized by analysts using tools developed by the ESG Strategy Team, such as setting up a database. The ESG Strategy team will support the teams to streamline work and allow rapid and efficient aggregation of feedback for reporting purposes and to ensure a follow-up of the commitment.

## Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	b) Collaborative	c) Both managing ESG risks and delivering outcomes
(C) Example 3	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	<p>We focused on Governance and social factors.</p> <p>We believe governance that genuinely embraces cognitive diversity, as manifested through appropriate gender representation and a broad spectrum of skills and experience, is more likely to achieve better outcomes for investors through avoiding “groupthink”. There is a growing volume of research to support this statement.</p>	<p>Ostrum AM sent a letter to 3 companies expecting executive management teams to reserve at least 30% of seats to women by 2025. 30% is the level at which critical mass is achieved and contributions from a minority group starts being heard and valued, impacting leadership decision dynamics.</p>

(B) Example 2

We focused on Environmental factors.

As an investor signatory of the CDP, we play a key role in accelerating the adoption of science-based targets (SBT) in the corporate sector, by collaboratively engaging companies on this matter through the CDP SBT Campaign. SBTs prepare businesses for the transition to a zero-carbon economy.

(C) Example 3

We focused on Environmental factors. We believe that the airline industry as a key role to play in the global energy transition and the fight against global warming.

During our engagement with Airbus, we discussed the evolution of engine technology to meet their 2035 zero-emission targets. To this end, synthetic fuels, hydrogen and electricity are being considered. Moreover, a prototype electrically powered aircraft is being developed by a European industrial consortium. it could be 100% electric or hybrid.

## Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

**How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?**

- ☐ (A) We engage with policymakers directly
- ☒ (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- ☐ (C) We do not engage with policymakers directly or indirectly



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?**

☒ **(A) We participate in "sign-on" letters on ESG policy topics. Describe:**

we work with other responsible investors on engagement to enhance overall responsible investor influence, with the goal of driving specific, measurable and time-bound changes from issuers. For instance, in 2020, we sign an open letter to EU leaders from investors on a sustainable recovery from Covid 19 to prioritise human relief, uphold the Paris Agreement, ....

☒ **(B) We respond to policy consultations on ESG policy topics. Describe:**

we are members of several associations representing the Profession. Within these bodies, we participate in working groups to respond to various public consultations, whether at the French or European level (Article 29 of the Climate Energy Act, Taxonomy, SFDR, ...).

☒ **(C) We provide technical input on ESG policy change. Describe:**

some groups in which we participate really go into technical considerations to modify the draft texts (technical standards of taxonomy for example).

☒ **(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:**

a large part of the responses we make with the associations to the consultations are addressed to the public authorities at both European and French level.

☐ (E) We proactively engage regulators and policymakers on other policy topics. Describe:

☐ (F) Other methods used to engage with policymakers. Describe:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?**

☒ **(A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:**

within Ostrum AM, the Board validates strategic decisions, in particular those relating to our responsibility as a responsible management company vis-à-vis its stakeholders. For example, our new coal exit policy was the subject, in 2020, of a presentation to the members of the Board of Directors and of its validation. CSR and ESG policies are brought to the highest level within Ostrum AM by the Executive Committee. Climate policy is part of Ostrum AM's ESG policy and CSR strategy. It is included in an action plan validated by the Executive Committee and the progress of the objectives is monitored by this same committee every quarter.

- (B) No, we do not have these governance processes in place. Please explain why not:

## Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

**Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?**

● (A) Yes, we have a policy(ies) in place. Describe your policy(ies):

each year, the CSR policy is defined on the basis of the main impacts generated by Ostrum towards its stakeholders. As the most important impacts is generated by asset management, CSR policy and sustainable management are closely linked. In 2021, the pillars of CSR are: - Engage our employees - Advice our customers - Influence our issuers - Contribute to the reflections of The Financial Market - Have a positive direct impact on our ecosystem For each pillar, Ostrum sets Sustainable finance objectives. The monitoring of these KPIs is reviewed quarterly by the Executive Committee. At the same time, a quarterly CSR committee, under the direct responsibility of the CEO, whose mission is to check the consistency between our CSR policy and our corporate and financial engagements, and the ESG or climate policies applied to our funds or mandates. This committee deals with all work related to Sustainable Finance as well as the internal or external impacts of our policies.

- (B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

**Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?**

● (A) Yes. Add link(s):

Please find our CSR Report as well as our Engagement Policy through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

- (B) No, we do not publicly disclose this policy(ies)

## Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

☒ (A) We publicly disclosed details of our policy engagement activities. Add link(s):

Please find our Engagement Report as well as our Engagement Policy through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☐ (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

☐ (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

☐ (D) Not applicable, we did not conduct policy engagement activities

## Climate change

### Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

☒ (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

Please find our LTE Report through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

☐ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

☉ (A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

Please find our TCFD Report through the following link: <https://www.ostrum.com/en/our-csr-and-esg-publications>

○ (B) No, we currently do not publicly support the TCFD

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

☑ (A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

The Board validates sectoral policies, including exclusionary policies such as the one on the exit from coal, there are informed about climate-related risks and opportunities. In addition, a large part of our customers are asking us to create bespoke products with robust climate policies.

☑ (B) By articulating internal/external roles and responsibilities related to climate. Specify:

Research and SRI management teams develop climate policy at the strategic level. this policy and the obligations that flow from it are then validated by the executive committee.

☑ (C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

we follow and encourage the initiatives specific to each of our clients. Their demands are increasing and some are setting strong guidelines in terms of carbon intensity, temperature, financing of a low-carbon economy (notably via green bonds). Some clients, signatories of the Net-Zero Asset Owner Alliance, publicly commit to reducing their investment portfolios to net zero greenhouse gas emissions by 2050. Our ambition is to support our customers as best as possible. To do this, we offer them specific products (dedicated funds or mandates) and co-construct tailor-made strategies with them that best meet their ESG ambitions : strategies of "best-in-class", "best-in-universe" or / and decarbonization of portfolios and reinforced exclusions made to measure.

☑ (D) By incorporating climate change into investment beliefs and policies. Specify:

in line with the commitments made by the Paris financial marketplace at the COP21 in 2015, Ostrum AM is committed to actively contribute to the fight against global warming and the transition to a low-carbon economy. Ostrum AM has further strengthened its action, both in its policies and by involving in discussions within the financial community. The pillars of our climate commitment : strengthening our coal exclusion policy, maintaining a constant dialogue with market authorities and executives in companies in which we have a stake to share with them the risks and opportunities of climate change for their business model, integrating ESG criteria in all our analyses, developing specific a product offer that meets our customers' climate policies (portfolio with controlled carbon impact, targeted exclusions, products contributing to the energy transition, etc.), for funds that have obtained the French SRI label, we have chosen carbon intensity as principal indicator on the environmental pillar.

☒ (E) By monitoring progress on climate-related metrics and targets. Specify:

for specific products constructed for our clients on climate change, we monitor progress on climate-related metrics and targets. For the SRI labelled funds, we compare the carbon intensity of the portfolio to that of the benchmark. Each year, we have to communicate on this metrics.

☒ (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

we have defined the link between fiduciary duty and climate risks and opportunities in our policy on the integration of sustainability risks. Sustainability risks (including climate risks) as well as opportunities are taken into account in our assessment of industrial sectors as well as companies through our quality and risk analysis. These sustainability risks are taken into account through several axes: our exclusion policies which are very demanding, our controversy management policy, our integration of ESG criteria on nearly 100% of our outstandings, the extra-financial elements which are systematically included in the analysis of issuers, when they are considered material, that is to say having an impact on the credit risk of the issuer, our engagement policy. All of these actions combined allow us to identify an environmental, social or governance event or situation which, if it occurs, could have a significant negative impact, actual or potential, on the value of the investment.

☐ (G) Other measures to exercise oversight, please specify:

☐ (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

**What is the role of management in assessing and managing climate-related risks and opportunities?**

☒ (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:

risks and opportunities come up from research and management teams, so it is taken into account in our policies and goes back to the board. The research and SRI direction also goes back to the board.

☒ (B) Management implements the agreed-upon risk management measures. Specify:

when targets and indicators are set, managers ensure that this is applied in management teams.

☒ (C) Management monitors and reports on climate-related risks and opportunities. Specify:

if targets and indicators have been set, managers monitor and report on these risks and opportunities.

☒ (D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

as sustainable finance is at the heart of Ostrum's strategy, we wanted to raise awareness among all employees, regardless of their profession, about the issues of sustainable finance by ensuring that we understand the reasons for our involvement and our desire to increase our expertise in this field, in a regulatory, environmental and social context. Thus, 100% of Ostrum's employees have taken this training. At the same time, we have strengthened the expertise of all managers, analysts and all teams in contact with our clients so that they integrate all ESG issues into their business by understanding the most complex concepts.

- ☐ (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:
- ☐ (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

## Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?**

☒ **(A) Specific financial risks in different asset classes. Specify:**

during their analysis, our financial analysts have assessed the climate-related risks and opportunities. The risks identified can be classified into two categories. The first is the physical risks corresponding to the climate risks that can affect the finances of a company due to its geographical location. The second is the transition risks, considering consumer and regulatory changes. These two types of risks have been identified both on companies and on sovereigns. As an example, our analysts examine the risks arising from regulatory changes in a sector for companies, whereas they will look more closely at changes in European regulations for a country in the European Union. Concerning opportunities, they are looked at for all asset classes but a particular attention is given to equities.

☒ **(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

there are sectors where assets have a high chance of being stranded. So, we look at this risk on the sectors and then on the issuers according to their positioning in the sector. Indeed, some companies propose transition plans that are important to consider. The oil and gas sector is at risk of being stranded. Oil and gas development and production activities generate significant direct GHG emissions. These greenhouse gases contribute significantly to climate change and create additional costs and regulatory compliance risks due to climate change mitigation policies. The recent expansion of unconventional gases such as shale gas also contributes to this effect with increased methane emissions to the air. Thus, this expansion may create a significant reputational risk for companies in this sector. To finish, the evolution of regulations concerning these so-called "unconventional" oils and gases can also represent a significant risk for companies in this sector. In conclusion, all these risks and new considerations combined with the problems related to peak oil make this sector a stranded asset. Another example could be the coal sector.

☒ **(C) Assets with exposure to direct physical climate risk. Specify:**

we identify two types of direct physical risks: acute and chronic physical risks.

- Acute physical risks include extreme weather phenomena such as cyclones and floods, which are reinforced by global warming. These direct risks are even more important as it is difficult to predict and anticipate them. These risks strike by their force on a short time. Thus, it is important for all organizations to map these climatic phenomena, because their frequency and strength will continuously increase within our investment time horizon. These phenomena can have serious consequences on the business model of an enterprise. For example, damage to buildings can impact the business cycle by making it impossible for employees to work safely. Thus, direct physical hazards can cause interruptions in supply chains, and can impact production, sales, and possibly incur delay penalties, increasing the entity's financial risk. Therefore, we consider the automotive and consumer/retail sectors to be particularly impacted. However, the energy sector is also impacted by this type of risk. The Fukushima example is a prominent one for the nuclear sector while oil spills after natural disasters can be another one for the oil sector.
- Chronic physical risks correspond to the impacts of longer-term changes in climate models and rising temperatures. They consider sea level rise, changes in precipitation (risk of water stress or flooding), and heat and cold waves. Thus, the impacts of indirect physical hazards will become increasingly visible over time. To give an example, we identify coastal businesses / factories as being directly threatened by sea level rise. As for power producers, they are threatened by changes in precipitation. Moreover, the creation of new areas of water stress constitutes a significant impact on the operating costs of water-intensive sectors. This is particularly true for hydroelectric power producers and nuclear power plants for their cooling.

☒ **(D) Assets with exposure to indirect physical climate risk. Specify:**

we are aware that indirect physical climatic risks are also of great importance. As we have seen in the previous question, direct physical risks can affect and damage the supply chain of a company. This impact can have effects on an entire value chain.

☒ **(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

in one way or another we identify sectors or assets that can benefit under a range of climate scenario. We analyse the sectors that can provide concrete climate responses either through mitigation or compensation of GHG emissions. To give an example, we look at the evolution of electric vehicles in the automotive sector. At the same time, we have chosen to invest in hydrogen, a low GHG emitting sector. For the rest of the assets, we use Trucost to get an idea of the trajectory of each company we invest in. Indeed, Trucost provides an estimate of an issuer's carbon emissions trajectories over the past six years and includes a projection for the next six years. The company's climate impact is then assessed based on the alignment of its trajectory with different global warming trajectories. To do this, Trucost relies on two approaches recognized by the Science Based Targets Initiative (SBTI). The SDA method for the following sectors: Electricity generation, coal production, oil production, natural gas production, steel and aluminium, cement, automobiles, and airlines. The GEVA method for the other sectors.

☒ **(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

Ostrum AM is one of the most pro-active investors in Green, Social and Sustainability (GSS) bonds with about EUR 15 Bn invested, as of the end of December 2020. From a sectoral perspective, the repartition of our investments in such assets reflects the whole market breakdown: about 50% of the GSS bonds we are invested in are issued by sovereign, supranational and agencies, and more than 25% by financials. We are of the opinion that such issuers are the most effective vectors of financing sustainable assets and projects, mostly due to their decisive role in the real economy. Besides, the electric utilities sector represents more than 15% of our exposure in GSS bonds, for which the climate impact is, from far, the most important among all economic activities. Overall, our purpose is to help financing economic areas with the strongest contribution to the energy transition and the reduction of all negative environmental impacts. In our business we manage billions of euros for our clients who have clearly defined climate objectives. Thus, investing in the GB or in new technologies like hydrogen contributes significantly to achieving their climate goals.

☒ **(G) Other climate-related risks and opportunities identified. Specify:**

we also study the risks and opportunities of climate-related transition across all asset classes. These risks and opportunities include all impacts arising from the transition to a low-carbon economy. Through their analysis, our analysts have identified several major types of transition risks and opportunities: regulatory, market change, reputational and legal. Regulatory risks and opportunities include risks arising from the numerous regulations related to carbon, energy and climate change. These risks and opportunities are important for the sectors that emit the most greenhouse gases. (Oil and gas + automotive). Risks and opportunities related to market changes are also considered. Indeed, in recent years, demand has been increasingly focused on products and services that emit less greenhouse gases or are more responsible (green buildings, clean vehicles, plastic-free packaging, etc.). Companies have a strong interest in adapting to these new demands to avoid losing market share but also to gain new ones. (particularly watch in the consumer sector). Reputational risks considering the evolution of consumer preferences, the stigmatization of sectors with the greatest impact on the climate or the increased concerns of stakeholders. These three things have a significant impact on a company's reputation. The trust of their customers, suppliers, employees, shareholders. Thus, considering this type of risk is essential to maintain the company's activities and is therefore looked at by our analysts. Legal risks are also considered and are likely to become increasingly important in a context of growing climate awareness. Climate justice confronting NGOs and companies on climate impacts is likely to be democratized in the years to come. It is necessary to keep ourselves informed of all these legal actions to limit the impact on our investments and de facto on our reputation.

☐ (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

**For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.**

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>(5) 11–20 years</b>	<b>(6) 21–30 years</b>	<b>(7) &gt;30 years</b>	
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?**

☒ **(A) Specific financial risks in different asset classes. Specify:**

we try to analyse the risks and opportunities of climate change even beyond the investment time. However, this is especially true for equities which have a longer time horizon than bonds. Indeed, the risks and opportunities identified on the bond part largely exceed their investment time. Thus, we are looking to identify the risks and opportunities on the equity and sovereign part that may be the result of a change in regulations and the creation of a new tax that may affect a country or a company for example.

☒ **(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

beyond our investment horizon, we see the oil and gas sector as an example of a stranded asset for the same reasons as before. Indeed, increasing regulations and the gradual decline of conventional oil reserves mean that this sector presents far fewer opportunities than before. Beyond 20 years, this phenomenon is likely to worsen as there is no indication that regulations will become more flexible in favour of unconventional oil and gas. It is the same for coal sector.

☒ **(C) Assets with exposure to direct physical climate risk. Specify:**

beyond our investment horizon, we look at the direct physical risks that may affect our assets. Indeed, the identification of physical climate-related risks and opportunities goes beyond the investment horizon. This is even more true for the credit part, which have a shorter investment horizon than the rest of the asset classes. Thus, the risks identified above are the same and can be amplified when we know that the physical risks should be more frequent in the future.

☒ **(D) Assets with exposure to indirect physical climate risk. Specify:**

we are aware that the physical risks caused by storms and other hazards will become more frequent and stronger over the years. At the same time, we observe that the supply chain of a company is complex. Thus, the smallest change in the upstream or downstream chain can have a negative effect on the whole ecosystem. Therefore, the indirect physical risks should also be more frequent over time. Nevertheless, it is difficult to provide a complete picture of these risks today. The melting of ice and the opening of a road in the Arctic could also have indirect effects on many industries.

☒ **(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

our method of identification is the same as for the investments in their investment time horizon. Therefore, we continue to analyse the sectors that can provide concrete climate responses either through mitigation or compensation of GHG emissions. This is particularly true for the credit sector, where the investment horizon is short. Thus, what has been identified for the short term will be even more true for the medium/long term. Only the position of the issuers in the identified sector can change.

☒ **(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

in our business we manage billions of euros for our clients who have defined climate objectives. Thus, investing in the GB or in new technologies like hydrogen contributes significantly to achieving their climate goals. It will remain so beyond the time horizon. Of course, we are always on the lookout for new technologies, financial products or sectors that can significantly contribute to our clients' climate objectives.

☒ **(G) Other climate-related risks and opportunities identified, please specify:**

our team of analysts has already identified long-term risks and opportunities. One of the most important examples is the risk of market transitions. The shift in consumption that is occurring could affect more sectors in the long term, such as the automotive one. Regulatory and legal risks are also climate-related risks that are important to consider. The lawsuit against Total regarding the duty of care is an example of what could happen more often in the future. As for the regulations, there is chance that they will increase in the future in many sectors.

☐ (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

**Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.**

Ostrum is actively involved in the fight against global warming and the transition to a low-carbon economy. Therefore, the identification of the impact of climate-related risks and opportunities has led to the development of offers and products that meet our clients' climate policies (portfolio with controlled carbon impact, targeted exclusions, products that contribute to the energy transition, etc.) remains one of our priorities. The year 2020 was marked by the strengthening of our coal policy and 2021 will be oriented towards the formalization of a climate policy including other polluting sectors.

Moreover, in 2020, Ostrum AM significantly strengthened its exposure and expertise in sustainable bonds (sustainable, green, social & sustainability-link bond). We now draw on the expertise of two specialist analysts and a proprietary methodology to assess and analyze sustainable bonds. The projects financed are mainly renewable energy projects, green buildings and sustainable transport and mobility. The funding of these GSSB allows us to contribute to several of the SDGs, including ODD11 - Sustainable cities and communities, ODD1 - Clean and affordable energy and ODD9 - Industry, innovation and infrastructure.

## Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

**Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.**

- ☐ (A) An orderly transition to a 2°C or lower scenario
- ☐ (B) An abrupt transition consistent with the Inevitable Policy Response
- ☐ (C) A failure to transition, based on a 4°C or higher scenario
- ☐ (D) Other climate scenario, specify:
- ☒ (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

## Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

**Which risk management processes do you have in place to identify and assess climate-related risks?**

- ☐ (A) Internal carbon pricing. Describe:
- ☐ (B) Hot spot analysis. Describe:
- ☐ (C) Sensitivity analysis. Describe:
- ☐ (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- ☐ (E) TCFD reporting requirements on companies. Describe:
- ☒ (F) **Other risk management processes in place, please describe:**

our identification of ESG and climate risks and opportunities is done at 3 levels: sectors with sectoral analyzes and indicators / scores; issuers with qualitative and controversial analyzes and indicators / scores; portfolios with portfolio analysis and associated indicators. In addition to our various tools, indicators and alerts from our data providers, the identification of risks and opportunities is specific to our different asset classes: Within the fixed income on credit issuers through a combination of an issuer-by-issuer approach and a sectoral approach as well as using a ESG Materiality score, on sovereign issuers using our Sovereign Risk assessment model and our Sovereign debt Selection (SDS) Sector team, within the equity management using our fundamental and qualitative analysis research tool "Quality Assessment", and within the ESG strategy team, which continuously monitors ESG and climate change news, and informs and discusses it with the various investment teams. In addition, our open-ended funds, ESG and climate risk management is structured around 6 pillars: 1: different risks management approaches depending on assets classes, 2: sectoral and exclusion policies, 3: controversy management policy, 4: engagement and voting policy, 5: our strategy for financing a low carbon economy, 6: SRI investment process. Finally, our process to identify, assess and manage climate risks in our own perimeter is as follows: physical risk is managed by our Business Continuity Plan, transition and reputational risks are managed by a Risk Management System (RMS) which ensures that first and second level procedures and controls are in place. All of these actions combined allow us to identify an environmental, social or governance event or situation which, if it occurs, could have a material negative impact, actual or potential, on the value of the investment.

- ☐ (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

**In which investment processes do you track and manage climate-related risks?**

- ☐ (A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:
- ☒ (B) **In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:**

Ostrum AM employs an independent voting services provider. The service provider is tasked with:

- informing Ostrum AM of upcoming shareholder meetings related to securities in the Ostrum AM voting universe;
- analysing resolutions according to the principles defined in Ostrum AM's voting policy;
- providing access to a voting platform for exercising voting rights;
- forwarding voting instructions to the issuer, depending on circumstances.

This service provider has direct contact with the custodian banks from which it receives a list of the positions in all the portfolios in the Ostrum AM voting universe on a daily basis.

☐ (E) In the asset class benchmark selection process. Describe:

☒ (F) **In our financial analysis process. Describe:**

for each of the asset classes, we have implemented different risk management approaches. For each of them, qualitative and quantitative ESG elements are systematically included in the analysis of issuers. Moreover, Ostrum AM has defined strict exclusion policies in order to exclude from its investment universe any sector or issuer that does not comply with fundamental responsibility principles. Some exclusion policies apply to all our funds (weapons, blacklisted states), others cover all our open-ended funds (coal, tobacco and Worst Offenders), and we promote them to our clients through constant dialogue. We also offer specific exclusion policies to our clients, in line with their objectives. In order to continuously improve its practices, Ostrum AM has reinforced its coal exclusion policy in 2020.

☐ (G) Other investment process(es). Describe:

☐ (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

**How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?**

☐ (A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

☒ (B) **Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk).**

**Describe:**

ESG criteria including climate criteria are integrated into all the asset risk assessment, through the review of the relevant ESG criteria in the fundamental analysis of issuers. Within equity portfolio management, ESG and climate practices are considered to be an integral part of the overall quality of a business. Analysts / managers thus analyze the risks of a company or a sector, but also the opportunities linked to the ESG dimensions.

☐ (C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

☐ (D) Executive remuneration is linked to climate-related KPIs. Describe:

☐ (E) Management remuneration is linked to climate-related KPIs. Describe:

☒ (F) **Climate risks are included in the enterprise risk management system. Describe:**

Ostrum AM has defined strict exclusion policies in order to exclude from its investment universe any sector or issuer that does not comply with fundamental responsibility principles. Some exclusion policies apply to all our funds (weapons, blacklisted states), others cover all our open-ended funds (coal, tobacco and Worst Offenders), and we promote them to our clients through constant dialogue. We also offer specific exclusion policies to our clients, in line with their objectives. In order to continuously improve its practices, Ostrum AM has reinforced its coal exclusion policy in 2020.

☐ (G) Other methods for incorporating climate risks into overall risk management, please describe:

☐ (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

## Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

### Have you set any organisation-wide targets on climate change?

- ☐ (A) Reducing carbon intensity of portfolios  
☒ (B) Reducing exposure to assets with significant climate transition risks  
☐ (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes  
☐ (D) Aligning entire group-wide portfolio with net zero  
☒ (E) Other target, please specify:  
 we have set targets in terms of increasing subscriptions to green bonds.  
☐ (F) No, we have not set any climate-related targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37.1	PLUS	ISP 37	N/A	PUBLIC	Metrics and targets	General

### Provide more details about your climate change target(s).

(1) Absolute- or intensity-based		(2) The timeframe over which the target applies: Years [Enter a value between 1 and 100]
(B) Reducing exposure to assets with significant climate transition risks	(1) Absolute-Based	1
(E) Other target [as specified]	(2) Intensity-based	1
(3) Baseline year [between 1900–2020]		(4) Baseline amount
(B) Reducing exposure to assets with significant climate transition risks	2020	61,15 million EUR
(E) Other target [as specified]	2020	Initial amount 4 billion GB
(5) Target date dd/mm/yyyy		(6) Target value/amount

(B) Reducing exposure to assets with significant climate transition risks	30/06/2021	0 EUR
(E) Other target [as specified]	31/12/2020	8 billion
(7) Interim targets or KPIs used to assess progress against the target		(8) Other details
(B) Reducing exposure to assets with significant climate transition risks	Level of AuM invested and level of AuM	Ostrum Asset Management no longer invests in companies that: -develop new coal projects that exceed one of the following thresholds: -more than 25% of their revenue streams from coal-fired energy generation or coal production -20 million tons of thermal coal production on an annual basis -10 GW in installed capacity -30% of their energy production generated by coal. As these thresholds correspond to the GCEL 2019 threshold we rely on the GCEL to identify the companies
(E) Other target [as specified]	AuM GB	Increasing subscriptions to green bonds

## Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- ☒ (A) Total carbon emissions
- ☒ (B) Carbon footprint
- ☒ (C) Carbon intensity
- ☒ (D) Weighted average carbon intensity
- ☒ (E) Implied temperature warming
- ☐ (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- ☐ (G) Avoided emissions metrics (real assets)
- ☐ (H) Other metrics, please specify:
- ☐ (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

(1) Coverage of AUM		(2) Purpose
(B) Carbon footprint	(3) for a minority of our assets	Total carbon emissions for a portfolio normalized by the market value of the portfolio.
(C) Carbon intensity	(1) for all of our assets	The carbon intensity is a data obtained after dividing the carbon emissions of a company by its turnover.
(D) Weighted average carbon intensity	(1) for all of our assets	The WACI weights the carbon intensity of each issuer within a fund. This allows us to compare our funds.
(E) Implied temperature warming	(3) for a minority of our assets	The objective is to have an idea of the climate alignment of our issuers and more globally of our funds. For the moment we only apply this calculation to a few number of dedicated funds.
(3) Metric unit		(4) Methodology
(B) Carbon footprint	Ton Co2e/\$M invested	Ostrum AM uses Trucost to collect the total carbon emissions of scopes 1 and 2 of the companies. This data is then used to calculate the carbon footprint for each issuer and portfolio. This indicator is calculated on portfolios coming from LBPAM.



(C) Carbon intensity	Tons CO <sub>2</sub> e / \$M revenue or tons CO <sub>2</sub> e	<p>For companies, sponsored agencies and non-guaranteed agencies Ostrum AM uses Trucost to collect all the carbon intensities of scopes 1 and 2 of the companies, sponsored agencies and non-guaranteed agencies in its portfolio. At this stage, scope 3 is not taken into account in the analysis, as recommended by SBTi.</p>
(D) Weighted average carbon intensity	Tons CO <sub>2</sub> e / €M revenue	<p>Once the intensity of each issuer has been collected, we can calculate the carbon intensity of each portfolio by adding up the intensity of each issuer, weighted by its weight in the portfolio. The resulting carbon intensity allows managers to measure the volume of carbon emissions per dollar of revenue generated by these issuers in their portfolio over a given period.</p>
(E) Implied temperature warming	Alignment 1.5°C / 2°C	<p>Ostrum AM relies on Trucost's expertise to estimate an emitter's carbon emission trajectories. Trucost provides an estimate of an issuer's carbon emissions trajectories over the past six years and includes a projection for the next six years. The company's climate impact is then assessed based on the alignment of its trajectory with different global warming trajectories. To do this, Trucost relies on two approaches recognized by the Science Based Targets Initiative (SBTi): the GEVA and SDA method. <b>(response continued in row below)</b></p>
		<p>Once the best approach has been identified and applied to an emitter, Trucost calculates the gaps between the company's emissions and those required by the chosen scenario over the 12-year trajectory. The resulting gap can be positive or negative. If it is positive, then the company is in line with the chosen scenario. On the contrary, if the gap is negative, the company is not aligned with it. <b>(response continued in row below)</b></p>

In conclusion, the company is considered to be aligned with the climate scenario with which the negative emission gap is the smallest in absolute value. Once this data is collected, our Quantitative Research team can calculate the temperature of a portfolio by averaging the gaps of the constituents with a scenario weighted by their quantity within the portfolio relative to their enterprise value. This approach is based on the underlying assumption that holding 1% of the enterprise value is equivalent to holding 1% of the emissions and 1% of the gap.

(5) Disclosed value	
(B) Carbon footprint	Open funds LBPAM 312.70 Tons Co2e/€ M
(C) Carbon intensity	We have the data issuer by issuer.
(D) Weighted average carbon intensity	Open funds Ostrum perimeter: 185.80 tons CO2e / €M revenue
(E) Implied temperature warming	

## Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

**What climate-related metric(s) has your organisation identified for physical risk monitoring and management?**

- ☐ (A) Weather-related operational losses for real assets or the insurance business unit  
☐ (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress  
☐ (C) Other metrics, please specify:  
☐ (D) Other metrics, please specify:  
☒ (E) We have not identified any metrics for physical risk monitoring

# Sustainability outcomes

## Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- ☒ (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- ☒ (B) Our approach to sustainability outcomes is set out in our exclusion policy
- ☒ (C) Our approach to sustainability outcomes is set out in our stewardship policy
- ☐ (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- ☒ (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- ☒ (A) The SDG goals and targets
- ☒ (B) The Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights
- ☒ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☒ (E) Other frameworks, please specify:  

in 2021, we will publish a TCFD report.
- ☐ (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- ☒ (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- ☐ (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- ☐ (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- ☐ (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- ☒ (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- ☒ (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- ☐ (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

## Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- ☐ (A) No, we have not identified the sustainability outcomes from our activities
- ☒ (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☒ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☒ (E) The EU Taxonomy
- ☐ (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- ☐ (G) Other framework/tool, please specify:
- ☐ (H) Other framework/tool, please specify:
- ☐ (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- ☒ (A) At the asset level
- ☐ (B) At the economic activity level
- ☒ (C) At the company level
- ☐ (D) At the sector level
- ☐ (E) At the country/region level
- ☐ (F) At the global level
- ☒ (G) Other level(s), please specify:  
☐ at portfolio level
- ☐ (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- ☒ (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consulting with key clients and/or beneficiaries to align with their priorities
- ☒ (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- ☐ (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- ☒ (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- ☒ (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- ☒ (G) Understanding the geographical relevance of specific sustainability outcome objectives
- ☐ (H) Other method, please specify:
- ☐ (I) We have not yet determined our most important sustainability outcome objectives

## Transparency & Confidence-Building Measures

### Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☒ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☒ (E) ESG objectives of individual funds
- ☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
- ☒ (G) Our stewardship approach

- ☒ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- ☒ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☒ (J) A list of our main investments and holdings
- ☐ (K) ESG case study/example from existing fund(s)
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- ☒ (A) Qualitative analysis, descriptive examples or case studies
- ☒ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- ☒ (C) Progress on our sustainability outcome objectives
- ☐ (D) Stewardship results
- ☒ (E) Information on ESG incidents, where applicable
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☐ (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☒ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☐ (E) ESG objectives of individual funds

- ☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
- ☒ (G) **Our stewardship approach**
- ☒ (H) **A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)**
- ☐ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☐ (J) A list of our main investments and holdings
- ☒ (K) **ESG case study/example from existing fund(s)**
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

## Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

**What ESG information is included in your client reporting for the majority of your assets under management?**

- ☐ (A) Qualitative ESG analysis, descriptive examples or case studies
- ☒ (B) **Quantitative analysis or key performance indicators (KPIs) related to ESG performance**
- ☒ (C) **Progress on our sustainability outcome objectives**
- ☐ (D) Stewardship results
- ☒ (E) **Information on ESG incidents where applicable**
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☐ (G) We do not include ESG information in client reporting for the majority of our assets under management

## Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

**For the majority of each asset class, how frequently do you report ESG-related information to your clients?**

(A) Listed equity	(1) Quarterly
(B) Fixed income	(1) Quarterly



## Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- ☒ (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- ☐ (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- ☒ (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- ☒ (E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label
- ☐ (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- ☐ (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- ☒ (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- ☐ (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 53	CORE	ISP 52, OO 14	N/A	PUBLIC	Confidence-building measures	6

Which responsible investment processes and/or data did your organisation have third-party external assurance on?

(A) Investment and stewardship policy	(2) Data assured
(C) Listed equity	(4) Neither process nor data assured
(D) Fixed income	(4) Neither process nor data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 54	CORE	ISP 52	ISP 54.1	PUBLIC	Confidence-building measures	6

**What standard did your third-party external assurance provider use?**

- ☐ (A) PAS 7341:2020  
☐ (B) ISAE 3000 and national standards based on this  
☐ (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)  
☐ (D) RevR6 (Assurance of Sustainability)  
☐ (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)  
☐ (F) Accountability AA1000 Assurance Standard (AA1000AS)  
☐ (G) IFC performance standards  
☐ (H) SSAE 18 and SOC 1  
☐ (I) Other national auditing/assurance standard with guidance on sustainability, please specify:  
☐ (J) Invest Europe Handbook of Professional Standards  
☐ (K) ISAE 3402  
☐ (L) AAF 01/06  
☐ (M) AAF 01/06 Stewardship Supplement  
☐ (N) ISO 26000 Social Responsibility  
☐ (O) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements  
☐ (P) PCAF  
☐ (Q) NGRS audit framework (National Greenhouse and Energy Reporting)  
☐ (R) Auditor's proprietary assurance framework for assuring RI-related information  
☐ (S) Other greenhouse gas emissions assurance standard, please specify:  
☒ (T) **None of the above**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Who has reviewed/verified the entirety of or selected data from your PRI report?**

(A) Board and/or trustees	(4) report not reviewed
(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))	(1) the entire report
(C) Investment committee	(4) report not reviewed

(D) Other chief-level staff, please specify:	(1) the entire report
Head of Research and SRI.	
(E) Head of department, please specify:	(1) the entire report
Head of CSR.	
(F) Compliance/risk management team	(1) the entire report
(G) Legal team	(4) report not reviewed
(H) RI/ ESG team	(1) the entire report
(I) Investment teams	(4) report not reviewed

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Which of the following ESG/RI certifications or labels do you hold?**

- ☐ (A) Commodity type label (e.g. BCI)
- ☐ (B) GRESB
- ☐ (C) Austrian Ecolabel (UZ49)
- ☐ (D) B Corporation
- ☐ (E) BREEAM
- ☐ (F) CBI Climate Bonds Standard
- ☐ (G) EU Ecolabel
- ☐ (H) EU Green Bond Standard
- ☐ (I) Febelfin label (Belgium)
- ☐ (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- ☒ (K) Greenfin label (France)
- ☐ (L) ICMA Green Bond Principles
- ☒ (M) Le label ISR (French government SRI label)
- ☐ (N) Luxflag Climate Finance
- ☐ (O) Luxflag Environment
- ☐ (P) Luxflag ESG
- ☐ (Q) Luxflag Green Bond
- ☐ (R) Luxflag Microfinance
- ☐ (S) National stewardship code (e.g. UK or Japan), please specify:
- ☐ (T) Nordic Swan Ecolabel
- ☐ (U) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:
- ☐ (V) People's Bank of China green bond guidelines

- ☐ (W) RIAA (Australia)
- ☒ (X) Towards Sustainability label (Belgium)
- ☐ (Y) Other, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 62	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Describe your organisation's approach to ensuring that your responsible investment processes are implemented as per your policies and guidelines. In your description please include the frequency of ensuring that your processes follow stated policies and include the choice of ESG fund audit, internal audit function and/or third-party external assurance.**

Ostrum relies on its strong risk management organization to ensure that the investment guidelines are not breached. The investment guidelines monitored include the compliance with the ESG-related exclusion lists and the specific standards of the SRI label. We rely on 3 levels of control to ensure the compliance with the investment guidelines. All portfolio investment guidelines are implemented under the direct supervision of the Risk Department in dedicated tools, mainly Guardian.

The Risk Dept. develops and maintains pre-trade controls for the use of portfolio managers before submitting trades. These controls are performed before a broker or counterparty has been contacted by the trading desk. These pre-trade controls cover mainly eligibility and exposure investment guidelines, including ESG-related exclusion lists. The compliance with the ESG-related exclusion lists are implemented on a blocking basis for open-ended funds, so that a non-compliant order is stopped and triggers an alert before it reaches the trading desk.

Also, the Risk Department uses Guardian to perform daily post-trade controls. These controls cover all investment guidelines of the funds, including the compliance with the ESG-related exclusion lists and the specific standards of the SRI label. Any detected breach of the investment guidelines triggers an alert sent to the portfolio managers, for quick resolution. A formal escalation procedure, under the supervision of the Risk Department, involves progressively increasing levels of management of the Investment Management, Risk and Permanent Control Departments, depending on the criticality and the length of the breach. Every event relative to the escalation is logged in the Guardian audit trail of the breach. Guardian time stamps and records the full audit trail. This record is available for fund managers, risk teams, or audit purposes. Reports on breaches are sent twice a month to the heads of investment departments and the heads of Risk Dept.

# Listed Equity (LE)

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

(3) Active – fundamental

(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

**(3) Active - Fundamental**

(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input checked="" type="checkbox"/>

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

**Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?**

**(3) Active – fundamental**

(A) We monitor long-term ESG trends for all assets	<input checked="" type="radio"/>
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(B) We monitor long-term ESG trends for the majority of assets	○
(C) We monitor long-term ESG trends for a minority of assets	○
(D) We do not continuously monitor long-term ESG trends in our investment process	○

## ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

How does your financial modelling and equity valuation process incorporate material ESG risks?

### (3) Active – fundamental

(A) We incorporate governance-related risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>
(B) We incorporate environmental and social risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	<input type="checkbox"/>
(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process	<input type="checkbox"/>

(E) We do not incorporate ESG risks into our financial modelling and equity valuations



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1

**In what proportion of cases do you incorporate the following material ESG risks into your financial modelling and equity valuation process?**

**(3) Active - Fundamental**

(A) We incorporate governance-related risks into financial modelling and equity valuations

(1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations

(1) in all cases

## Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

**What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?**

**(3) Active – fundamental**

(A) We incorporate information on current performance across a range of ESG metrics



(B) We incorporate information on historical performance across a range of ESG metrics





(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics ☐

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability ☒

(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation ☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

**In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?**

**(3) Active – fundamental**

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

**How do ESG factors influence your portfolio construction?**

**(3) Active – fundamental**

(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>
(E) Other expressions of conviction (please specify below)	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases did ESG factors influence your portfolio construction?**

**(3) Active – fundamental**

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.**

**Provide examples below:**

(A) Example 1:	over the past few years, the company Bayer has reported severe environmental shortcomings (issue of the use of Glyphosate), which could call into question the sustainability of the company's business model. As such, Bayer is excluded from our investment universe.
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(B) Example 2:

the company Téléperformance, has been, by its past, questioned on the respect of the Covid sanitary constraints in its call centres abroad. The management of the group has taken the full measure of the criticisms made and the potential problems to come, and has put in place drastic sanitary processes. Nevertheless, in the light of past controversies, a notice of vigilance is clearly mentioned in our "Quality Assessment", and is subject to questioning and to an informed follow-up during our management meetings with the company. We have therefore significantly reduced our position.

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- ☐ (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- ☒ (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- ☐ (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- ☒ (D) Other, please specify:  
☐ we have blocking alert in our front office system and trading system
- ☐ (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

# Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do your regular reviews incorporate ESG risks?**

**(3) Active – fundamental**

(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>
(E) We do not conduct reviews	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?**

**(3) Active – fundamental**

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>
(E) Other	<input type="radio"/>
(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>

## Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.

Provide examples below:

(A) Example from your active listed equity:

we have increased our cost of equity on Teleperformance due to ESG or social potential issues. We have lower our weighting due to less expected return. It cost us some performances but we consider we have done a better risk management by doing that.

## Reporting/Disclosure

### Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(1) for all of our listed equity assets subject to ESG screens

(2) for the majority of our listed equity assets subject to ESG screens

(3) for a minority of our listed equity assets subject to ESG screens

(4) for none of our assets subject to ESG screens

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation

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(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation

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(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

○

○

○

●

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

**What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?**

### (3) Active – fundamental

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

4) In none of our stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

2) In the majority of our regular stakeholder reporting



# Stewardship

## Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

- ☒ (A) Yes, we have a publicly available (proxy) voting policy Add link(s):  
<https://www.ostrum.com/fr/publications-reglementaires#politique-de-vote-et-droits-de-vote->
- ☐ (B) Yes, we have a (proxy) voting policy, but it is not publicly available
- ☐ (C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy (12) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

- ☒ (A) Our policy includes voting guidelines on specific governance factors Describe:  
<https://www.ostrum.com/fr/publications-reglementaires#politique-de-vote-et-droits-de-vote->
- ☒ (B) Our policy includes voting guidelines on specific environmental factors Describe:  
<https://www.ostrum.com/fr/publications-reglementaires#politique-de-vote-et-droits-de-vote->
- ☒ (C) Our policy includes voting guidelines on specific social factors Describe:  
<https://www.ostrum.com/fr/publications-reglementaires#politique-de-vote-et-droits-de-vote->

☐ (D) Our policy is high-level and does not cover specific ESG factors Describe:

## Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 17	CORE	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

**When you use external service providers to give voting recommendations, how do you ensure that those recommendations are consistent with your organisation's (proxy) voting policy?**

(A) We review service providers' controversial and high-profile voting recommendations before voting is executed (1) in all cases

(B) Before voting is executed, we review service providers' voting recommendations where the application of our voting policy is unclear (1) in all cases

## Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

**Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)**

☒ (A) We have a public policy to address voting in our securities lending programme. Add link(s):

<https://www.ostrum.com/fr/publications-reglementaires#politique-de-vote-et-droits-de-vote->

- ☐ (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- ☐ (C) We rely on the policy of our service provider(s)
- ☐ (D) We do not have a policy to address voting in our securities lending programme
- ☐ (E) Not applicable, we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.1	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

**How is voting addressed in your securities lending programme?**

- ☒ (A) We recall all securities for voting on all ballot items
- ☐ (B) We always recall all holdings in a company for voting on ballot items deemed important (e.g. in line with specific criteria)
- ☐ (C) We always recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)
- ☐ (D) We maintain some holdings so that we can vote at any time
- ☐ (E) We recall some securities on an ad hoc basis so that we can vote on their ballot items
- ☐ (F) We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ (G) Other, please specify:
- ☐ (H) We do not recall our securities for voting purposes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.2	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

**What exclusions do you apply to your organisation's securities lending programme?**

- ☐ (A) We do not lend out shares of companies that we are engaging with either individually or as a lead or support investor in collaborative engagements
- ☐ (B) We do not lend out shares of companies if we own more than a certain percentage of them
- ☐ (C) We do not lend out shares of companies in jurisdictions that do not ban naked short selling
- ☒ (D) We never lend out all our shares of a company to ensure that we always keep voting rights in-house
- ☐ (E) Other, please specify:
- ☐ (F) We do not exclude any particular companies from our securities lending programme

## Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

## Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- ☐ (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- ☐ (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- ☐ (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- ☒ (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- ☐ (F) We did not privately or publicly communicate our voting intentions
- ☐ (G) We did not cast any (proxy) votes during the reporting year

## Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

**Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?**

☒ (A) Yes, for >95% of (proxy) votes Link:

☐ [https://vds.issgovernance.com/vds/#/MTEyODk=](https://vds.issgovernance.com/vds/#/MTEyODk=/)

☐ (B) Yes, for the majority of (proxy) votes Link:

☐ (C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:

☐ (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

**In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?**

☒ (A) Within one month of the AGM/EGM

☐ (B) Within three months of the AGM/EGM

☐ (C) Within six months of the AGM/EGM

☐ (D) Within one year of the AGM/EGM

☐ (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

**Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?**

- ☐ (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- ☐ (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- ☒ (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- ☐ (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

**Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?**

- ☐ (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- ☒ (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- ☐ (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

## Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

**How are you contributing to the integrity of the end-to-end voting chain and confirmation process?**

The middle office inputs the necessary information into the ISS platform. The manager receives a confirmation from the middle office for each assembly.

## Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2

Provide examples of the most significant (proxy) voting activities that your organisation and/or the service provider acting on your behalf carried out during the reporting year.

Provide examples below:

(A) Example 1:

Hermes. We voted against the remuneration of corporate officers and managers. We voted against a series of resolutions concerning the remuneration of corporate officers and managers of the company for several reasons:

- The remuneration policies for the executive and director functions were quite redundant, thus giving an opportunity to increase remuneration over the 2 mandates;
- The performance conditions triggering a share allocation were not clearly presented. In particular, the allocation was made at a discount to the share price.

(B) Example 2:

Ferrari. We voted against the re-election of directors to support the quality and diversity of the Board of Directors. The governance institutions at Ferrari could be improved:

- The feminisation rate of the Board of Directors is below 33% (the threshold of our voting policy for controlled companies);
- One director lacked assiduity throughout the expired mandate, we voted against his re-election;
- Long-term executive remuneration plans do not contain sufficiently demanding criteria;
- Shareholder interest is limited by the possibility of issuing new shares without reserving any for existing shareholders.

(C) Example 3:

Lagardère. Objective: give the supervisory board more power over Arnaud Lagardère. With its legal structure of a partnership limited by shares, Arnaud Lagardère, as manager, has almost unlimited powers (in exchange for unlimited financial responsibility for the company's losses). In light of this situation, the activist fund Amber Capital proposed resolutions to renew the members of the Supervisory Board so that it could better fulfil its role as a counter-power. We supported the resolutions.

## Fixed Income (FI)

### Pre-investment phase

#### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>



(E) No, we do not have a formal process to identify material ESG factors

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

	(1) SSA	(2) Corporate
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input type="checkbox"/>	<input type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>

**Please specify for "(D) Other method of incorporating ESG factors into risk management process".**

we incorporate ESG factors in our fundamental analysis of issuers.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

**For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?**

**(1) SSA**

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	(1) for all of our assets
(D) Other method of incorporating ESG factors into risk management process	(1) for all of our assets

**(2) Corporate**

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	(1) for all of our assets
(D) Other method of incorporating ESG factors into risk management process	(1) for all of our assets

## ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	(1) SSA	(2) Corporate
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer		(1) in all cases

(A) We incorporate it into the forecast of cash flow, revenues and profitability

(2) in the majority of cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(1) in all cases

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

### How do ESG factors influence your portfolio construction?

#### (1) SSA

#### (2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors



(B) The holding period of individual assets within our portfolio is influenced by ESG factors



(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors



(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process



(E) Other expressions of conviction, please specify below:



(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases do ESG factors influence your portfolio construction?**

**(1) SSA**

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(2) in the majority of cases
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	(3) in a minority of cases

**(2) Corporate**

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(2) in the majority of cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(2) in the majority of cases
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	(3) in a minority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

Please provide examples below:

(A) Example 1:

The material impact of litigation related to the sale of opioids is one of the reasons why Credit Analysts simultaneously downgraded several companies in the pharmaceutical sector, including Teva and Mallinckrodt. In the United States, the so-called "opiate" scandal refers to a cascade of lawsuits against companies that have marketed products based on Opium (powerful pain relievers). These products were legal at the time, but were in fact distributed to a large number of patients uninformed by the potential consequences (heavy physical dependence, and impact on health up to the death of treated patients). According to U.S. **(response continued in row below)**

government health figures, about 68% of the 70,000 drug overdose deaths in 2017 involved opioid therapy. Oklahoma was the first state to prosecute manufacturers of opioids. The Oklahoma verdict and settlement showed a more punitive outcome to the opioid dispute due to the use of "public nuisance", a concept that had been invoked in trials against tobacco manufacturers and which opened a very large potential for litigation, with very high damages.

These opioid disputes, should result in a significant material impact, reduce Teva's room for maneuver, which is at a sensitive stage in its restructuring, even if the company still has the means to avoid the default. Mallinckrodt, on the other hand, who was in a very critical liquidity situation, cannot absorb payments for significant litigation, hence our decision to exclude the name of our investments (Avoid).

(B) Example 2:

On the SSA side, our experts have put recently a negative view on Indonesia taking into account Governance issues. Indeed, even if the passing of the omnibus bill on job creation could be an important step toward boosting investment, high-quality governance standards will be required for success, and on this precise pillar we express our doubts that Indonesia's central bank governance is robust enough, especially at the moment, with a bill under debate in Indonesia's parliament that would make the central bank's job of delivering price stability much harder to achieve. If it is passed, it could weigh on bonds and add to stress to the rupiah. It could also hamstring progress on credit rating.

## ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

**When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?**

	(1) SSA	(2) Corporate
(A) In the majority of cases, we incorporate material governance-related risks	○	○
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	●	●
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	○	○



## ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

**In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?**

	(1) SSA	(2) Corporate
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="checkbox"/>	<input type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- ☒ (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)  
☒ (B) Yes, it differentiates ESG risks by sector  
☐ (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do your regular reviews incorporate ESG risks?**

	(1) SSA	(2) Corporate
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews that incorporate ESG risks	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>

## Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate
(A) We take into account current risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We take into account medium-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We take into account long-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate
(A) We monitor long-term ESG trends for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	○	○
(C) We monitor long-term ESG trends for a minority of our assets	○	○
(D) We do not continuously monitor long-term ESG trends in our investment process	○	○

# Reporting/Disclosure

## ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

<p>(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:</p> <div> <p>Please find our LTE Report, TCFD Report as well as Sectoral Policy through the following link: <a href="https://www.ostrum.com/en/our-csr-and-esg-publications">https://www.ostrum.com/en/our-csr-and-esg-publications</a>, and our ESG approach through the following link: <a href="https://www.ostrum.com/en/acting-responsible-investor">https://www.ostrum.com/en/acting-responsible-investor</a></p> </div>	<p>(1) for all of our fixed income assets subject to ESG screens</p>
<p>(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:</p> <div> <p>Please find our Press Release trough the following link: <a href="https://www.ostrum.com/en/communique-de-presse/ostrum-asset-management-ramps-its-coal-sector-withdrawal-policy">https://www.ostrum.com/en/communique-de-presse/ostrum-asset-management-ramps-its-coal-sector-withdrawal-policy</a></p> </div>	<p>(1) for all of our fixed income assets subject to ESG screens</p>
<p>(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries</p>	<p>(2) for the majority of our fixed income assets subject to ESG screens</p>

# Engagement

## Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

### (2) Corporate

(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>
(C) During the holding period	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input type="checkbox"/>
(E) When issuers/borrowers default	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(D) Description of engagement approach for our corporate fixed income

Ostrum Asset Management identified at the end of 2020 themes and axes for which it seems essential to draw the attention of companies as to their importance in the assessment of their CSR policy. The engagement themes are therefore identified at the level of the management company. Some will be favored by the Fixed Income management teams and supported by the credit analysts.  
**(response continued in row below)**

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Not all themes will be the subject of a specific commitment by the management teams. Indeed, some are considered mainstream and are part of the ongoing dialogue. These themes can nevertheless be major in our assessment of corporate CSR policy. They will therefore be particularly monitored through our controversy monitoring policy.  
**(response continued in row below)**

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Ostrum will ensure that a controversial issuer is given special consideration in accordance with applicable procedures.

Several themes will be subjects of formal commitments to issuers:

- PARTICIPATE IN MITIGATION AND ADAPTION TO CLIMATE CHANGE: Ostrum has strengthened its exit strategy from the coal sector in 2020 and announced its desire to reduce its coal exposure to zero by 2030 for the OECD and 2040 for non-OECD countries. Credit analysts in charge of the sectors concerned will therefore have to ensure that there is a plan for companies to exit coal.
- BALANCING POWERS AND REMUNERATION: The balance of power and in particular the diversity of women and men is a key subject for Ostrum AM. Our goal will be to engage companies in how they promote gender equality at all hierarchical levels of their organization
- IMPROVE DATA TRANSPARENCY: In case of insufficient or lack of transparency in the information communicated by sustainable bonds issuers, Ostrum will engage a dialogue with issuers in order to have exhaustive and relevant data to enable them to conduct a complete analysis and to encourage issuers to improve their level of transparency.

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# Sustainability Outcomes (SO)

## Set targets on sustainability outcomes

### Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PUBLIC	Outcome objectives	1

Has your organisation chosen to shape any specific sustainability outcomes?

- ☒ (A) Yes  
☐ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 3	PUBLIC	Outcome objectives	1

Please list up to 10 of the specific sustainability outcomes that your organisation has chosen to shape.

#### Sustainability outcomes

(A) Sustainability Outcome #1	Strengthen our coal policy
(B) Sustainability Outcome #2	Labelling of our open-ended funds (98% AuM)
(C) Sustainability Outcome #3	Review our defence policy
(D) Sustainability Outcome #4	Define our first oil and gas policy
(E) Sustainability Outcome #5	Deploy our fixed-income engagement
(F) Sustainability Outcome #6	Increase the amount of outstanding GSS Bonds

## Target-setting process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 2	SO 3.1	PUBLIC	Target-setting process	1

Have you set any targets for your sustainability outcomes? Indicate how many targets you have set for each sustainability outcome.

(A) Sustainability Outcome #1:	(2) One target
(B) Sustainability Outcome #2:	(2) One target
(C) Sustainability Outcome #3:	(2) One target
(D) Sustainability Outcome #4:	(2) One target
(E) Sustainability Outcome #5:	(2) One target
(F) Sustainability Outcome #6:	(2) One target

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	Multiple, see guidance	PUBLIC	Target-setting process	1

For each sustainability outcome, name and provide a brief description of up to two of your targets and list the metrics or key performance indicators (KPIs) associated with them, the targets' deadlines and the percentage of your assets under management to which the targets apply.

Target name	Target description
(A1) Sustainability Outcome #1: (Target 1)	Coal Policy Strengthen criteria
(B1) Sustainability Outcome #2: (Target 1)	SRI labelling 98% of AuM in our open-ended funds to carry SRI accreditations by 2022

(C1) Sustainability Outcome #3: (Target 1)	Defence Policy	Publication of our Defence Policy
(D1) Sustainability Outcome #4: (Target 1)	Oil & Gas Policy	Define our first Oil & Gas Policy
(E1) Sustainability Outcome #5: (Target 1)	Fixed-income engagement	Define and implement our engagement policy
(F1) Sustainability Outcome #6: (Target 1)	GSS Bonds	Increase the amount of outstanding GSS Bonds
	<b>KPIs/metrics</b>	<b>Target deadline: Year</b>
(A1) Sustainability Outcome #1: (Target 1)	Raise our standards by taking into account the GCEL 2020 recommendations: 10 million tonnes of annual thermal coal production, 5 GW of installed capacity, 20% of their energy production generated by coal, 20% of sales	2021
(B1) Sustainability Outcome #2: (Target 1)	SRI obtention	2022
(C1) Sustainability Outcome #3: (Target 1)	Publication of our Defence Policy	2021
(D1) Sustainability Outcome #4: (Target 1)	Publication of our first Oil & Gas Policy	2021
(E1) Sustainability Outcome #5: (Target 1)	Publication and implementation of our engagement policy	2021
(F1) Sustainability Outcome #6: (Target 1)	Increase the amount of outstanding GSS Bonds	2021
	<b>Coverage: % of assets under management</b>	
(A1) Sustainability Outcome #1: (Target 1)		100
(B1) Sustainability Outcome #2: (Target 1)		98
(C1) Sustainability Outcome #3: (Target 1)		100

(D1) Sustainability Outcome #4: (Target 1)

100

(E1) Sustainability Outcome #5: (Target 1)

(F1) Sustainability Outcome #6: (Target 1)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 3.1	N/A	PUBLIC	Target-setting process	1

**Which global goals (or other references) did your organisation use to determine your sustainability outcomes targets? Explain whether you have derived your target from global goals, e.g. by translating a global goal into a target at the national, regional, sub-national, sectoral or sub-sectoral level. Alternatively, explain why you have set your target independently from global goals.**

**Global goals/references**

(A1) Sustainability Outcome #1: (Target 1)

SDG 13

(C1) Sustainability Outcome #3: (Target 1)

SDG 13

(D1) Sustainability Outcome #4: (Target 1)

SDG 16

(E1) Sustainability Outcome #5: (Target 1)

SDG 3, SDG 5, SDG 7, SDG 8, SDG 10, SDG 12, SDG 13,  
SDG 14, SDG 15, SDG 16

(F1) Sustainability Outcome #6: (Target 1)

Almost all SDG's

## Tracking progress

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 3.1	SO 5.1, SO 5.2	PUBLIC	Tracking progress	1

**Does your organisation track intermediate performance and progress against your sustainability outcomes targets?**

(A1) Sustainability Outcome #1: (Target 1)	(1) Yes
(B1) Sustainability Outcome #2: (Target 1)	(1) Yes
(C1) Sustainability Outcome #3: (Target 1)	(1) Yes
(D1) Sustainability Outcome #4: (Target 1)	(1) Yes
(E1) Sustainability Outcome #5: (Target 1)	(1) Yes
(F1) Sustainability Outcome #6: (Target 1)	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.1	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

**How does your organisation track intermediate performance and progress against your sustainability outcomes targets?**

**Please describe below:**

(A1) Sustainability Outcome #1: (Target 1)	Follow-up during the investment committee
(B1) Sustainability Outcome #2: (Target 1)	Follow-up during the executive committee
(C1) Sustainability Outcome #3: (Target 1)	Approved by the executive committee
(D1) Sustainability Outcome #4: (Target 1)	Approved by the executive committee
(E1) Sustainability Outcome #5: (Target 1)	Follow-up during the investment committee

# Global stakeholders collaborate to achieve outcomes

## Tracking progress against global goals

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 23	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation engage with standard setters, reporting bodies or similar organisations to help track and communicate progress against global sustainability goals?

☒ (A) Yes. Please describe:

Reclaim Finance and ShareAction

☐ (B) No. Please describe why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 24	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

Does your organisation contribute to public goods (such as research) or public discourse (such as media coverage) to make progress on global sustainability goals?

☒ (A) Yes. Please describe:

Participation in writing the white paper “Coal Best Practices Guide” (AFG)

☐ (B) No. Please describe why not: