

**CORPORATE  
SOCIAL  
RESPONSIBILITY  
REPORT  
2017-2018**



An affiliate of

 **NATIXIS**  
INVESTMENT MANAGERS



# Matthieu Duncan

CEO, Ostrum Asset Management



Our world is in the midst of massive change. It is up to us to collectively address the fundamental issues facing our economy, the way we live and the way we work. Not only climate change, demographic growth and resource depletion, but also the digital revolution and questions of diversity are all factors we must take into account in order to accelerate the transition to a more sustainable world.

**Because it is the nexus of the economy, finance has an essential role to play and a responsibility to live up to.**

Formerly disparate and arbitrary, initiatives promoting responsible asset management are more structured today, in large part thanks to regulation. In France, the environmentally focussed Grenelle Laws and, more recently, the Law on Energy Transition and Green Growth have served to advance both the integration of ESG and climate issues and investor reporting efforts. Such initiatives in France are mirrored at the European level by the structuring developments conducted as part of the Responsible Finance package,<sup>1</sup> and internationally by a number of initiatives, such as those spearheaded by the Task Force on Climate-related Financial Disclosures (TCFD).

We welcome this transformation within our sector, and are proud to contribute to it in our own way. Why? **Because we have two convictions:**

- **The first is that responsible finance, formerly a niche market, is fast becoming a market standard.** It would be hard for us to legitimately affirm our position as leading European asset managers<sup>2</sup> if we ignored this major shift, which affects our clients, our business and the issuers we invest in;
- **The second is that ESG integration is an inherent part of our role as asset managers.** Client relationships are founded on faith: belief in our expertise and in our capacity to deliver the best possible investment results. Systematically assessing the potential impact of ESG factors on the full range of our investments is part of that trust, as is our ability to offer our clients products and services aligned with their own ESG philosophies, at the level of intensity for these considerations they seek in their portfolios.

**At Ostrum Asset Management, our teams bring these convictions to life daily in their actions, as they have done for years. We have been signatories of the UN PRI for over a decade, and the excellent ratings we recently achieved in the full range of modules applicable to our business bear witness to our commitment.** In this common cause, diversity is a driver of performance for us: 60% of our Executive Committee members are women. We are also constantly working to reduce our carbon footprint, and offset 100% of our CO<sub>2</sub> emissions.

This Corporate Social Responsibility (CSR) approach is headed by Ostrum AM's Executive Committee, overseen by an ad hoc committee that brings together all the companies business lines and implemented by each of us on a daily basis. Our exchanges with our clients strengthen and enrich our practices as we incorporate and anticipate their needs. Our approach may have changed and matured over the years, but our ambition remains the same. Yesterday, today and tomorrow, committed and responsible, Ostrum AM leads the way on ESG.

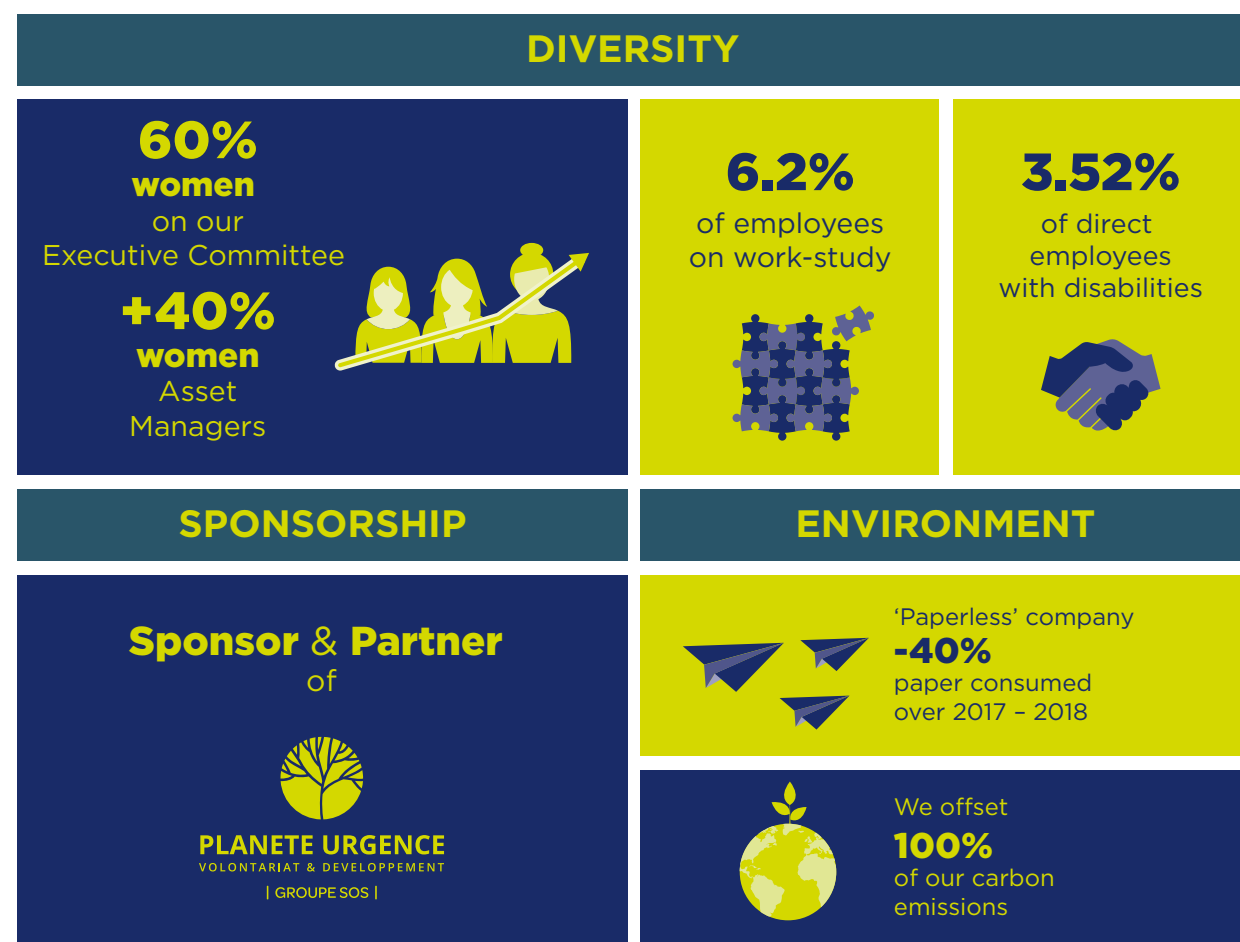
Please enjoy this report.

<sup>1</sup> Source: [http://europa.eu/rapid/press-release\\_IP-18-3729\\_fr.htm?locale=EN](http://europa.eu/rapid/press-release_IP-18-3729_fr.htm?locale=EN)

<sup>2</sup> The IPE's Top 400 Asset Managers 2018 ranked Ostrum Asset Management the 52<sup>nd</sup> largest asset manager worldwide at 31/12/2017.

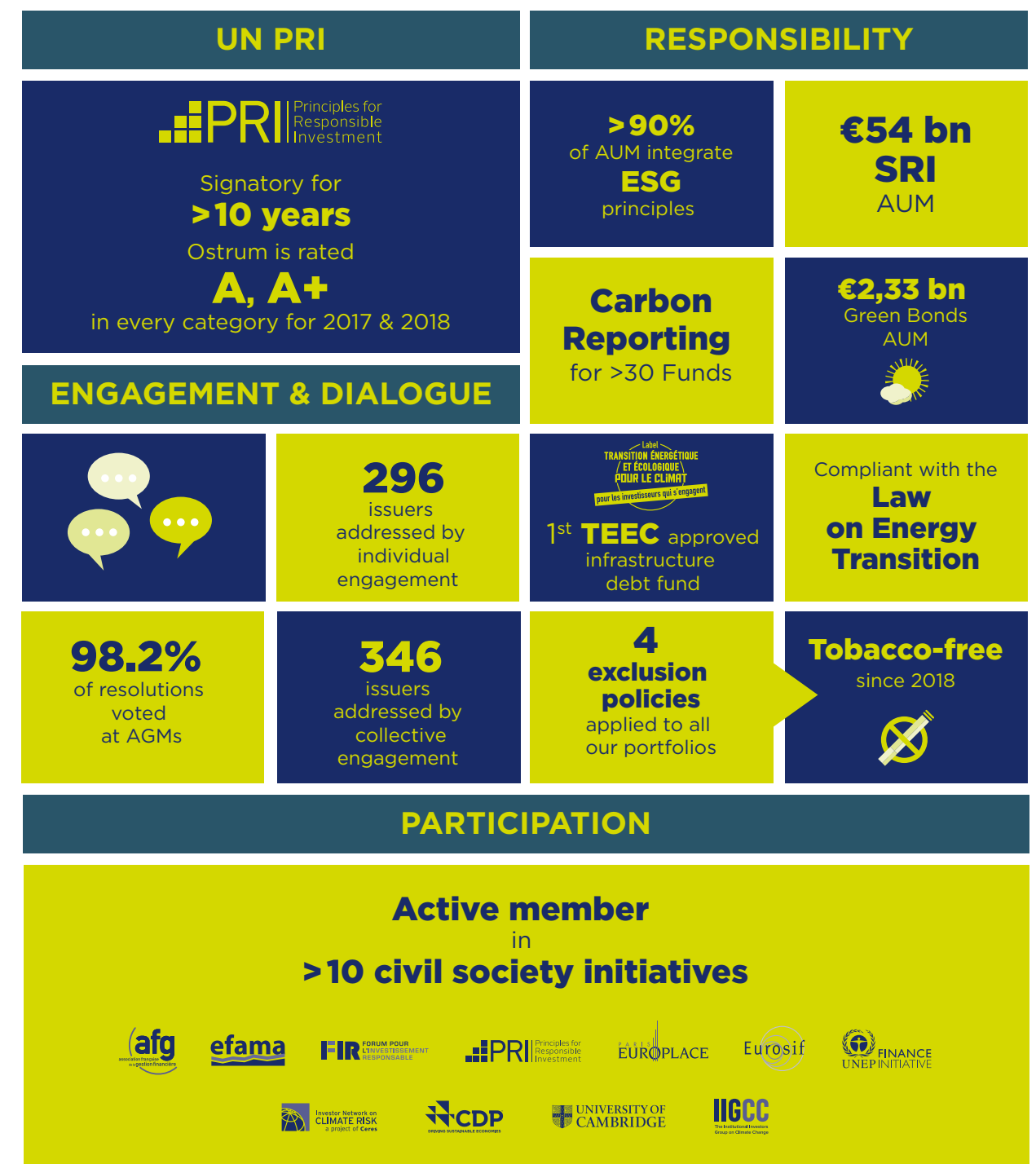
Committed to  
responsible investment  
for over 30 years

## RESPONSIBLE BEHAVIOUR



Source: Ostrum Asset Management as at 31/12/2018.

## RESPONSIBLE INVESTMENT



Source: UN PRI – Ostrum Asset Management Transparency Report 2018.



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## 103 GLOSSARY





1



OSTRUM IN  
A NUTSHELL





# ABOUT OSTRUM ASSET MANAGEMENT

“Our name has changed, but our mission remains the same”

On 3 April 2018, Natixis Asset Management officially became Ostrum Asset Management.

Changing our name to Ostrum Asset Management was an opportunity to clarify our positioning as an affiliate manager, working within Natixis Investment Managers’ (asset management subsidiary of Natixis) multi-affiliate organisational model.

What’s more, the rebranding exercise allowed Ostrum AM to re-market its key expertise in insurance solutions and fixed income, and pursue opportunities in growth areas, including private debt and other alternative assets.



Our new identity is a natural extension of our new brand name:

- **Our Latin name, *Ostrum***, pays tribute to our European roots. Its meaning—purple—strongly reaffirms that we are part of Natixis and Groupe BPCE;
- **Our symbol, the “exponent,”** underscores our determination to evolve and grow with you and open investment perspectives in a rapidly changing asset management market;
- **Our “Funding your tomorrow” signature** highlights our ultimate goal: enabling our clients to achieve their long-term financial objectives by delivering the best possible investment returns.

We are engaged to provide our clients with investment strategies that best meet their needs.

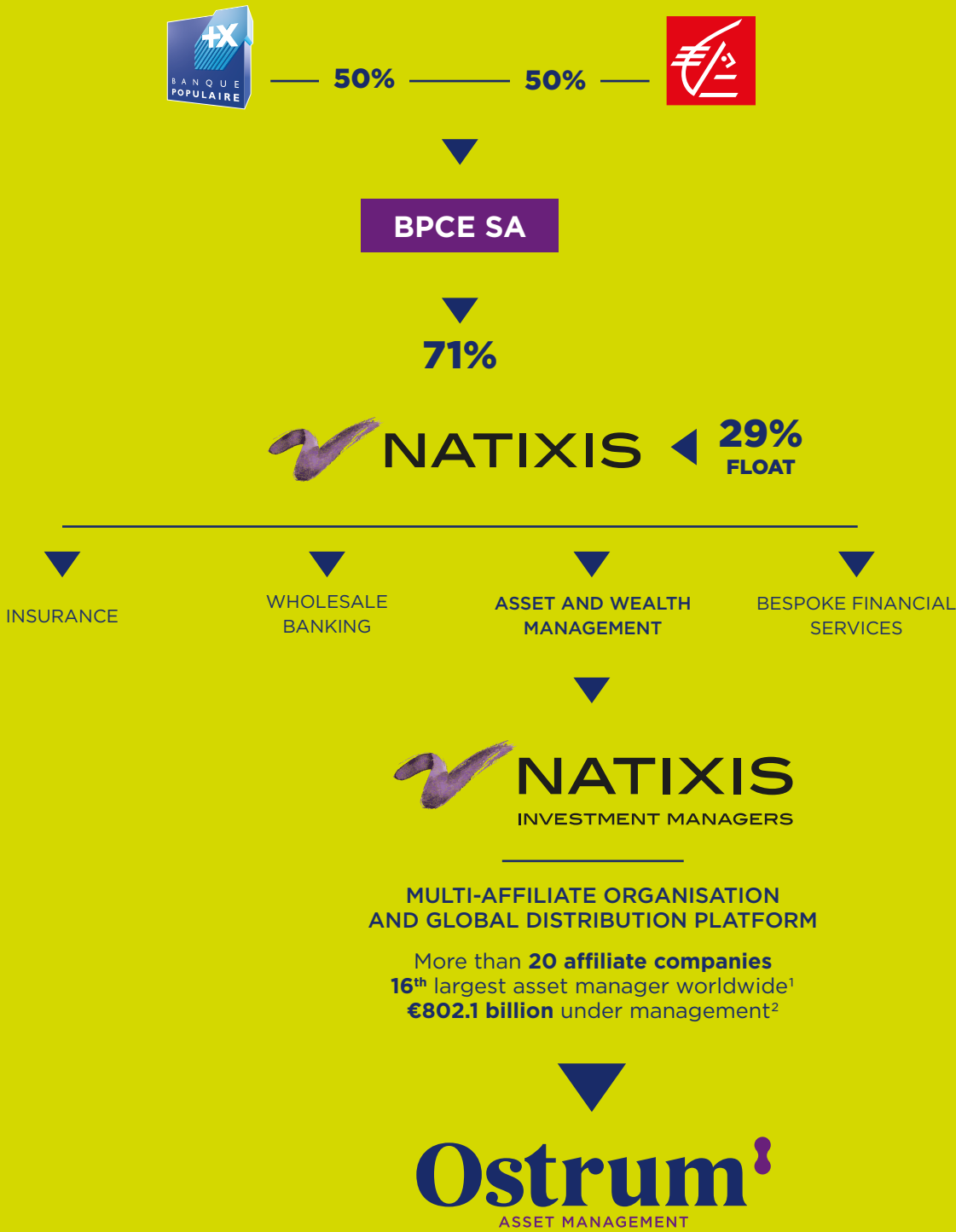
After completing the name change in April 2018, on 1 October 2018, Ostrum Asset Management became a newly established asset management company registered under French law, with over 257.6 billion euros in assets under management<sup>1</sup>, managing assets for individual and institutional investors. Ostrum AM is recognised within the Natixis Group as an asset manager with expertise in fixed income, multi-asset, equity, SRI and alternative solutions (real asset-based private debt and infrastructure), proposing separate accounts (mandates) and open-ended pooled funds. In addition, Ostrum AM is the delegated manager for a number of Natixis Investment Managers’ pooled funds.

Our company employs over 350 talented professionals<sup>1</sup> and possesses an international reach, with research and management teams in Europe, the US and Asia.

Ostrum AM’s investment products and solutions are distributed via Natixis Investment Managers’ international distribution platform.

<sup>1</sup> Source: Ostrum AM, as at 31/12/2018.

 **GROUPE BPCE**  
9 MILLION CLIENT SHAREHOLDERS



<sup>1</sup> Source: Cerulli at 31/12/2017.

<sup>2</sup> Source: Natixis Investment Managers as at 31/12/2018.



# OSTRUM ASSET MANAGEMENT: A MULTI-AWARD-WINNING COMPANY



## TEEC Government Label<sup>1</sup>

- Infrastructure debt fund: *Essential Infra Debt Fund*<sup>2</sup>

## PRI<sup>3</sup>

- A and A+ ratings for both quality and implementation of our ESG strategy

## Les Actifs du Patrimoine 2018

- Actif d'or de la distribution in the network diversified funds category for the Sélectiz range

## EXTEL 2018 Ranking

- 2<sup>nd</sup> place in the French asset managers category
- Ronan Poupon, ranked 2<sup>nd</sup> in the “French managers and analysts” category

## European Funds Trophy 2018

- Best French asset manager in the “100-200 funds” category

## Thomson Reuters Lipper Fund Awards

- Natixis Souverains Euro : Best fund in the “euro sovereign bonds” category over 10 years<sup>4</sup>

<sup>1</sup> Energy and Ecological Transition for the Climate – [www.ecologique-solaire.gouv.fr/label-transition-energetique-et-ecologique-climat](http://www.ecologique-solaire.gouv.fr/label-transition-energetique-et-ecologique-climat) (in French only).

<sup>2</sup> The Essential Infra Debt Fund is a sub-fund of the Luxembourg-based Reserved Alternative Investment Fund (RAIF), Ostrum Debt SCS RAIF, whose financial company is Natixis Investment Managers and whose managing company is Ostrum Asset Management. Exclusively reserved for professional investors as defined by MiFID, it presents a number of risks, including risks of capital loss, asset performance (more particularly construction risk and income from assets), liquidity risks, counterparty risk, macroeconomic risk, risk of changes in the legal, regulatory and tax framework, and risks associated with the fund's deployment.

<sup>3</sup> United Nations Principles for Responsible Investment – [www.unpri.org](http://www.unpri.org).

<sup>4</sup> Natixis Souverains Euro is the former name of the Ostrum Souverain Euro fund, see page 101 for details.



References to prizes or awards have no bearing on the future performance of any fund or manager.





# CORPORATE GOVERNANCE

## SERVING BOTH OUR COMPANY’S LONG-TERM INTERESTS AND THOSE OF OUR STAKEHOLDERS

Ostrum Asset Management’s governance is guided by principles defined for governance of all subsidiaries within Natixis Intégrée,<sup>1</sup> while also aiming to fulfil regulatory requirements, safeguard independent fund management processes while promoting the company’s best interests. Ostrum AM’s governance is designed to meet two objectives. First, we comply to legislative and regulatory requirements that seek to ensure that clients’ best interests are the primary consideration by guaranteeing that our investment management business is run independently and with a product-neutral approach. Second, our corporate interests are upheld in order to preserve the company’s best interests over the long term and for the benefit of its stakeholders. Corporate governance is based on a Board of Directors and Senior Management, who both rely on a solid corpus of best practices and risk management, designed to avoid any potential conflicts of interest.

### Our Board of Directors includes representatives from all parties

The Chairman and CEO roles are separated, ensuring an optimum balance of power between the supervisory and executive management bodies. This equilibrium is further upheld by equal representation between shareholding group Natixis and its retail banking network partners. Two representatives from the Economic and Social Uni<sup>2</sup> also attend Board meetings as non-voting participants, thereby ensuring a balanced weighting within the group.

The Board of Directors consists of nine members and is chaired by Jean Raby, Chief Executive Officer of Natixis Investment Managers, who is responsible for ensuring the body’s complete and utter independence as it fulfils its role, promoting the company’s and its shareholders’ long-term interests. The Board complies with its legal requirements while ensuring the highest quality of service for the company’s distributor clients, particularly the Banques Populaires and Caisses d’Epargne retail banking networks.

#### Our Board of Directors<sup>3</sup>

- **Jean RABY**, Board Chairman | Chief Executive Officer, Natixis Investment Managers
- One representative from **BPCE**: **Pascal BRIAN**, Board Member | Head of Retail Development
- One representative from **Natixis**: **Nathalie DESREUMAUX**, Board Member | Head of Financial Operations
- One representative from **Natixis IM International**: **Christophe LANNE**, Board Member | Chief Executive Officer, Natixis Investment Managers International
- **Jean-François BARALON**, Board Member | Head of Distribution for France, French-speaking Switzerland and Monaco | Natixis Investment Managers International
- **Céline TUFFAL**, Board Member | HR Director, Insurance
- **Olivier KLEIN**, Board Member | Chief Executive Officer, BRED-Banque Populaire
- **Alain CONDAMINAS**, Board Member | Chief Executive Officer, Banque Populaire Occitane
- **Bruno GORE**, Board Member | Chairman, Caisse d’Epargne Normandie

#### Our management team

Matthieu Duncan is the Chief Executive Officer of Ostrum Asset Management and is supported in this role by Deputy Chief Executive Officer Valérie Derambure thereby ensuring the dual leadership required of investment firms and credit institutions, as outlined by Article L532-9II 4° of the French Monetary and Financial Code. He is also supported by the Executive Committee, which represents the company’s main business lines and key functions, to foster a collective and cross-business approach to steering the company and its strategy. The Executive Committee has five members and meets once a week.



#### MATTHIEU DUNCAN

CHIEF EXECUTIVE OFFICER

Matthieu Duncan has more than 25 years of experience in the financial markets. He has held various positions in the financial sector in both Paris and London, including tenures at Goldman Sachs, Cambridge Place IM, Newton IM and Quilter Cheviot. Matthieu Duncan holds an MBA from the University of Texas at Austin, and a degree in business management from the University of California at Santa Barbara.



#### VALÉRIE DERAMBURE

DEPUTY CHIEF EXECUTIVE OFFICER  
HEAD OF FINANCE AND OPERATIONS

Valérie Derambure has over 30 years of experience in internal audit. She has worked for Deloitte Audit, Groupe CPR, CIC Paris, CDC IXIS Capital Markets, Natixis Wealth Management and Natixis. In 2017, Valérie Derambure was appointed Deputy Chief Executive Officer of Ostrum Asset Management in charge of finance and operations. She is a graduate of ESCP Business School.



#### IBRAHIMA KOBAR

DEPUTY CHIEF EXECUTIVE OFFICER, CHIEF INVESTMENT OFFICER

Ibrahima Kobar has more than 25 years of experience in fixed-income fund management. He has held a number of roles in various financial-sector institutions, including Société Générale and Midland Bank. Ibrahima Kobar is an actuary with a degree from the Institut de Statistiques de Paris (ISUP), and is a member of the Institut des Actuaire Français (IAF). He is also a CFA charter-holder.



#### LIENTU LIEU

HEAD OF BUSINESS STRATEGY

Lientu Lieu started her career in 2004 at A.T. Kearney. She was appointed Head of Business Strategy for Ostrum Asset Management in 2017, where she is in charge of strategy and commercial development. Lientu Lieu is a graduate of the École Supérieure de Commerce de Paris (ESCP) and also completed the Program for Leadership Development at the Harvard Business School.



#### SYLVIE SOULÈRE GUIDAT

HEAD OF HUMAN RESOURCES

Sylvie Soulière Guidat has 30 years’ experience in finance. She has held various positions at Crédit Lyonnais, la Caisse des Dépôts et Consignations, and subsequently at Natixis in both France and Asia. Sylvie Soulière Guidat is a graduate of the École Nationale Supérieure d’Électrotechnique, d’Électronique, d’Informatique, d’Hydraulique et des Télécommunications.

<sup>1</sup> Natixis Intégrée comprises Natixis and its subsidiaries, exclusive of holdings.

<sup>2</sup> See Glossary page 103.

<sup>3</sup> Board membership as at 31/12/2018.





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WE ARE A  
RESPONSIBLE  
ASSET MANAGER



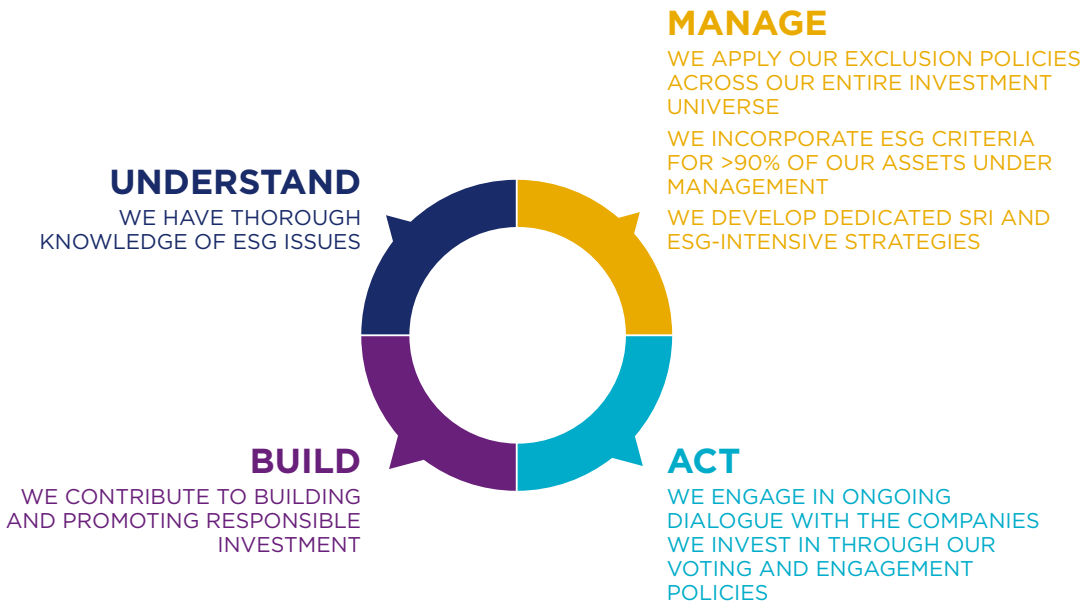


**GENUINELY COMMITTED  
TO RESPONSIBLE INVESTMENT**

Ostrum Asset Management has been actively involved in sustainable development and socially responsible investment (SRI) initiatives for more than 30 years<sup>1</sup> and we have stepped up our commitment over the last few years by making responsible investment the key component of our overall CSR strategy.<sup>2</sup>

In our investment decisions, we take all ESG<sup>2</sup> criteria into account and comply with major international standards, such as the UN Principles for Responsible Investment (PRI), of which we have been a signatory since 2008. We apply a consistent approach across all asset classes and all investment styles, creating a responsible economic and financial ecosystem.

Our approach is the result of extensive efforts and research carried out over a number of years and is based on four key commitments and specific initiatives designed to support action to combat climate change and applied on a daily basis by investment management professionals depending on the specific features of asset classes. We believe our responsible, ambitious and relevant management will help generate long-term performance and added value for our clients.



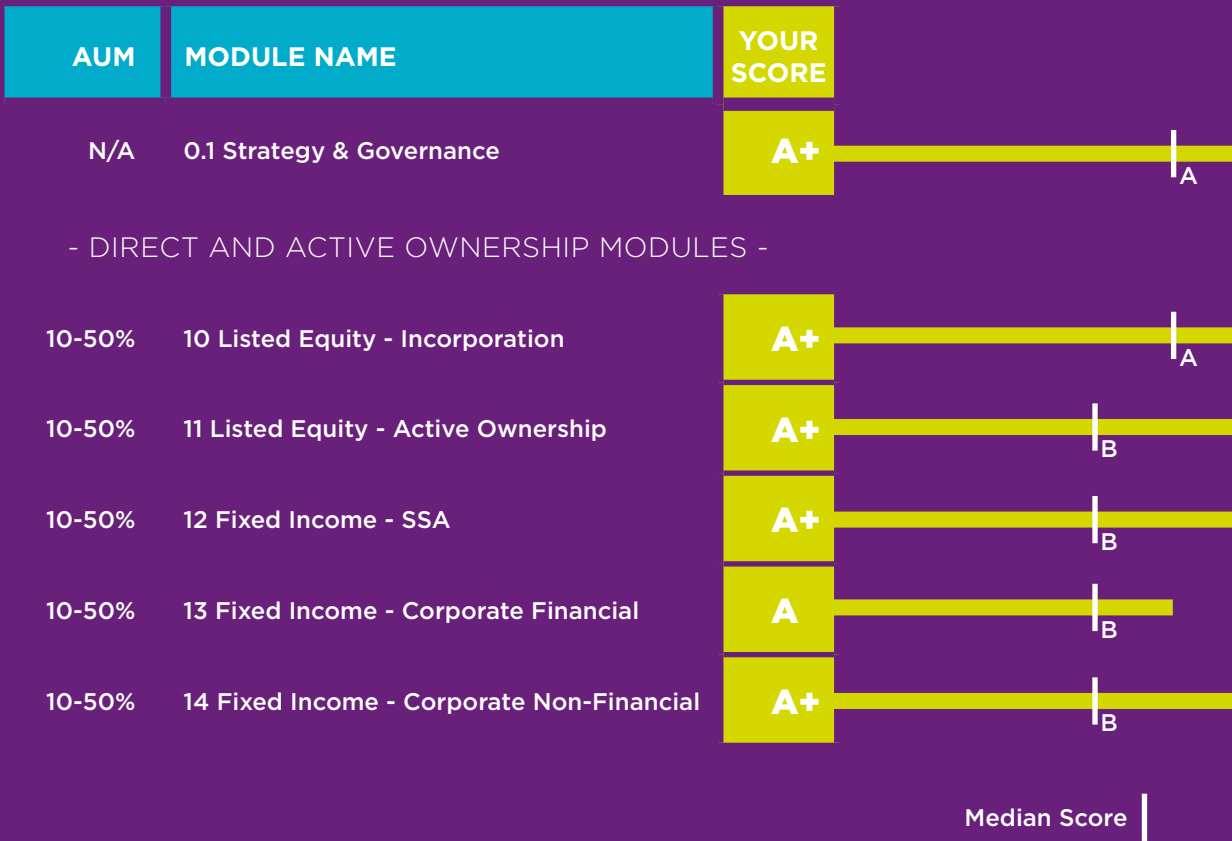
<sup>1</sup> Ostrum AM's first social fund, Natixis Impact Nord Sud Développement, was launched in 1985. A full range of SRI and socially responsible funds was subsequently developed over the following several years.  
<sup>2</sup> See Glossary page 103.



COMMENDATIONS ON OUR APPROACH

2018 marked the 10<sup>th</sup> anniversary of our formal commitment to the UN Principles for Responsible Investment (PRI). And, yet again this year, our quality and ambitious approach to responsible investment have been acknowledged and rewarded, with all the data we reported scoring very well. We are particularly proud of our performance!

SUMMARY SCORECARD



Following a detailed reporting process, PRI assess each applicable module<sup>1</sup> on a 1 to 6 scale.<sup>2</sup> The peer group’s median score is communicated as well, so that results can be compared on a relative basis. The Summary ScoreCard featured above is part of Ostrum Asset Management’s Assessment Report.<sup>3</sup>

<sup>1</sup> The rating scale consists of alphabetical grades from A+ (best) to E (worst).  
<sup>2</sup> The “Strategy and Governance” module applies to all signatories; the others are assigned insofar as they are relevant to 10% or more of assets under management.  
<sup>3</sup> Please see RI Transparency Report, available directly on the PRI website.

A

We have thorough knowledge of ESG issues

Understanding the current trends shaping our economic and financial system, remaining abreast of sector-specific ESG issues and anticipating regulatory changes enables us to better comprehend the extra-financial issues which create risks or opportunities for issuers. We take these factors into account in our investment decisions as well as in our actions as shareholders.

Financial and extra-financial research is fully integrated into our investment processes across asset classes.

INTEGRATED ESG RESEARCH CAPABILITIES



RELIABLE SOURCES

- Our investment management teams rely on well-established data providers.
- Our issuer analysis also relies on direct exchanges with issuers and corporations.



OUR ESG KNOWLEDGE IS SHARED WITH OUR INVESTMENT MANAGEMENT TEAMS

- Our investment management relies on integrated ESG analysis.
- Teams are trained to ensure they are well informed on ESG issues.



A COLLECTIVE ENDEAVOUR

- All our analysts are responsible for analysing extra-financial data and assessing impact on issuers.
- To ensure a coordinated approach, we have identified ESG ambassadors in each of our investment teams.



UNDERSTANDING AND INTEGRATING CLIMATE-RELATED ISSUES

- We have designed specific training on climate issues and carbon accounting for our investment managers.
- We systematically address climate-related issues in our exchanges with the management of companies we are invested in.





## ANALYSING EXTRA-FINANCIAL DIMENSIONS TO ASSESS SOVEREIGN RISK

We systematically take extra-financial data into account in our sovereign investment processes and in building our portfolios through risk assessments of each country.

The assessment takes place in two phases:

### 1. Sovereign Risk Model

Our quantitative engineers have developed a proprietary assessment model which offers medium-term forecasting (one- or two-year horizon, updated quarterly or as needed). The model helps identify potential shifts to risk assessment, applying an internal rating scale, for both developed and emerging countries.

These assessments are monitored for each country (+/- rating category). This innovative machine learning-based model provides our managers with an additional source of information which they use to build sovereign portfolios.

Economic vulnerability variables, whether internal (i.e. unemployment rate) or external (i.e. primary balance (source: Standard & Poor's)) are taken into account, along with extra-financial material factors, such as control of corruption (based on data from the World Bank and the UN Development Programme).

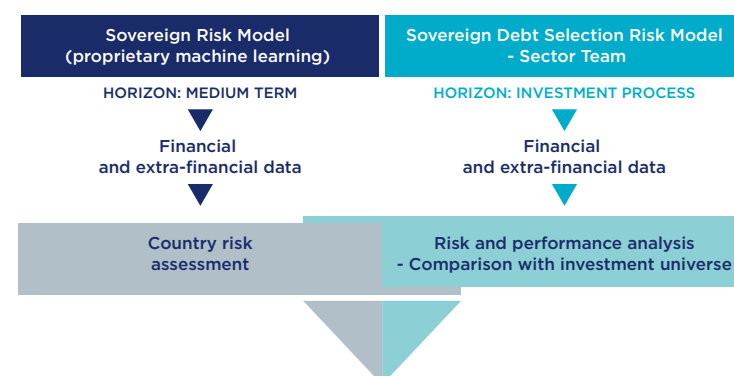
### 2. Sovereign Debt Selection (SDS) Sector Team

Our experts have in-depth knowledge of the importance of the impact of ESG factors relative to and risk assessments within the Eurozone. Investment teams undertake bottom-up analyses on the relative value of government bonds, assessing performance drivers—spreads and flows—as well as risk factors: financial, macroeconomic, regulatory and extra-financial.

Each ESG pillar is assessed separately:

- The Environment pillar is assessed based on per capita CO<sub>2</sub> emission trends (source: World Bank), energy intensity (source: World Bank), as well as the country's vulnerability to and ability to adapt to climate change (source: ND-Gain Index);
- The Social pillar is assessed using the Human Development Index, adjusted for inequalities (UN Development Programme);
- Governance is assessed based on the World Bank's Worldwide Governance Indicators: voice & accountability, political stability & absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption.

Further analyses and interpretations enhance these variables, so as to produce assessments which can be adjusted according to the investment horizon. By combining financial and non-financial data, our SDS team assesses all sovereign debts in the Eurozone by maturity (1-3; 3-7; 7-15; over 15) and assigns ratings on a five-point scale (-2, -1, 0, +1, +2).





# B

## We incorporate extra-financial dimensions within our core business

### 1. WE APPLY OUR EXCLUSION POLICIES ACROSS OUR ENTIRE INVESTMENT UNIVERSE

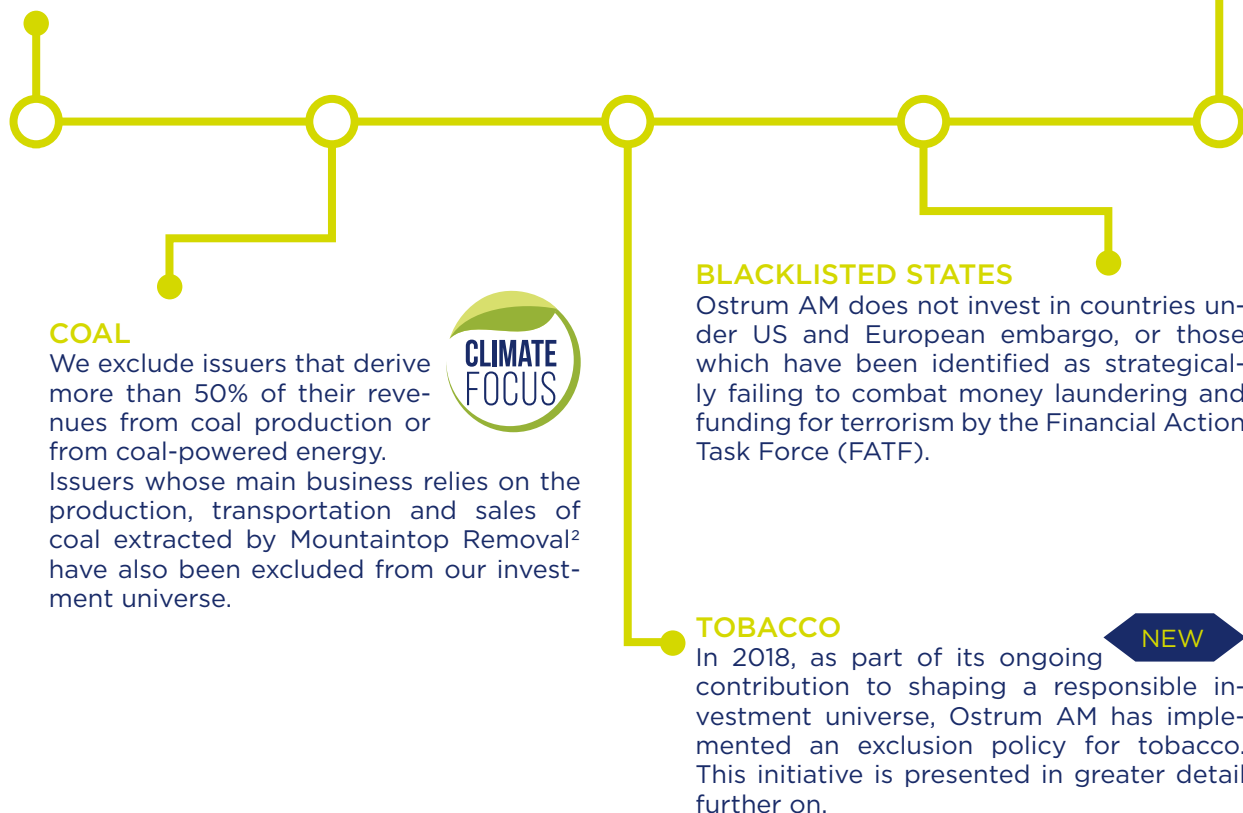
Ostrum Asset Management refuses to support sectors or issuers who do not abide by certain fundamental accountability principles. This is essential to the credibility of our approach and to meeting our fiduciary responsibility to our clients. We have established exclusion policies<sup>1</sup> which we apply across our entire investment universe.

#### CONTROVERSIAL WEAPONS

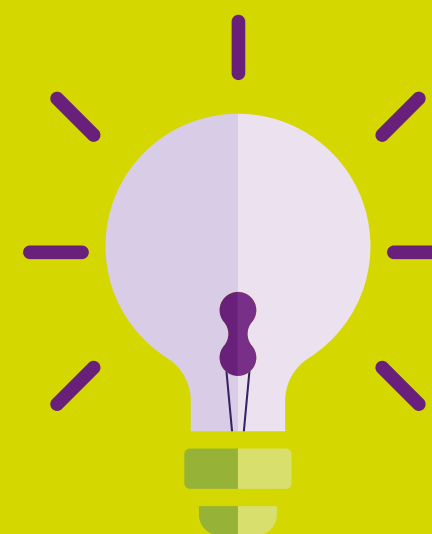
In full compliance with the Ottawa Convention and the Oslo Treaty, of which numerous countries, including France, are signatories, we have excluded all companies involved in manufacturing, using, storing, trading or transferring anti-personal landmines and cluster bombs.

#### WORST OFFENDERS

We have excluded all listed and non-listed companies that fail to respect the principles of the UN Global Compact and/or the OECD Guidelines for Multinational Enterprises, and those which have already been excluded by institutional investors for the same reasons.



<sup>1</sup> Our exclusion policies apply to all our open funds.  
<sup>2</sup> See Glossary page 103.



NEW IN 2018

## OSTRUM TOBACCO-FREE!

Ostrum Asset Management has committed to no longer support the highly controversial tobacco industry, deemed incompatible with the UN Sustainable Development Goals<sup>1</sup> and conducive to particularly negative social, societal and environmental outcomes.

Applied to  
**100%**  
of our investment universe

Over  
**450**  
million euros' worth of positions to be sold

Over  
**50%**  
of positions already sold at 30 June 2018

Full divestment in  
**3 years'**  
time

This exclusion policy will be rolled out to all the funds managed by Ostrum AM.

Our aim is to encourage our clients to also implement this exclusion policy in their dedicated funds and/or their Ostrum AM-managed mandates.

With this policy, which came into force on 30 June 2018,<sup>2</sup> we seek to demonstrate our determination to avoid supporting the most controversial sectors and issuers.<sup>3</sup> We are also fully compliant with the commitment of our parent company, Natixis.<sup>4</sup>

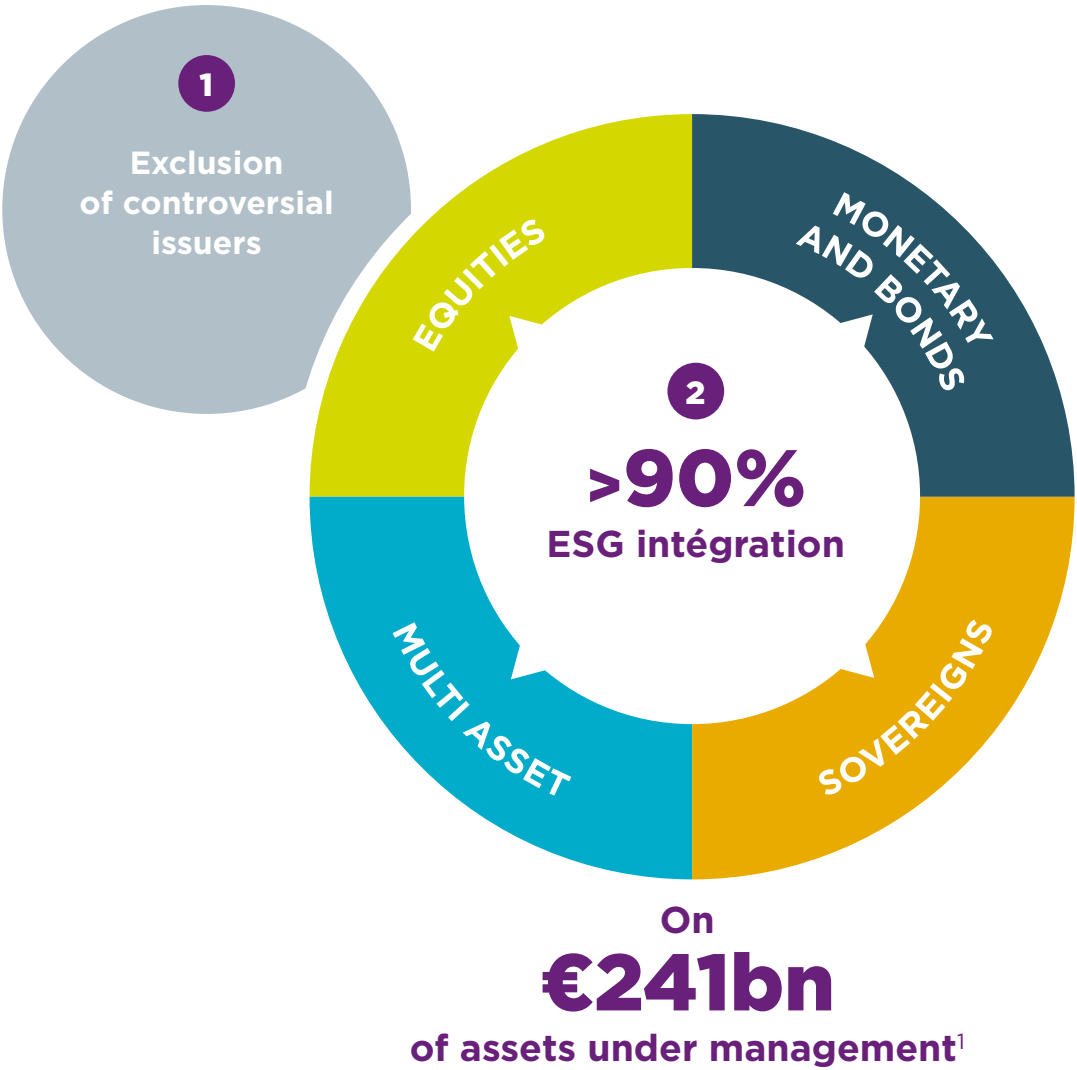
Published by Ostrum AM on 07/04/2018.  
For more information on our tobacco exclusion policy: [www.ostrum.fr](http://www.ostrum.fr)

<sup>1</sup> To learn more UN Sustainable Development Goals, visit: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>  
<sup>2</sup> Since 30 June 2018, all open funds are tobacco-free, excepting the most heavily affected funds, which—in order to protect unitholders—are being gradually divested with completion set for 2021, as detailed in the fund prospectuses. On the money markets, the tobacco exclusion will become effective as positions come due. Because of their structural specificities, the exclusion does not apply to funds-of-funds or index funds.  
<sup>3</sup> To learn more about Ostrum AM's sector-by-sector tobacco policy, visit: [www.ostrum.com/fr-FR/nous-connaître/notre-demarche-rse/gestion-responsable/principes-d-exclusion](http://www.ostrum.com/fr-FR/nous-connaître/notre-demarche-rse/gestion-responsable/principes-d-exclusion).  
<sup>4</sup> Read the Natixis press release here: [https://www.natixis.com/natixis/upload/docs/application/pdf/2018-09/natixis\\_pr\\_tobacco\\_free\\_pledge\\_09262018.pdf](https://www.natixis.com/natixis/upload/docs/application/pdf/2018-09/natixis_pr_tobacco_free_pledge_09262018.pdf)

2. FULL ESG INTEGRATION ON OVER 90% OF OUR ASSETS UNDER MANAGEMENT

We are convinced extra-financial dimensions of business have a major impact on issuers' performance analysis and risk profiles. This is why we incorporate them in all our investment processes.

OSTRUM ASSET MANAGEMENT'S INVESTMENT UNIVERSE



Our management teams strive to optimise ESG integration, analysing its impact on the assessment of issuers' risk profile and performance. By systematically and specifically integrating ESG, we ensure we implement a relevant approach.

¹ Source: Ostrum AM, as at 31/12/2018.



INCORPORATING ESG INTO EQUITIES MANAGEMENT

We have developed several initiatives aimed at ensuring ESG criteria are fully incorporated into our equity management processes and assessing their potential impact on the companies we are invested in.

For each company in our portfolios, Ostrum AM's equity managers undertake financial and extra-financial analyses. To do so, they apply a qualitative and quantitative approach for company analysis.

During meetings with clients, ESG is addressed when discussing with companies. Companies are systematically queried about their ESG practices and how ESG is incorporated into their business models.



INCORPORATING ESG INTO CREDIT RESEARCH

Our team of credit analysts systematically incorporate extra-financial analyses when reviewing issuers. The aim is to identify material factors that impact of the issuer's credit risk.

Each analyst is responsible for assessing the materiality of ESG criteria. He or she uses both sources that have been collectively selected by our management teams and conclusions drawn from his or her own research and knowledge of issuers' ESG landscape.

In order to ensure consistency in our analyses and fairness in our assessments, we combine an "issuer by issuer" approach, aiming at identifying material non-financial items and thus the strengths and weaknesses of each company with regards to specific ESG issues, within a sector-based approach as defined and shared by all Ostrum AM credit analysts in Europe, Asia and the US. In 2018, we migrated our sector-based approach to include short, mid and long-term evolutions by line of business.

All information collected and analysed is shared and incorporated into our management tools.





# We act as responsible shareholders and engage in dialogue with issuers

We have placed engagement at the heart of our responsible investment approach. We engage in constructive dialogue with issuers in order to help them better take environmental, social and governance concerns into account in their strategic thinking. In both our engagement and voting policies, we act along complementary lines, participating in:

- Individual, ongoing engagement through exercise of our voting rights and exchanges with issuers;
- Collaborative engagement, alongside other investors.

## EXERCISE OF VOTING RIGHTS

Periodic action undertaken for companies we are invested in



**ENGAGEMENT**  
Continuous dialogue with issuers via individual or collaborative initiatives

## OUR INDIVIDUAL ENGAGEMENTS

### Dialogue

We conduct our exchanges with issuers as part of our voting and ESG research activities. These communications provide opportunities for detailed analysis of how issuers take into account their sector-specific key issues and potential levers for improvement.

## 2018 KEY FIGURES

**296**  
companies  
addressed via  
individual  
engagement

**421**  
meetings  
& exchanges  
with companies

**346**  
companies  
addressed via  
collaborative  
engagement

## Voting

We see it as our fiduciary responsibility and duty towards investors to monitor the value of their investments and to exercise the property rights attached to the portfolios we manage. We exercise our voting rights<sup>1</sup> in the exclusive interest of shareholders. By exercising our voting rights, we can directly express our agreement or disagreement with the decisions made by management of the companies in our portfolio.

## OUR REQUIREMENTS

We exercise our voting rights at General Assemblies on a broad universe and take environmental and social issues into account, in addition to governance matters.

## TRANSPARENCY

Our voting policy is accessible on our website. We fully describe the principles according to which we conduct our independent analysis of the resolutions submitted and the way we exercise our voting rights in an informed manner and in the exclusive interest of shareholders.

These principles are revised each year, so as to take into account legal and regulatory changes, as well as new corporate governance practices.

In addition, for increased transparency and in compliance with the regulatory framework of the French financial market regulator, the Autorité des Marchés Financiers (AMF), our votes on all resolutions presented at General Assemblies of the companies held in our voting funds (excluding dedicated funds) are disclosed on a public-access platform.

## 2018 KEY FIGURES

**98.2%**  
of possible  
votes cast

**9,305**  
resolutions voted

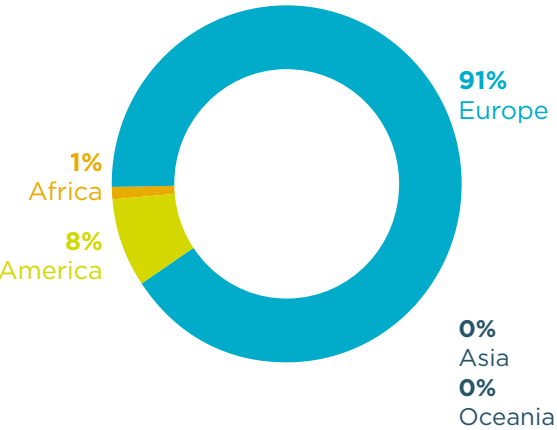
**604**  
General Assemblies  
participated in

## VOTING RESULTS



81% approved  
18% refused  
1% abstained

## BREAKDOWN OF VOTES BY GEOGRAPHIC REGION



<sup>1</sup> Learn more at [www.ostrum.com](http://www.ostrum.com)



## OUR COLLABORATIVE ENGAGEMENTS

Alongside other investors, Ostrum AM contributes to several initiatives aimed at increasing awareness of ESG issues among issuers, public authorities and regulators.

### THE PRI'S COLLABORATIVE PLATFORM

In 2018, Ostrum AM actively supported engagement initiatives on three major themes:

- Human rights in extractive industries, in order to provide investors with enhanced visibility on the management of social risk by the companies involved and promote better practices;
- Corporate fiscal accountability;
- Supply-chain related deforestation in the cattle industry.

### MIROVA'S COLLABORATIVE PLATFORM

Ostrum AM is a major contributor to Mirova's engagement platform.



Launched in 2014, this platform brings together ESG experts and analysts who share a common vision of responsible management and aims at gradually correcting the most controversial social practices in the supply chain in the areas of textiles, IT and offshore Arctic oil exploration.

## OUR SUPPORT FOR INVESTOR STATEMENTS

In 2018, Ostrum AM supported the following initiatives:

- Investor Statement on Bangladesh, initiated by the Interfaith Center for Corporate Responsibility (ICCR) (29/01/2018);
- Investor Statement in support of over 70 companies from the FMCG sector to address deforestation in Cerrado, Brazil led by the NGO, Farm Animal Investment Risk and Return (FAIRR) (03/08/2018);
- Phase 2 of the engagement on water-related risks in agricultural supply chains, led by the PRI (16/04/2018);
- Investor Statement on Arctic Oil & Gas exploration led by the Sierra Club and Waxman Strategies (NGO/shareholder advocacy group) (19/04/2018);
- Investor Statement issued by the Institutional Investors Group for Climate Change (IIGCC) to encourage Shell to conduct its activities in greater compliance with the Paris Agreement (18/05/2018);
- Investor statement for G7-G20 members encouraging them to honour commitments made as part of the Paris Agreement on climate change, led by The Investor Agenda (combining: Asia Investor Group on Climate Change, CDP, Ceres, Investor Group on Climate Change, IIGCC, PRI, UNEPFI) (28/05/2018);
- Investor Statement on excessive use of antibiotics in cattle farming, through the FAIRR network (30/07/2018);
- Initiative focused on the Roundtable on Sustainable Palm Oil (RSPO) led by Ceres (30/07/2018);
- Investor Statement aiming to promote a sustainable palm oil industry, initiated by the Investor Working Group on Sustainable Palm Oil (IWGSP) (11/10/2018);
- Investor Letter to energy suppliers (07/12/2018);
- Investor Statement asking six of the world's largest agri-food companies processing fast-food items to improve the sustainability of their supply chains for meat and dairy products; initiated by FAIRR and Ceres (11/12/2018).



## IN 2017-2018, TWO COLLABORATIVE INITIATIVES WE SUPPORTED

### EXPLORATION OF OIL RESOURCES IN THE ARCTIC<sup>1</sup>

**Launched in:** June 2014  
**ESG category:** Environment  
**Industry:** oil and gas  
**Engagement type:** Collaborative

**Number of investors:**  
23 investors representing €5bn  
in AUM at 31/12/2016

#### Reason for engagement and main objective

Deepwater oil exploration in the Arctic is a serious threat to the environment. That is why Ostrum Asset Management fully supports the collaborative initiative aimed at several oil and gas companies, in order to incentivise them to:

- Avoid oil exploration in Arctic areas identified as highly environmentally sensitive by the Arctic Council, regardless of their status and based on a precautionary approach;
- Avoid exploration in ice-covered Arctic waters, as a degree of uncertainty remains about the effectiveness of oil collection mechanisms;
- Indicate how many licences they have acquired in the Arctic region, which areas are concerned and what their expiration dates are;
- Publicly disclose their intentions regarding the use and potential renewal of these licences, and explain how these actions contribute to the company's commitment to fighting climate change and decarbonising its portfolio.



#### Initial results

**12 companies addressed** via an investor statement and direct contact

**6 answers** and 1 commitment to answer

**2 companies** have renewed:

- their commitment to avoiding deepwater exploration;
- their commitment to greater transparency regarding their exploration licences.

We continue to support this commitment, in order to ensure that environmental and social concerns linked to deepwater projects in the Arctic and commitments to protecting the region are taken seriously.

### INVESTOR STATEMENT ON BANGLADESH<sup>2</sup>

**Launched in:** June 2017  
**ESG category:** Social  
**Industry:** garment industry  
**Engagement:** Collaborative

• 137 investors  
• \$4.3bn in AUM

#### Reason for engagement and main objective

Four years after the Rana Plaza building collapse that resulted in the deaths of over 1,100 workers, this commitment aims at alerting the Bangladeshi government, clothing manufacturers and all parties involved regarding the efforts that remain to be made for industry workers to achieve decent health and safety conditions.

Given investors' considerable concern, clothing manufacturers are invited to use their influence to encourage the Bengali government to respect human rights and freedom of association, to implement a reliable wage control mechanism and to ensure restructuring of the garment industry to protect workers' health, safety and well-being.

<sup>1</sup> Read the full statement at: <https://www.sierraclub.org/sites/www.sierraclub.org/files/blog/Investor%20Arctic%20National%20>

<sup>2</sup> Accord on Fire and Building Safety in Bangladesh: [http://bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf)



# D

## We actively contribute to establishing CSR/SRI standards

Ostrum Asset Management actively contributes to the efforts and considerations of dedicated working groups, with a view to building responsible investment standards and ensuring the dissemination and harmonisation of CSR awareness and ESG practices.

### FRANCE



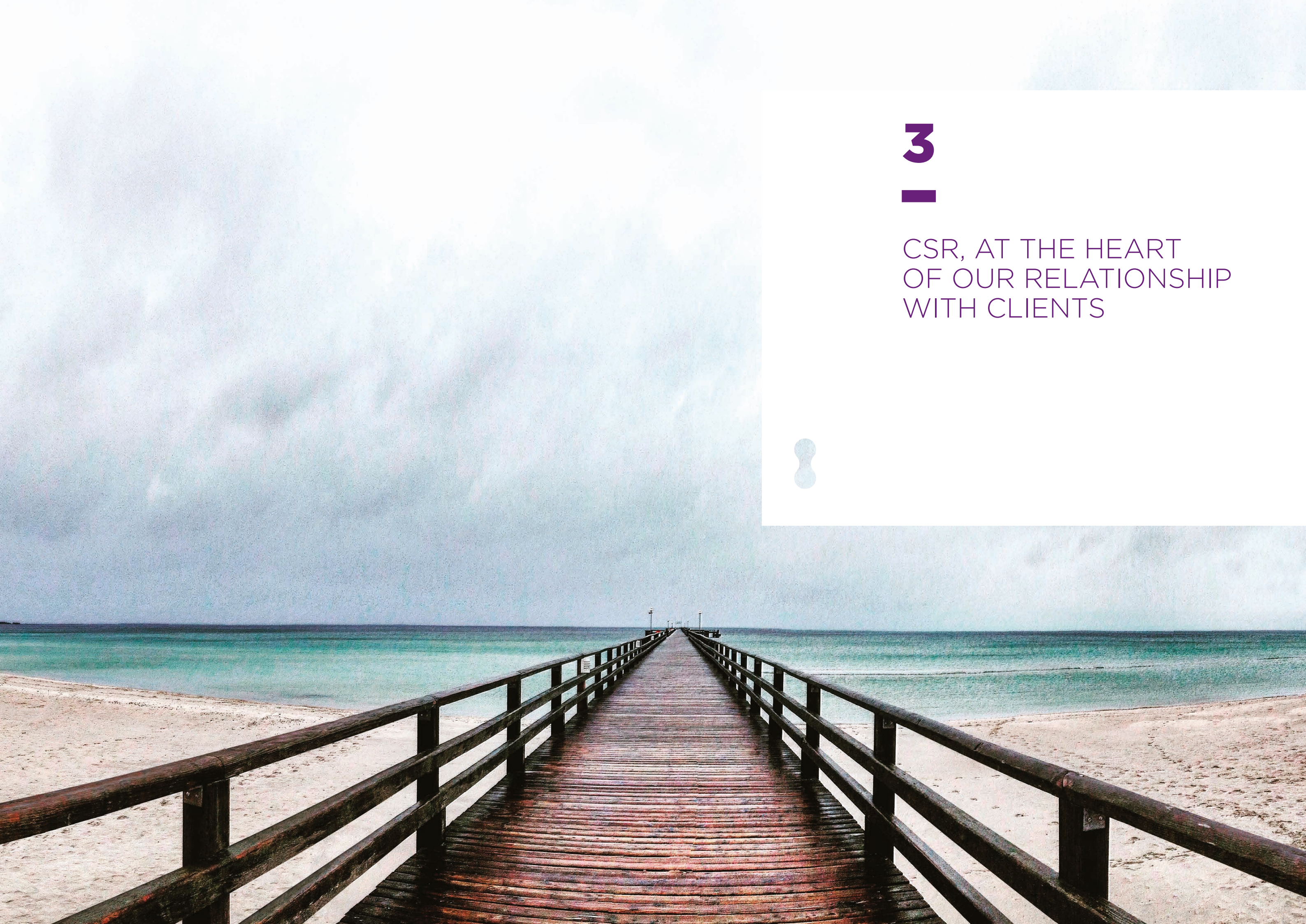
### INTERNATIONAL



### CLIMATE AND ENVIRONMENTAL ISSUES







3



CSR, AT THE HEART  
OF OUR RELATIONSHIP  
WITH CLIENTS





# A

## Offering responsible products and services

Client satisfaction is our number one priority. As a market leader in responsible management, we offer responsible, ESG-compliant products and services. We strive to identify the potential impact of environmental, social and governance issues in assessing issuers, believing that all three dimensions contribute to long-term performance, and consequently to the performance we deliver for our clients.

In order to play a leadership role, we believe we must incorporate ESG criteria, which are also factors related to reshaping our economic and financial system.

New requirements on carbon strategy and ESG reporting are also at the forefront with Article 173 of the French Law on Energy Transition for Green Growth (LTECV) aiming to include investors as key players in the transition towards a more virtuous economic and financial model. Ostrum AM produces ESG and Carbon reports, assisting and accompanying our clients in the process of becoming more compliant with these new regulatory requirements.

Last but not least, as each of our clients is unique, we offer products that precisely fit their specific ESG philosophies. We adapt the degree of ESG influence in our investment universe and portfolio construction, based on client needs.





## 1. INCORPORATING ESG CRITERIA BROADLY

We exclude the most controversial issuers and incorporate ESG criteria into most of our assets under management.

## 2. OFFERING BESPOKE SRI AND ESG-INTENSIVE PRODUCTS

As responsible management experts, we are able to provide our clients with tailored SRI and ESG products across all our asset classes.



### KEY FIGURES<sup>1</sup>

Over  
**90%**  
of our products  
integrate ESG

**€54bn**  
in SRI or  
ESG-managed AUM

**€2.33bn**  
in  
Green Bonds<sup>2</sup>

<sup>1</sup> Source: Ostrum AM, as at 31/12/2018.

<sup>2</sup> See Glossary page 103.



## CLIMATE: PRODUCTS TAILORED TO OUR CLIENTS' NEEDS

We pride ourselves on knowing our clients well, and the ESG issues that directly affect their businesses. We are thus perfectly able to offer them bespoke solutions that can address both specific regulatory constraints and their own level of interest in ESG.

We have created a range of climate-dedicated products that can offer restricted carbon impact (as defined in agreement with the client), exclude highly carbon-intensive issuers, or favour those whose business and products contribute to the energy transition and to the emergence of a low-carbon economy.

### AN INNOVATIVE METHOD FOR UNDERSTANDING AND MEASURING THE CARBON IMPACT OF ISSUERS AND PORTFOLIOS

To assess the impact of climate-related issues on issuers, Ostrum AM uses specific qualitative and quantitative information.

- We engage in ongoing dialogue with top management of the companies we have invested in, in order to analyse the relevance of their business model, with regards to climate change-induced risks and opportunities.
- We rely on the innovative Carbon Impact Analytics methodology to calculate the CO<sub>2</sub> footprint of portfolios. Carbon Impact Analytics was co-developed by Mirova<sup>1</sup> and the Carbone 4 agency.

#### What makes this new approach genuinely innovative is:

- The identification of **emissions generated** by issuers' activities across their entire scope of responsibility, from raw material extraction to the use of their products;
- The identification of **emissions avoided** as a result of issuers' implementation of low-carbon strategies;
- The measurement of **each issuer's global contribution** to addressing climate issues, using qualitative indicators (strategy, clear targets and figures, R&D budget, etc.).

Each issuer is individually analysed, through a sector-specific grid. We pay particular attention to companies that have a significant impact on climate: energy producers, carbon-intensive industries (manufacturing, building, transportation), as well as low-carbon equipment and solution providers.

All assessments are aggregated within portfolios, eliminating double counting issues. With the data collected, we can assess how each portfolio complies with climate-change scenarios, on a 2°C to 6°C scale.

<sup>1</sup> Mirova, a subsidiary of Natixis Investment Managers, is an asset management company dedicated to sustainable investment that applies a conviction-based approach to investment.



### 3. DEDICATED CARBON AND ESG REPORTING

In full compliance with the incorporation of ESG criteria, Ostrum AM has committed to increased transparency in the ESG and carbon assessment of its funds. Through the publication of specific reporting, which comply with the requirements of the French Energy Transition Act, we apply to ourselves the same standards expected from some of our clients.

#### CARBON FOOTPRINT

To measure its carbon footprint, Ostrum AM has adopted the **Carbon Impact Analytics**<sup>1</sup> methodology.

Based on the CO<sub>2</sub> assessment of portfolios, Carbon Impact Analytics takes into account both emissions induced by issuers' activities across the entire value creation chain, emissions avoided, and each issuer's contribution to addressing climate change.

Within the framework of the French Law on Energy Transition for Green Growth the annual report for each of our main funds<sup>2</sup> now includes carbon reporting.

More information can be found in the following annual reports:



#### EQUITIES

- Ecureuil Investissements
- Ostrum Actions Euro
- AAA Actions Agro Alimentaire
- Fructi Actions France
- Ostrum Actions Small & Mid Cap Euro



#### MONETARY and BONDS

- Ostrum Convertibles Euro
- Ostrum Trésorerie Responsable
- Ostrum Cash Euribor
- Ostrum Ultra Short Term Bonds Plus
- Ostrum Trésorerie Plus
- Ostrum Euro Short Term Credit
- Ostrum Deposit



#### SOVEREIGN

- Ostrum Souverain Euro
- Ostrum Souverains Euro 3-5



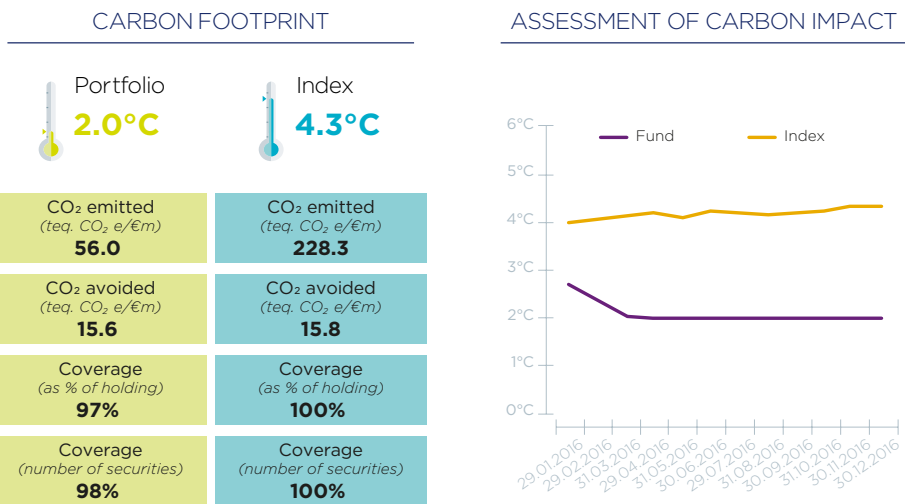
#### MULTI ASSET

- Ostrum Euro Aggregate

#### ESG REPORTING

In addition, we also provide ESG reporting for all funds subject to the requirements of France's Law on Energy Transition for Green Growth. Clients can thus easily access the information they need to understand how we incorporate extra-financial criteria as well as the aggregate ESG reporting for all our funds.

### SAMPLE CARBON REPORT



Carbon reporting covers more than

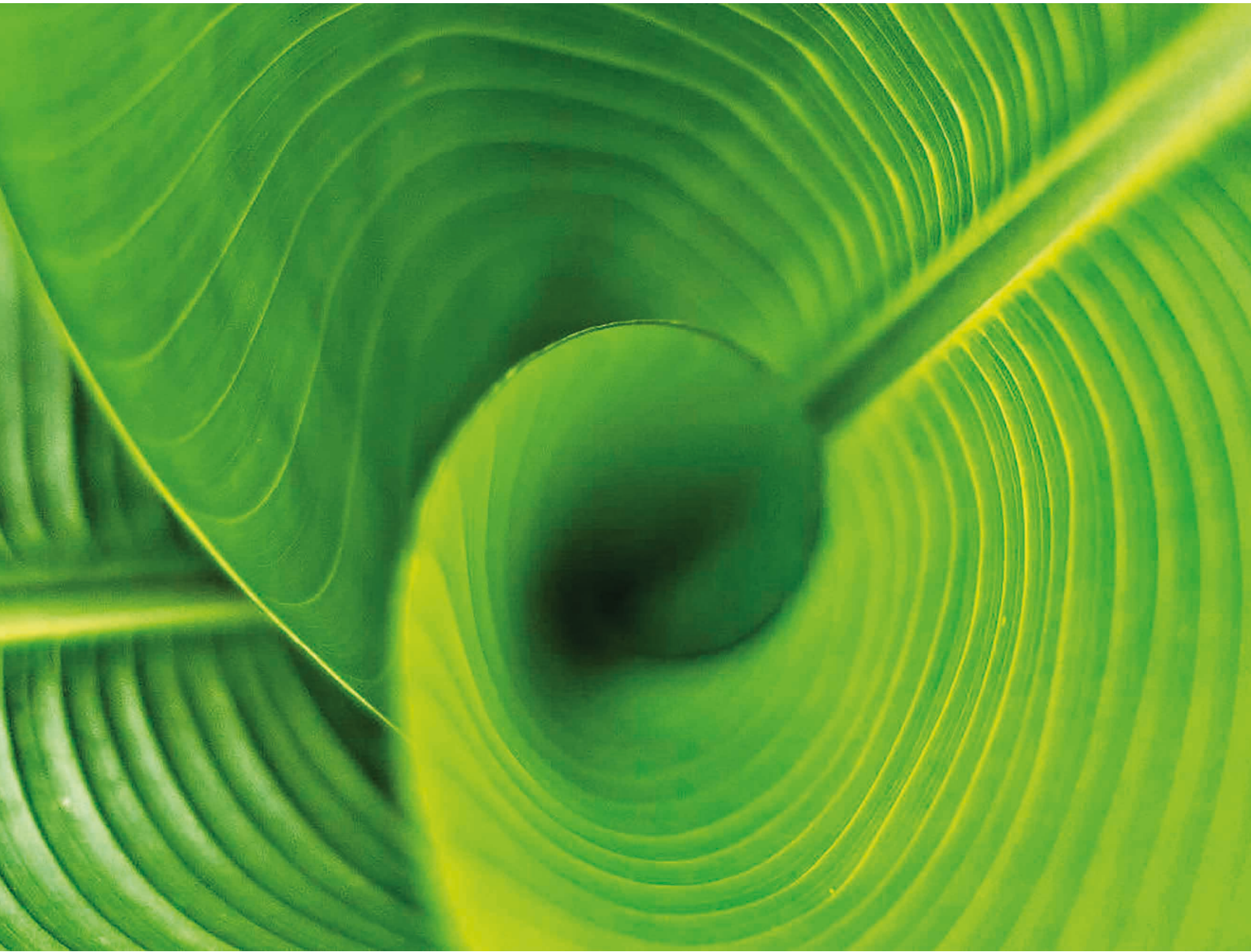
**30 funds**

representing

**50**

billion euros in AUM<sup>1</sup>

<sup>1</sup> Source: Ostrum AM, as at 31/12/2018.



<sup>1</sup> To learn more please see "An Innovative Method for Understanding and Measuring the Carbon Impact of Issuers and Portfolios," p. 37.  
<sup>2</sup> Fund with assets under management exceeding €500 million.



#### 4. TRANSPARENCY

Ostrum AM communicates extensively on its CSR objectives and achievements via multiple channels as described hereafter.

| THEMES                 | CHANNEL  |   |  |
|------------------------|--|---|--|
|                        | Ostrum website   | Other communication channels  | Annual fund reports  |
| CSR                    | <ul style="list-style-type: none"> <li>• CSR report</li> <li>• Sections dedicated to our CSR strategy</li> </ul>   |   | <ul style="list-style-type: none"> <li>• CSR strategy</li> </ul>                                       |
| Responsible management | <ul style="list-style-type: none"> <li>• Sections dedicated to our responsible management approach</li> <li>• Exclusion policies</li> </ul>  | <ul style="list-style-type: none"> <li>• PRI reporting available at <a href="http://www.unpri.com">www.unpri.com</a></li> </ul> | <ul style="list-style-type: none"> <li>• Integration approach</li> <li>• Exclusion policies</li> </ul> |
| Voting and engagement  | <ul style="list-style-type: none"> <li>• Voting and engagement policy</li> <li>• Report on exercise of voting rights</li> <li>• Report on engagement</li> <li>• Explanation of votes (dedicated platform)</li> </ul> |   |  |
| Specific reporting     | <ul style="list-style-type: none"> <li>• Transparency codes for SRI funds</li> </ul>   |   | <ul style="list-style-type: none"> <li>• ESG and carbon reporting</li> </ul>                           |

## B Incorporating CSR into our client relationships

**We want to be a leader in client services** and we demonstrate this on a daily basis. Our ambition is shared by all our teams and deeply embedded in our corporate culture.<sup>1</sup> Client proximity and focus constitute one of our four fundamental values.

In a tangible manner, **the search for performance and our will to offer** services that make a difference drove us to enrich our global offering.

We look for excellence in a constantly evolving environment. Digitalisation and new technologies favour proximity and immediacy; new players and services are raising market expectations, and changes in regulations are leading us to rethink our offering.

We want to turn these elements into opportunities to **increase client loyalty, by providing each of them with a unique experience, which combines transparency, innovation and proximity**. We truly believe this is one of the keys to our sustainable growth.

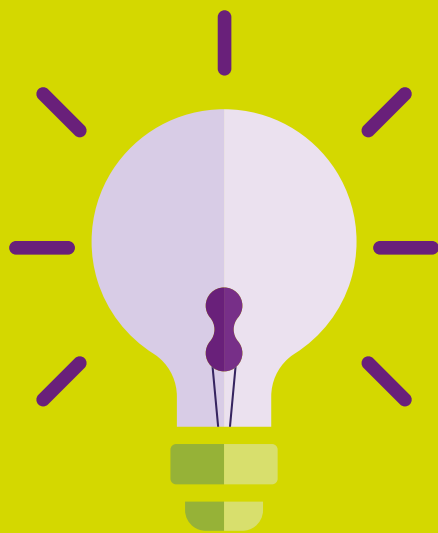
<sup>1</sup> Read more about Ostrum AM's four fundamental values in the section: "We Have a Shared Commitment," p. 46.





PROVIDING OUR  
CLIENTS WITH A  
UNIQUE EXPERIENCE

In order to improve service quality and client satisfaction, we launched a company-wide project in 2016, with the full commitment of all our client service teams. Within this framework, many new initiatives were implemented, such as categorising and automating follow-up on client requests and contractual engagements, monitoring client satisfaction KPIs, and deploying a client-centred Extranet, to offer them access to key data on their investments.



SECURITY

- Improving our internal processes for seamless management of client requests and follow-up on engagements:
- Through the categorising and automation of requests, for improved customised treatment;
  - Through centralised and automated follow-up contractual engagements;
  - By having each contributor commit to respecting required response times.



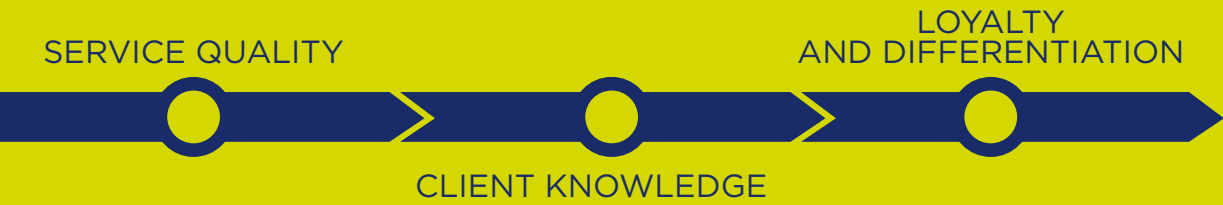
TRACKING

- Defining and monitoring service quality and client satisfaction
- We constantly update our dashboards to allow for analysis of requests per client types or geographies
  - We share our indicators with all teams for collective mobilisation towards a quality client service



INNOVATION

- We have refined our client segmentation for customised and higher added-value services
- We provide our clients with increased proximity, through a dedicated Extranet platform
- Together with our clients, we co-build and develop new services



Follow-up on  
**661**  
client engagements

**100%**  
of client engagements  
incorporated into our CRM,  
for better tracking

**45%**  
more engagements  
automated in 2018

**200 to 300**  
requests handled  
on a monthly basis in 2018

**<5**  
claims in 2018,  
representing a  
**50%**  
decrease from  
2016 and 2017



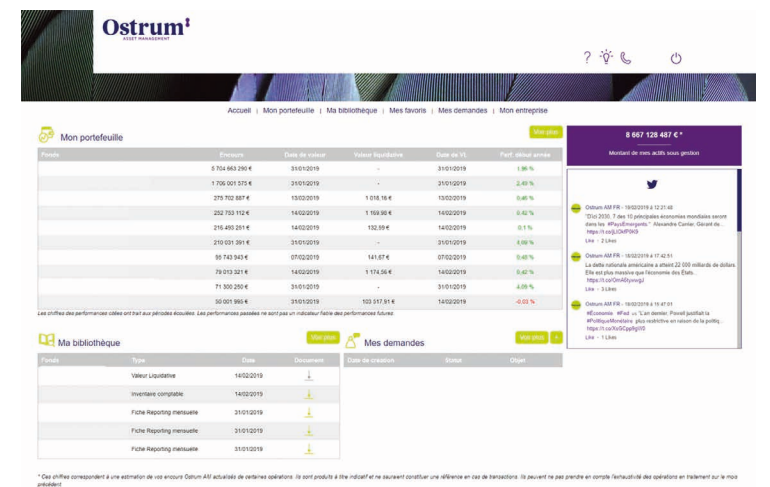


## INNOVATION AND DIFFERENTIATION : OUR NEW CLIENT PORTAL!

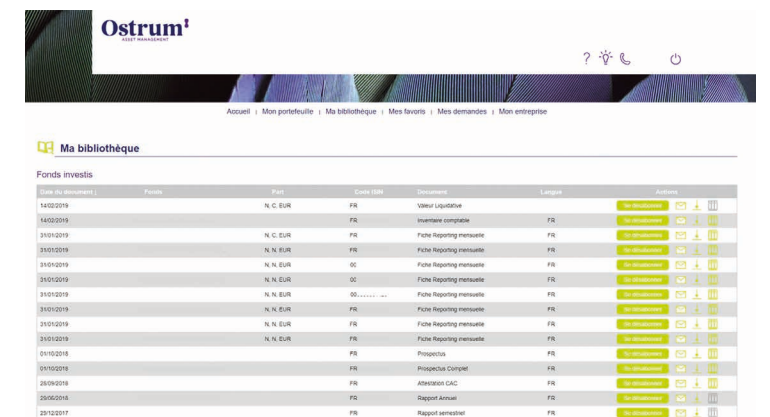
- Easy and secure access from any computer, tablet or smartphone
- Availability of key portfolio data, for enhanced client autonomy
- Increased proximity with client service and improved relationships
- Dynamic (alerts, notifications) and customised (subscriptions, document library) platform
- A platform that can evolve and adapt to future needs, offering bespoke services



HOMEPAGE DASHBOARD  
PROVIDES AN ESSENTIAL  
SNAPSHOT



YOUR LATEST  
AVAILABLE DOCUMENTS

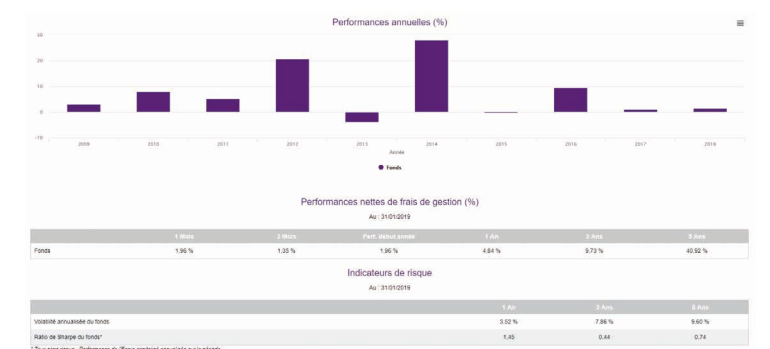


## YOUR LATEST INTERACTIONS WITH OSTRUM AM's CLIENT ASSISTANCE



YOUR LATEST INTERACTIONS  
WITH OSTRUM AM's CLIENT  
ASSISTANCE PERFORMANCE  
AND RISK INDICATORS

A detailed view of each fund makes  
it possible to view animated graphs







4



WE HAVE  
A SHARED  
COMMITMENT





**353**  
people

**38%**  
women

**62%**  
men

**44.8**  
years old  
on average

**10.7**  
years  
average  
seniority

Data reported by Ostrum AM,  
as at 31/12/2018







## Sylvie Soulière Guidat

Head of Human Resources

To adapt to a constantly evolving environment, our industry needs to reinvent itself on a daily basis. On one hand, we have to comply with many current and upcoming regulatory changes. While at the same time, we must adapt to the digital revolution, which is reshaping the way we work, and how we interact with our clients.

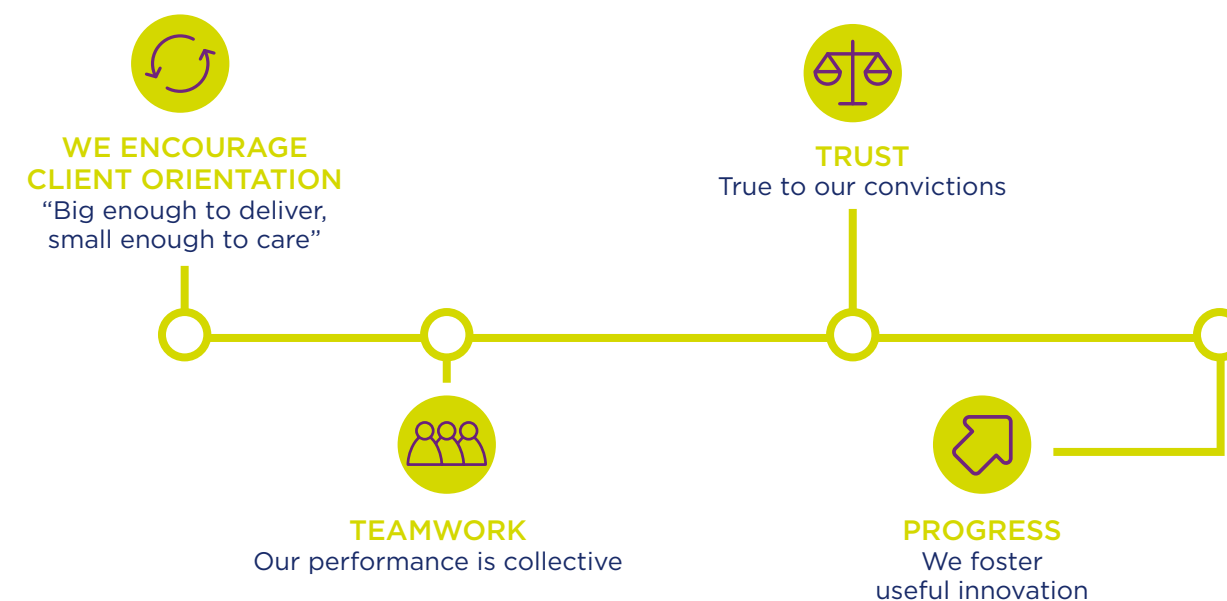
Expectations of new generations, seeking greater autonomy, empowerment and meaning are also affecting our HR and talent management policies.

In such a fast-moving environment, we are convinced that companies must put human capital at the heart of their strategy in order to attract and grow the talent needed in order to offer innovative and high-performing products expected from industry leaders.

This deeply-held belief is one of the biggest convictions at Ostrum AM. In a tangible manner, this translates into an innovative and responsible HR policy, which promotes team spirit and initiatives. We are transitioning the way we work to favour collaborative efforts and agility. We have transformed our management organisation, empowering our people and increasing process efficiency. We have formalised these values within the organisation and they are now truly embedded in our corporate culture.

**WE ARE**  
**Performance-driven and close to our clients**  
**Agile and collaborative**  
**Caring and assertive**  
**Humble and forward-looking**

To support and amplify our transformation, we rely on solid, responsible and well-established HR practices: diversity, team spirit, collective thinking and professional development.



By creating a dynamic and fulfilling work environment, we are giving our staff the opportunity to become active players and ambassadors for our company and to collectively write the future of Ostrum Asset Management.

### INNOVATING TO BECOME MORE AGILE AND COLLABORATIVE

To secure our long-term development, we believe we must innovate and transform, while holding on to what makes us unique. Through our collective intelligence, we challenge ourselves daily, seeking to move faster and more effectively. We believe quick turnaround is an asset in replying to our client requests.

### At Ostrum AM, we genuinely welcome new ways of working

In 2017, we mobilised all our teams behind the "Transform the way we work" project, deployed by Natixis and its affiliates.



**+ EFFECTIVE + COLLECTIVE + AGILE**



# A

## Innovating to become more agile and collaborative

### 1. NEW CO-WORKING SPACES

Moving into a new location in 2018 enabled us re-think how we could improve our working spaces, allowing us to adapt to new generations and also to develop new interactions between teams. We also wanted to create quiet rooms where teams could concentrate individually or collectively. Our move to a new location sits within our “Transform the way we work” project, aiming to evolve both our leadership models and the way we work operationally

#### EMPOWERMENT AND AUTONOMY

Each morning, our people can freely choose their working space, and move as the day goes by, according to what they have to do. Such flexibility enhances everybody’s autonomy and working comfort.

#### CREATIVITY AND INNOVATION

Open and creativity-conducive spaces foster the emergence of new ideas which benefit our company as a whole.

#### COLLABORATION AND INTERACTION

Our new shared working spaces favour exchanges and the sharing of information. They make it easier to create links with other teams and to circulate information across departments.

#### CONVIVIALITY AND WELL-BEING

Our numerous convivial spaces help our people make our new premises their own. Much of our staff has taken this opportunity to reassess the link between the needs of their teams and those of our company as a whole, thus contributing to the success of a collective effort. In addition, we implemented a comprehensive support programme to help our people look ahead and reflect on the changes the design of our new offices could bring in their working methods.

#### A WELCOME NEW WORKING ENVIRONMENT



**98%**  
are satisfied with the new offices

**86%**  
say it has a positive impact  
on team spirit

“Lovely, new, bright  
and convivial premises  
that fit our new dynamics  
– Christophe

“I was in Paris on Friday and just  
wanted to touch base to say how cool  
I thought the new Paris offices are, as  
well as the change in culture!  
– Richard





## 2. EMPOWERING OUR PEOPLE, STREAMLINING OUR ORGANISATION

The societal and regulatory changes which are transforming ecosystems lead companies to streamline their organisations. This is what Ostrum Asset Management has done, by moving from a purely managerial model to the implementation of new leadership models. Our goal is to provide each staff member with a new and customised development perspective, to increase agility and autonomy and to foster innovation, effectiveness and transversal cooperation.

### EXITING A MANAGERIAL MODEL AND MOVING TO A THREE-ROLE MODEL WITHIN A SINGLE LEADERSHIP MODEL



#### MANAGERIAL LEADERSHIP

*Role: Develop and mobilise teams for sustainable and increased performance, benefitting global corporate strategy*



#### PROJECT LEADERSHIP

*Role: Cross-business and agile, with strong focus on managing transverse accompanied by innovative strategic initiatives*



#### EXPERT LEADERSHIP

*Role: Develop and disseminate technical expertise*

### BEING A LEADER: THREE EQUALLY DEMANDING ROLES



At the heart of our transformation, leaders foster engagement and develop their teams, projects and expertise by building strong relationships within their ecosystems. Beyond strong leadership alone, each of the three roles fits the specificities of each of our services and business lines.

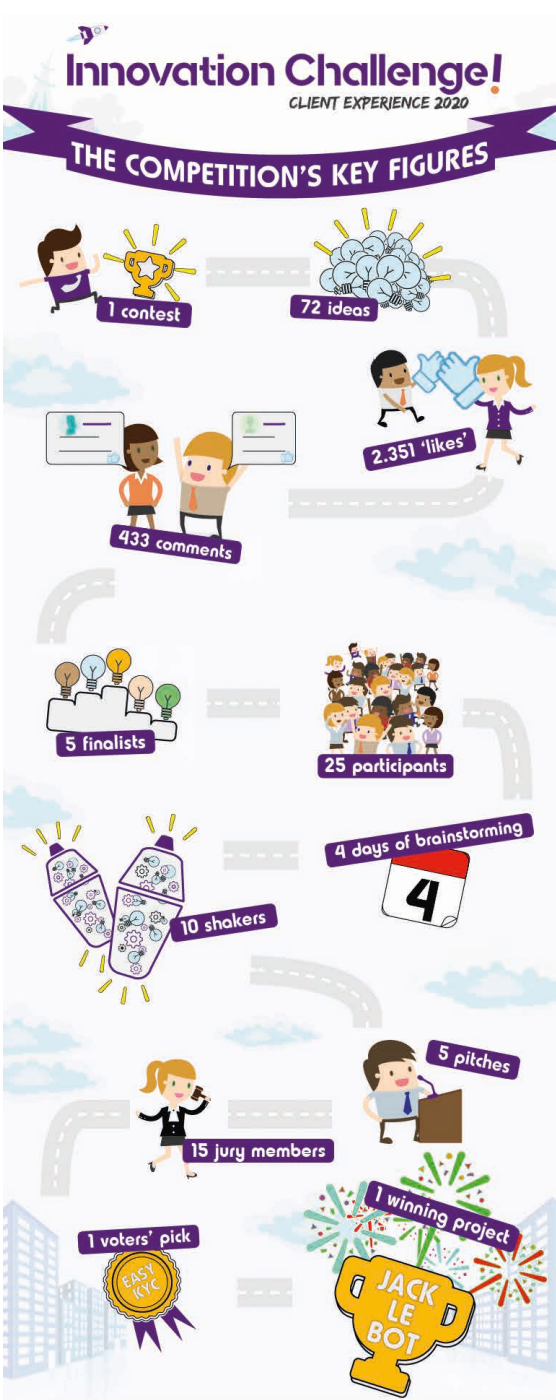
We introduced our new leadership model to all staff through ad-hoc working groups, allowing all teams to better understand how it will impact the way they work. Specific training sessions were held to allow leaders to adapt to the new model across business lines. We started this transformation process in 2018, and we are progressively rolling it out throughout the company.

## 3. SUPPORTING OUR DIGITAL TRANSFORMATION

Today's digital transformation is disrupting all aspects of our organisation. In response, Ostrum Asset Management has launched numerous initiatives to transition its culture and way of working. Increasingly IT-savvy staff members sharing a common digital ambition have already developed and implemented many transformation projects.

### COLLECTIVELY ANSWERING DIGITAL CHALLENGES

The digital transformation is disrupting all aspects of our business, and all our stakeholders. To turn this transformation into a source of new opportunities and perspectives, we have decided to act collectively.



### A COMMUNITY OF DIGITAL PLAYERS

Since 2016, we have mobilised a community of people from all business lines to provide digital intelligence, sensitise staff, foster collective innovation and identify and support digital initiatives within the company.

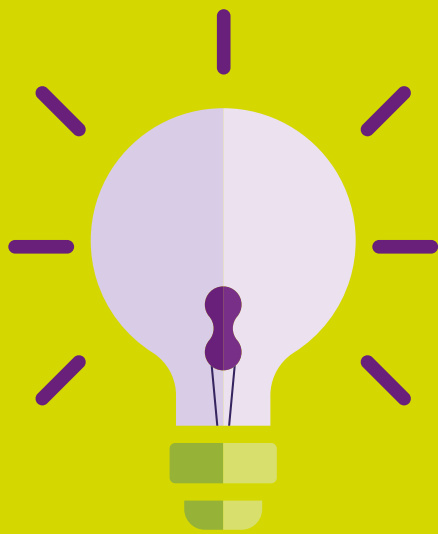
### SPREADING DIGITAL CULTURE

We regularly invite start-ups and high-tech companies to openly exchange with our people, in order to raise awareness of the opportunities digital offers and to nurture internal initiatives. Our staff can also attend awareness sessions focused on the evolution of our corporate digital tools.

### COLLECTIVE INNOVATION

In 2017, we held our first Innovation Challenge, which revolved around client experience and provided our people with the opportunity to suggest ideas for a more digital, more effective and innovative client experience.





## INNOVATION

# OSTRUM AM BANKS ON BLOCKCHAIN

Being a sustainable and responsible company also means effectively making innovation a core feature of our corporate DNA. At Ostrum AM, developing our mastery of digital topics and innovating are part of everyday life for our employees. See below for an illustration of our ambitious innovation programme.

*“We are convinced blockchain will impact most financial activities over time, but we place our short and mid-term emphasis on aspects that can improve fund distribution. In this regard, we recently approached an international blockchain company—FundsDLT—which is focused on enabling clients to manage their own funds’ liabilities (order-routing and record keeping), regardless of legal domiciliation. A unique and important feature of the FundsDLT platform is that, through a cash tokenisation<sup>1</sup> scheme linked to investor-initiated transactions, traditional securities settlement systems can be adapted to the blockchain environment, enabling more secure transactions. Finally, FundsDLT was incubated and is managed by Fundsquare, a well-known infrastructure operator in the asset management industry. The fact that it has asset managers involved in its governance structure encourages us to explore this approach further.”*

Read the full interview with Olivier Taille, blockchain Officer at Ostrum AM.<sup>2</sup>



<sup>1</sup> See Glossary page 103.

<sup>2</sup> <http://www.ostrum.com/fr-FR/Actualites/News/Analyse-financiere-Ostrum-AM-adopte-la-blockchain> (in French).



## 4. FEDERATING AND MANAGING CHANGE

As sustainable performance primarily relies on staff cohesion and engagement, we have built a structured framework with a view to fostering employee support and mobilisation. Within this framework, several initiatives have been implemented.<sup>1</sup>

### EXCHANGE AND INFORMATION SHARING

Ostrum Asset Management strives to create and nurture ongoing dialogue with all staff and to foster 360° communication. Each employee is encouraged to share concerns and suggestions while also receiving updates on our corporate strategy on an ongoing basis.

#### Dialogue and exchange

Specific meetings with all staff are scheduled regularly to ensure teams are informed about Ostrum AM's strategic evolutions and performance.

#### Lunch with the Executive Committee

Staff have the opportunity to exchange with Executive Committee members twice a month, in an informal manner.

#### KIF (Key Investors Forum)

Forums dedicated to management teams provide opportunities to address current developments, the roll out of Ostrum AM's strategic plan and business perspectives.

### CONTRIBUTING TO WELL-BEING AT WORK

Ostrum AM staff are committed to improving well-being at work. They initiated their own taskforce to plan original events which favour exchanges and conviviality. Such events include after-work gatherings, Friday games and other related regular or one-off meetings. These initiatives are an integral part of the "Work & Life" approach initiated by Natixis in 2016.

### PREVENTING PSYCHOSOCIAL RISKS

Preventing psychosocial risks is an integral part of our HR policy. Specific schemes have been implemented to prevent, identify and manage these risks, if needed.

- The Health, Safety and Working Conditions Committee, which spans all the entities of the Economic and Social Unit<sup>2</sup> in which Ostrum AM is included, ensures health, safety and working conditions' legal requirements are applied for all staff.
- In addition to controls by occupational physicians, our staff are followed by a nurse who works with us every day. Prevention initiatives are carried out on a regular basis.
- Dedicated training sessions are available for managers and staff.
- Through our "On line" scheme, staff have access to an occupational psychologist.

## MEASURING AND MONITORING WELL-BEING AT WORK THROUGHOUT TRANSFORMATIONS

In June 2018, we asked an independent third-party to carry out a comprehensive employee survey in order to measure the stress and well-being factors that impact their quality of life. The results were communicated to all staff and led to the creation of specific working groups, aimed at proposing initiatives to enhance well-being factors and reduce stress factors. Ostrum AM's results were also benchmarked against those of other industry players, for better score assessment.

### KEY FIGURES



### WELL-BEING AND STRESS FACTORS



<sup>1</sup> To learn more, please see the section, "Committed to improving our company," p. 60.

<sup>2</sup> See Glossary page 103.

<sup>1</sup> Source: Ostrum AM.



# B



## Building human capital, today and tomorrow

### 1. COMMITTED TO IMPROVING OUR COMPANY

We are collectively defining the company we are. Our staff participate in many working groups, on issues ranging from CSR to digital or change management. To tackle all of these crucial issues, we are calling upon staff creativity and collective intelligence to give birth to and implement the innovations which will transform our company.

#### CSR

We see CSR as a daily reality and as one of the foundations of our corporate culture.

We have implemented a participative approach, so that everyone can express their views on:

- Mastering our corporate environmental impact;
- Integrating and retaining people with disabilities;
- Our sponsorship policy;
- Gender diversity and work-life balance;
- Professional well-being and conviviality.

Most of the initiatives mentioned in this report were born from such collaborative work.

We are proud of the major breakthroughs that have been achieved for the benefit of all our people and our stakeholders, based on collective mobilisation.

2009: Launch of a collaborative CSR approach

5 working groups

150 staff committed since inception

75 individual contributors in 2018

#### And also...

##### EASY PILOT

Easy Pilot brings together a community of staff involved in change management. They act as contact points, to spread the news about corporate transformations, and strive to support their colleagues.

##### DReAM

To support our corporate digital transformation, we have created **Digital Revolution in Asset Management** (DReAM), a 20 member-strong community, with representatives from all our services lines.





2. BANKING ON TALENT DIVERSITY

Talent diversity is a source of innovation and creativity. It is a true lever for performance and adds to the wealth of our company. This is why the issue of diversity is at the core of our HR policy. We strive to create collective strength out of individual differences and to help each singular staff fully express their own talent.

In line with Natixis’ commitment, as a signatory of the French Diversity Charter since 2009, we are committed to fighting against all discriminations in all our aspects of our HR policy, be it recruitment, training or career management. In close cooperation with Natixis’ Diversity and Disability Management team, the policy we have implemented aims to capitalise on profile, experience and skill diversity, and is built around three main pillars:



I. WELCOMING YOUNG TALENT, CAPITALISING ON SENIORS' EXPERIENCE

Individual career paths, experience and knowledge foster our own know-how and ability to innovate. We have implemented many initiatives to attract young talent and benefit from our senior staff's experience and expertise.

All of these initiatives are fully compliant with Natixis’ commitment, as it appears in the global agreement on employment signed in 2013 and renewed in 2017. Among other commitments, this agreement includes the implementation of a series of measures to favour age diversity.

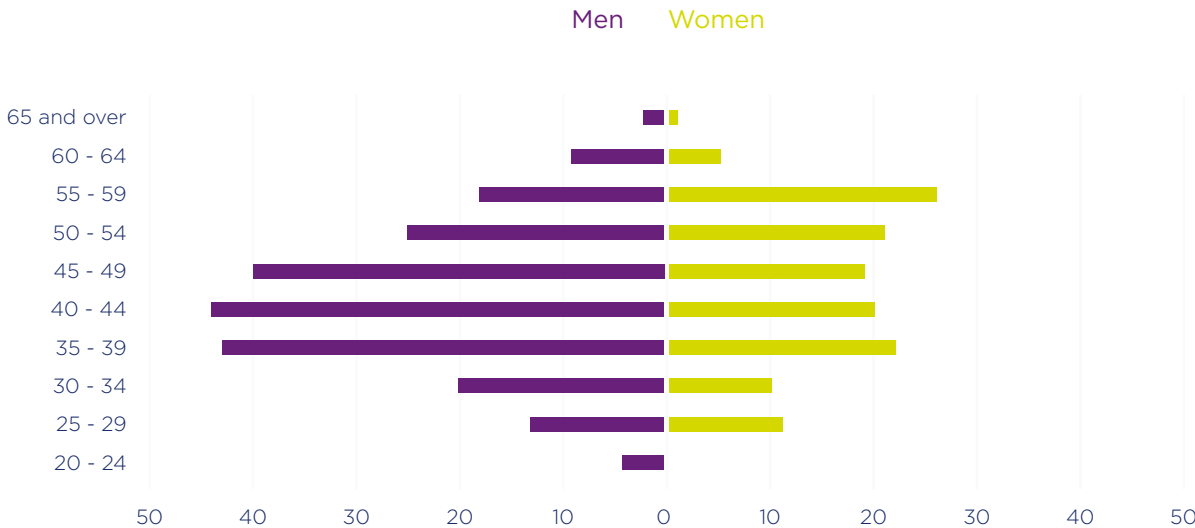
KEY FIGURES FOR 2018

Average age  
**44.8**  
years

**6.2%**  
work-study  
contracts

**17.3%**  
people aged  
55 and over

AGE COMPOSITION (5 YEAR SEGMENTS)



WELCOMING YOUNG GRADUATES

- Talents under 30 make up a significant proportion of new hires;
- We have more and more young people in apprenticeship work-study contracts;
- We hold specific “integration” days for junior profiles;
- We have implemented a specific Spring/Autumn Internship Program to introduce and promote our activities to Grandes Écoles and Master’s candidates in Finance.

ENSURING JOB RETENTION FOR SENIORS

- Training sessions and career management consulting for staff over 55;
- Easier access to part-time work for those 58 and over;
- Skills-based sponsorship opportunities with non-profit organisations to ease the transition towards retirement.

PREPARING SUCCESSFUL RETIREMENT

Ostrum AM has established a specific process for accompanying employees who are preparing to transition into retirement. Each year, a lecture on the subject of retirement, given by an external consultant, is open to all Natixis employees over 57 years of age. For those who express an interest, the lecture may be followed by a one-on-one meeting.



## II. LEVERAGING GENDER DIVERSITY TO IMPROVE PERFORMANCE

Gender diversity is a key issue for all organisations. It helps foster innovation and development. Ostrum Asset Management strives to eradicate gender inequalities and has implemented a specific gender diversity action plan, detailed below.

Alongside our highly involved HR department, staff also took the initiative of creating a dedicated working group.<sup>1</sup> The active commitment of top management has also helped make gender diversity a priority topic on a day-to-day basis.

Ostrum AM fully complies with Natixis's diversity policy, aiming at guaranteeing parity between men and women, in the areas of recruitment, training, compensation and career management. Several schemes have been put in place:

- Reducing the wage gap;
- Including women in high-potential career paths;
- Mentoring women.

We still have a long way to go, but we all are determined to evolve our practices.

<sup>1</sup> For more information, see the chapter 'Committed To Improving Our Company', p. 60.



## A DEDICATED ACTION PLAN

### ENSURING GENDER DIVERSITY IN RECRUITMENT

- We established partnerships with Sciences Po and ESSEC business school to promote financial careers among female students.
- We monitor diversity indicators for hires.

### TRAINING

- We created specific training modules to support women's careers.

### CAREER MANAGEMENT AND PROMOTIONS

- We monitor diversity.
- We foster the promotion of female managers.
- We develop speed mentoring.
- We cooperate with the Women in Natixis Network (WINN).

### COMMUNICATION & AWARENESS

- We issue specific information on diversity.
- We hold conferences on professional networks.
- Our gender diversity indicators are communicated to all staff.

### COMPENSATION AND WAGE EQUALITY

- We dedicate a specific budget to wage-gap reduction.

## PROMOTING OUR PROFESSION TO FEMALE STUDENTS

Monitoring gender diversity for better balanced teams is one of the priorities of our recruitment policy. We did, however, notice that there were not enough female students in many of the finance courses offered by the universities or grad-schools from which we hire our future talent. This is why we started two specific initiatives, aimed at promoting our profession to a female audience.

### • BRING YOUR DAUGHTER TO WORK

With "Bring your daughter to work", launched in 2017 and initiated by our staff, we have already welcomed 9 female students whose mother or father works for Ostrum AM, and showed them our work environment and various lines of work.

The initiative seeks to transcend finance-related gender stereotypes and, hopefully, raise interest in our company.

### • SPRING INTERNSHIP PROGRAM

For the second year in a row, we offered 9 female Sciences Po and ESSEC students the opportunity to discover our profession. Over the course of three days, they were able to learn about our company, exchange with our people and share our teams' daily work.

## ACCELERATING WOMEN'S CAREER PATHS

In order to sustainably establishing gender diversity, we need to accelerate the career paths of our female staff. Several initiatives have been implemented and renewed on a yearly basis.

### • SPEED MENTORING

Since 2015, speed mentoring sessions provided our female staff with the opportunity to introduce themselves, their career paths and their professional development aspirations to top managers, and to expand their network.

### • SUCCESSFUL CAREERS FOR WOMEN

Our "successful careers for women" training sessions enable female staff to better define their professional development projects, to state their goals and to develop their leadership skills.

## KEY FIGURES FOR 2018

Women account for

**38%**

of global  
staff

Women account for

**40.8%**

of all  
asset-management  
teams



### III. DISABILITIES: ENABLING ALL TALENTS TO THRIVE

At Ostrum Asset Management, we strive to help each of our people have an opportunity to fully express their talent. We know each of us could have to face disability, directly or indirectly, for short or long periods of time, and are collectively committed to implementing the necessary measures to understand, compensate and support people with disabilities.

Our disability-related initiatives comply with the **overall agreement signed in February 2017, for the 2017-2019 time period**. They include job retention and professional advancement for people with disabilities, the recruitment and integration of people with disabilities, cooperation with the protected work sector and communication and information about disabilities.

They have been implemented according to five workstreams, detailed below.



#### HIRING AND INTEGRATING

- Partnerships with Tremplin and Sciences Po Accessible;
- Targeted initiatives: participation in forums, introduction of the finance and asset management professions to young people with disabilities;
- Collective engagement with HandiFormaFinance.

#### ENSURING JOB RETENTION FOR PEOPLE WITH DISABILITIES

- Our building has been made accessible to all;
- We focus on workstation ergonomics and adapted equipment;
- Close and customised monitoring, by our occupational physician, a social worker, and our Disability Referent.

#### PROMOTING SHELTERED EMPLOYMENT ORGANISATIONS

- We promote working with sheltered employment organisations (STPA),<sup>1</sup> in cooperation with Natixis' dedicated unit.

#### CHANGING OUR PERSPECTIVE ON DISABILITIES

- Specific events open to all are held on a regular basis: conferences, events during the European Disability Employment Week interviews;
- Dedicated initiatives: training sessions.

#### SUPPORTING FAMILIES

- Specific support for people whose close relatives are affected by disabilities.

#### ADVERTISING OUR JOBS TO STUDENTS WITH DISABILITIES

##### • JOB DATING

For the second year in a row, through a partnership with Tremplin, Ostrum AM held a job dating session for students with disabilities applying for work-study contracts. Several of these were given the opportunity to spend a half-day with us to find out about our company and have job interviews with motivated and engaged managers.

##### • HANDIFORMAFINANCE

HandiFormaFinance is an Ostrum-led collective initiative, with the support of the AGEFIPH.<sup>1</sup> Around ten industry players have joined this scheme, which aims at helping people with disabilities and undergoing professional retraining access to financial jobs. HandiFormaFinance offers adapted training, designed by experts in portfolio and asset management. The 6<sup>th</sup> cohort was launched in September 2017.

##### • DIALOGUE TO PROMOTE TRAINING & HIRING OF PEOPLE WITH DISABILITIES<sup>2</sup>

Ostrum Asset Management participated in the 8<sup>th</sup> annual edition of the "Dialogues for the Employment and Training of People with Disabilities." Valérie Derambure, Deputy Chief Executive Officer in charge of Finance and Operations, and CSR sponsor, represented the Group. The nation-wide event brings together all stakeholders—government, corporations, associations/institutions, local partners and student bodies—to promote the occupational integration of people with disabilities.

#### KEY FIGURES FOR 2018

Direct employment<sup>3</sup>  
**3.52%**

**3<sup>rd</sup>**  
Agreement on  
Disabilities 2017-2019

<sup>1</sup> STPA : STPA stands for Secteur du Travail Protégé et Adapté, the sheltered work sector as defined by French Labour laws.

<sup>1</sup> Association du Gestion du Fonds pour Insertion des Personnes Handicapées (Management Association of the Fund for Employment of Persons with Disabilities).

<sup>2</sup> To learn more please visit: [http://officiel-handicap.fr/?page\\_id=794](http://officiel-handicap.fr/?page_id=794) (in French).

<sup>3</sup> In 2018, given the creation of Ostrum AM at 01/10/2018 the annual direct employment rate has been prorated based on the period of October – December 2018.



3. ATTRACTING AND GROWING TALENT

Our current and future performance and our ability to adapt and innovate, which will enable us to maintain our leadership in a constantly evolving market, primarily come from our ambitious and dynamic management of individual and collective skills.

That is why we aim at helping our talent build their career paths and understand the roll-out of our global strategy. We see this as key lever to provide each and every individual with new professional perspectives, through the acquisition of new skills and knowledge. Our policy echoes that of our parent company, Natixis and fits in with its strategic plan.

In total compliance with the employment agreement signed in June 2017, our training policy for the 2017-2020 time period has five main components:

1 SUPPORTING THE TRANSFORMATION OF OUR BUSINESS LINES:

- Following-up on and monitoring the regulatory changes which impact our market environment;
- Managing change for easier adaptation to the organisational and cultural evolutions within our company;
- Implementing action plans to develop, structure and optimise client relationships;
- Developing in-house training to foster knowledge and enhance each line of work at our company;
- Reinforcing technical skills.

2 MEETING THE CHALLENGES OF THE DIGITAL REVOLUTION:

- Helping generalise the new usages related to the roll-out of our Easy program;
- Supporting the digital transformation of our business lines;
- Adapting training to new usages.

3 DEVELOPING LEADERSHIP AND MANAGERIAL SKILLS:

- Training leaders to help them master our new leadership model;
- Implementing change management initiatives;
- Fostering practice sharing, through co-development workshops.

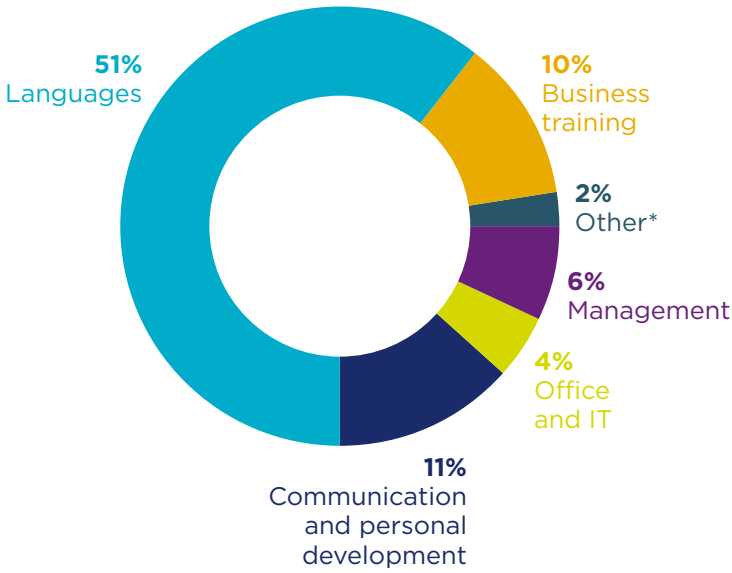
4 FOSTERING JOB MOBILITY:

- Implementing specific trainings to help people build their mobility;
- Supporting newly arriving people as they take office.

5 ENHANCING COMMAND OF THE ENGLISH LANGUAGE:

- Reinforcing the processes implemented to help people become comfortable with working in both French and English;
- Planning specific actions to complement regular trainings;
- Implementing innovative schemes, such as coffee breaks, or Summer time—an English-only week in summer focused on operational issues—in addition to traditional English classes.

BREAKDOWN OF COST BY TYPE IN 2018



\* Other includes but is not limited to training in sales, safety, audit/quality, professional assessment, Accreditation of Prior Experiential Learning (APEL)...

KEY FIGURES FOR 2018



DEVELOPING CORE TECHNICAL SKILLS THROUGH ADDITIONAL TRAINING

In order to develop skills and increase employability, Ostrum AM provides its people with preparatory classes for market-recognised certifications.

Ostrum AM is PROUD of its people!

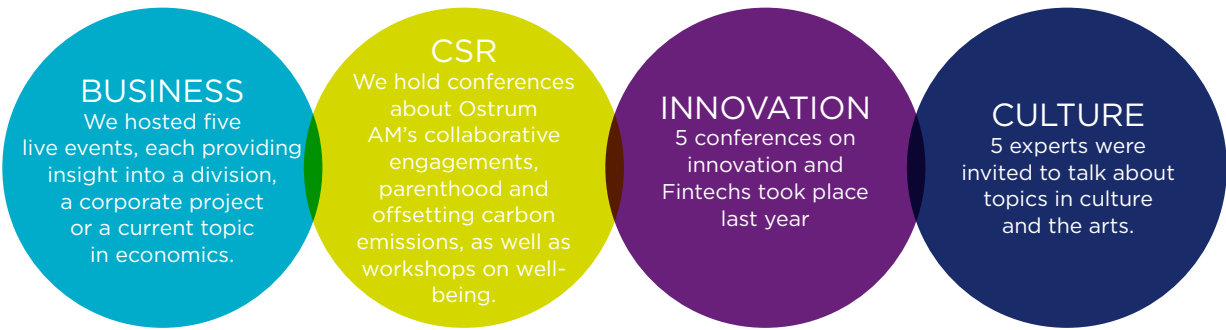
NUMBER OF GRADUATES IN 2018

|             |  |
|-------------|--|
| CFA®        | CAIA® (Chartered Alternative Investment Analyst) : 1 |
| Level 1: 10 | CFA Institute Investment Foundations® : 5            |
| Level 2: 5  |  |
| Level 3: 7  | PRAM (PRogramme Asset Management) : 2                |



ACQUIRING NEW KNOWLEDGE

In addition to training initiatives, we strive to help our people acquire new knowledge on sustainable development, innovation, or topics in general culture.



SUPPORTING CAREER DEVELOPMENT

In order to help our people build their career paths, we have planned yearly assessment reviews, which give them the opportunity to exchange with their manager, especially about their short, middle and long-term career advancement. They can also talk about their training needs and perspectives for professional development.

We go even further with our “Get Into The Move” programme, implemented in 2017, with the aim of providing our people with the opportunity to receive active help and support in defining and going through their own professional development project.

HR also helps them access specific programmes, such as skills assessment schemes or Accreditation of Prior Experiential Learning (APEL).

**3**  
APEL candidates supported

**3**  
participants in skills assessment programmes

GET INTO THE MOVE  
FORGING A STRONG CAREER PATH

2 distinct programmes to help people, according to the maturity of their project

In 2018, 9 employees enrolled the two programmes

Participants are assisted by an outside consulting firm and the HR department

Each programme includes modules on self-knowledge, managing one's professional network, defining and affirming professional projects and preparing for mobility and job interviews





#### 4. FAIR AND INNOVATIVE HR PRACTICES

Ostrum AM's success relies on the engagement of its people. Our HR practices reflect our determination to offer solutions that respect our people and ensure their well-being.

Our HR politics echo those of our parent company, Natixis, and are built on common social standards that set a framework to support our corporate evolution and transformation. Our standards include fair and attractive compensation, responsible organisation of work, transparent social dialogue and strong measures for employees' health and safety.

##### A FAIR AND ATTRACTIVE COMPENSATION POLICY

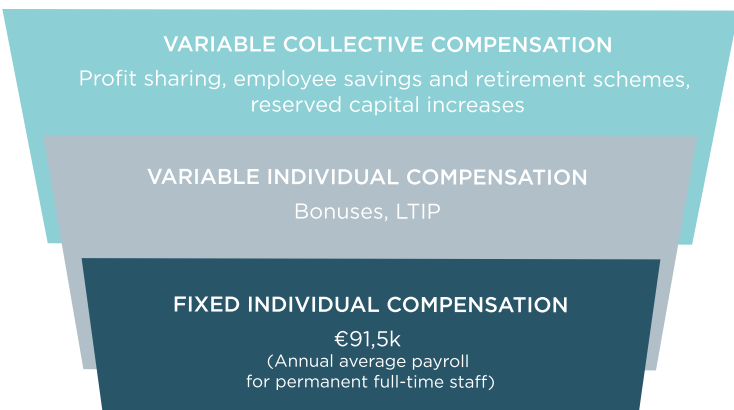
To attract and retain talent, we have devised an attractive compensation policy, through which staff can benefit from corporate performance on a fair and transparent basis.

Our policy falls in line with that of the Natixis HR Department and defines several major goals:

- Attractive and selective compensation, which includes incentives to retain our best performers.
- Fixed and variable compensation that helps value individual contributions, as well as collective compensation schemes in order to have our talent benefit from Ostrum AM's performance and to align interests.

We also want to retain our talent over the long-term, with variable compensation principles based on quantitative and qualitative criteria to reflect their individual performance.

Our compensation policy also takes into account the fundamental goals of Natixis in the areas of gender equality and non-discrimination.



##### 2018 KEY FIGURES

**Global annual payroll**  
**€91.5k**  
(Annual average payroll for permanent staff)

**Wage gap**  
Gap between the highest 10% and the lowest 10% wages  
**5.2**

**Budget allocated to gender equality**  
(as % of total payroll)  
**0.2%**

##### INTEGRATING WORK AND PERSONAL LIFE

We have organised working hours so our people can better manage their professional and personal activities and avoid stress. The company has implemented a number of initiatives developed by our people, which we are monitoring closely.

##### PROMOTING TELEWORKING

Since June 2015, employees who wish to do so and whose jobs are compatible with working from home can benefit from such schemes, which allow for increased flexibility and autonomy. Teleworking has been adapted to the organisation of each team.

**48%**

teleworkers

**2 to 3 days per month of work from home**  
on average for each participating employee

##### COMPANY CONCIERGE SERVICE

Our corporate concierge service offers a full range of services to help our people on a daily basis: pressing, hairdressing, cosmetics, personal shopper and more.

##### MAKING PARENTHOOD EASIER

###### FAMILY DAY<sup>1</sup>

Our employees mobilised to organise a yearly Family Day, which gives them the opportunity to let their children discover their work environment.

###### CORPORATE NURSERY

In partnership with our works council, we decided to become members of a corporate nursery network, to help young parents organise on a daily basis.

<sup>1</sup> We encourage our staff to let their children discover their workplace for one morning each year, in a festive atmosphere.



TRANSPARENT SOCIAL DIALOGUE

Ostrum Asset Management is committed to listening to its employees and to taking their interests into account, both in its HR policy and in its strategic decisions.

To foster this cooperative approach, we work with employee representation bodies of Natixis France, in order to promote comprehensive dialogue and to ensure all personal are represented.

Within Natixis France, the agreement on union rights and collective bargaining, signed in 2010 between the company’s top management and its trade unions, established union coordinators who interface with top management, foster social dialogue and serve as a formal body for collective bargaining.

Within the scope of Natixis France, 5 agreements or amendments were signed in 2018:

| NATIXIS AGREEMENTS IN 2018   | % of employees covered | Signature date |
|--|------------------------|----------------|
| Amendment to the agreement on Natixis’ employee savings scheme                                       | 100%                   | 05/03/18       |
| Natixis Intégrée agreement on the right to disconnect  | 100%                   | 06/06/18       |
| Agreement on profit sharing for Natixis Intégrée employees, for the 2018, 2019 and 2020 fiscal years | 100%                   | 06/06/18       |
| Natixis Intégrée agreement on working from home  | 100%                   | 27/06/18       |
| Agreement on days off for the entirety of Natixis Intégrée   | 100%                   | 29/06/18       |

Ostrum AM also has its own local work councils. As a matter of fact, we are part of a Social and Economic Unit (SEU)<sup>1</sup> which brings together all French asset managers and acts as their shared forum for social dialogue. In 2018, four agreements or amendments were signed at the SEU level, and the action plan for gender equality was renewed:

| SEU AGREEMENTS IN 2018  | % of employees covered | Signature date |
|---|------------------------|----------------|
| Agreement on compulsory yearly negotiations for SEU entities                        | 100%                   | 18/06/18       |
| Amendment to the agreement on profit-sharing for 2017-2019                          | 100%                   | 29/06/18       |
| Collective agreement on contractual termination within the ESU, regarding Ostrum AM | 100%                   | 21/12/18       |
| Action plan on gender equality within the SEU                                       | 100%                   | 21/12/18       |

<sup>1</sup> See Glossary page 103.







5



## A RESPONSIBLE PLAYER WITHIN OUR ECOSYSTEM

In addition to incorporating ESG into its business processes and implementing responsible HR and client service practices, Ostrum AM also naturally acts as a responsible player within its ecosystem.

We capitalise on the practices of Natixis to comply with regulatory requirements in the way we conduct our business and strive to behave responsibly.





# A

## Responsible in what we do

### 1. ENSURING LOYAL AND HONEST CONDUCT

#### FIGHTING CORRUPTION

Corruption is defined as unlawful and unethical behaviour, and is punishable by heavy penal and administrative sanctions. Violating anti-corruption regulations is by definition a serious infraction that could damage our reputation.

Ostrum Asset Management fully complies with the 2016 Sapin II Law on transparency, fighting corruption and the modernisation of the economy. These statutes require that we implement specific measures to detect and prevent corruption, in France and abroad.

Ostrum's top management is responsible for organising the fight against corruption within the company. Each of our people knows they have to abide by our anti-corruption principles, as stipulated in our Internal Rules and Code of Conduct.

Ostrum AM, its employees, directors and board members are not allowed to engage in any prohibited activities, as defined by our anti-corruption policy. Some activities—gifts and invitations, charities and donations—may pose an increased risk of corruption and require specific vigilance measures.

Our corruption prevention scheme relies on risk mapping, the deployment of internal standards and anti-corruption policies for third-parties.



#### THE NATIXIS CODE OF CONDUCT

All Ostrum AM staff respect the Natixis 2017 Code of Conduct. It defines and includes our common rules for good conduct and good practices in a variety of areas: respect for clients' interests, professional ethics, responsibility towards society and protection of Natixis' and the BPCE Group's reputation.

It applies not only to all staff, but also the suppliers and partners of Natixis and its subsidiaries and affiliates.

Each employee receives a specific training on the Code of Conduct, so they can fully understand its principles and behave accordingly.

| CODE OF CONDUCT   | CORRESPONDING BEHAVIOURS   |
|---|--|
| BE CLIENT ORIENTED  | <ul style="list-style-type: none"><li>• Protect clients' interests</li><li>• Communicate clearly with clients</li><li>• Protect clients' information and data</li><li>• Treat clients claims and requests fairly and quickly</li></ul> |
| BEHAVE ETHICALLY  | <ul style="list-style-type: none"><li>• Respect employees and ensure their professional development</li><li>• Show work ethics</li><li>• Ensure market integrity</li></ul>   |
| ACT RESPONSIBLY WITHIN SOCIETY                                    | <ul style="list-style-type: none"><li>• Act consistently with the CSR engagements of Natixis</li><li>• Ensure financial security</li></ul>   |
| PROTECT THE ASSETS AND REPUTATION OF BOTH NATIXIS AND GROUPE BPCE | <ul style="list-style-type: none"><li>• Protect assets</li><li>• Ensure business continuity</li><li>• Communicate responsibly with external stakeholders</li></ul>   |



2. FOSTERING RESPONSIBLE CONDUCT  
ON THE PART OF SUPPLIERS

Natixis' Purchasing Department is in charge of Ostrum Asset Management's purchases. In 2017, it was integrated into BPCE's Purchasing Department, with the creation of an EIG (Economic Interest Group), enabling shared consideration of how to achieve responsible procurement. Promoting products and services which respect the environment and add social and societal value is now at the heart of our purchasing policy.

3  
objectives

- Assess our suppliers on the environmental and social issues linked to their products, services or industries
- Promote official ecolabels and eco-designed products
- Incentivise suppliers to show increased transparency in describing their products' environmental features

3  
tools

- Responsible procurement guidelines, which lay out the regulatory environmental and social criteria, and those recommended for each type of purchases
- A supplier relationship charter, which reaffirms our sustainable development values
- Sustainable development clauses in our calls for tender and contracts.



CSR-RELATED RISKS  
FOR PROCUREMENT

- Loyal and ethical practices
- Fraud and corruption, personal data protection
- Property rights and patents
- Environment and natural resource consumption
- Pollution (air, water, soil)
- Biodiversity
- Greenhouse gas emissions
- Waste management
- Human rights, health and safety
- Working conditions
- Discrimination
- Forced labour and modern slavery
- Child labour

DUTY OF CARE AND RISK MAPPING

Together with BPCE's Purchasing Department and three other banking groups, Natixis established a common mapping of all CSR-related risks that could impact procurement in the banking and insurance industry. With this mapping, which came out in 2018, we can now assess the various risks, outlined below, by countries and types of purchases.

SUPPLIER CSR SURVEY

As in 2017, the Purchasing Department conducted a CSR survey with 30 suppliers—IT providers, call centres, caterers, energy, mail and transportation providers—in 2018.

CHARTER FOR RESPONSIBLE PROCUREMENT

In 2017, Natixis signed a Charter for Responsible Purchasing, jointly designed by a pool of French Bank and Insurance companies. It aims at involving the suppliers of all signatories in implementing duty of care in their CSR approaches. The Charter affirms a series of commitments which both parties must respect that are based on the UN Global Compact's fundamental principles in the areas of human rights, working conditions, the environment and the fight against corruption.





# B

## Responsible within society

### 1. MITIGATING OUR ENVIRONMENTAL IMPACT

Protecting the environment is a major social issue. As a responsible investor, we have the duty to play our role in preserving our ecosystem and creating a more sustainable world for our children. This is why we have implemented a three-pronged approach, in order to mitigate our direct environmental impact.

#### DRIVING MOBILISATION ON ENVIRONMENTAL ISSUES

##### Ensuring eco-friendly management of our buildings

Within Natixis' Real Estate and Logistics Department, the Building Maintenance and Management unit is in charge of monitoring and maintaining our technical facilities. This unit is ISO 9001 and ISO 14001 certified. In addition, the new building we moved into during March 2018 was built and is managed in order to guarantee high environmental performance, and has received the **NF Bâtiments Tertiaires, Démarche HQE**®, **HPE**, **Effienergie+** and **BREEAM**® certifications.<sup>1</sup>

##### Preventing environmental and pollution-induced risks

The people in charge of monitoring, managing and maintaining our buildings have received specific training. They train on a regular basis, in order to master not only surveillance and emergency procedures, but also the protocols and means used to prevent environmental and pollution-induced risks.

Within the Real Estate and Logistics Department, all main technical managers have been well acquainted with **BPCE Group's Regulatory and Environmental Charter**, which specifies the requirements for each type of development or renovation operation. This charter also includes environmental standards.

##### Engaging and mobilising our staff

Ostrum Asset Management supports staff mobilisation, to get everyone to adopt the gestures that are needed to limit our environmental impact. As part of our collaborative approach,<sup>2</sup> a dedicated working group has planned a series of events throughout the year. In 2018, we also published our quarterly energy, waste and paper consumption indicators.



#### ENSURING RESPONSIBLE USE OF RESOURCES AND RECYCLING WASTE

In addition to raising awareness and planning events to promote the responsible use of resources, we have launched many initiatives to promote the controlled use of raw materials among our staff.

##### WATER

- Automated tap-water systems with motion sensors in lavatories.

##### ENERGY

- Automated motion-detection lighting systems.
- LED bulbs.

##### WASTE MANAGEMENT

For improved waste management, we promote:

- Sorting and recycling of office paper;
- Collecting and recycling used ink cartridges and batteries;
- E-waste recovery;
- Sorting and recycling of plastic pens;
- Sorting and recycling of plastic cups, cans and bottles.

#### 2018 KEY FIGURES

##### WATER

**3,471 m<sup>3</sup>**

##### ENERGY

**2,078 MWh**

##### WASTE

**11 tonnes of OIW<sup>1</sup>**

**27 tonnes of paper**

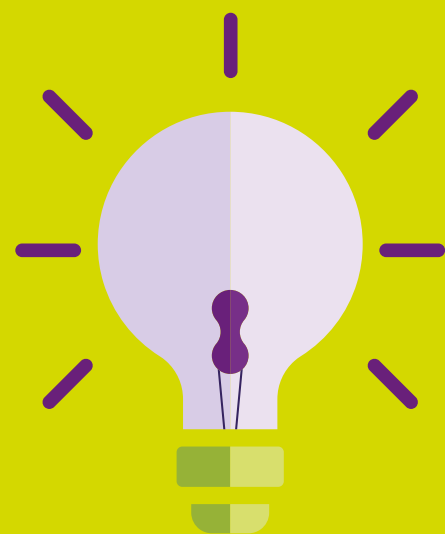
<sup>1</sup> Ordinary Industrial Waste



<sup>1</sup> HQE: Haute Qualité Environnementale (High Environmental Quality) – HPE: Haute Performance Énergétique (High Energy Performance) – BREEAM®: Building Research Establishment Environmental Assessment Method.

<sup>2</sup> Please read pages 60-61 for more information.





PROJECT 2018

## OSTRUM 100% PAPERLESS

In 2018, as part of the transformation of our working methods, we launched a project to become paperless. Many of our staff got involved to support their teams and raise all the issues that needed to be tackled in order to achieve our 100% paper-free objective.

### PROJECT PAPERLESS

1

#### STOCK MANAGEMENT

• Say yes to sorting! • Archive • Digitalise • Preserve

2

#### PREPARING THE TRANSITION

Rationalising and mutualising equipment  
Moving to new buildings with new tools

3

#### FLOW MANAGEMENT

Dematerialising inflows and outflows

#### FIRST RESULTS

**-40%**  
in paper consumption  
in 2018 and 2017

**-60**  
storage closets

#### PROFIT-SHARING AGREEMENT<sup>1</sup>

| 2018 fiscal year           | Objectives | Achieved |
|----------------------------|------------|----------|
| Number of reams            | <7,700     | 5,206    |
| Recycled paper (in tonnes) | >61.5      | 45       |

<sup>1</sup> The profit-sharing agreement and its objectives cover Ostrum AM, Mirova, Seeyond, NAM Finance, Natixis Investment Managers and Natixis Investment Managers International



### CLIMATE CHANGE: MEASURING AND REDUCING BUSINESS-INDUCED CARBON EMISSIONS

We want to contribute to building a more sustainable economic and financial development model, especially by taking climate-related issues into account. Not only have we rolled out many climate-related initiatives, but we also act to reduce our business-induced carbon impact.

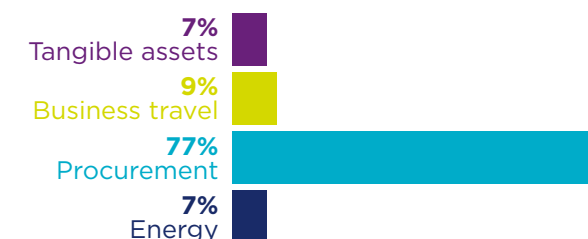
Since 2009, we have conducted a yearly carbon review, using the ADEME (French Environment and Energy Management Agency) methodology.<sup>1</sup> We now know our main carbon emission sources better and can implement the actions needed to better control our impacts.

In addition to the actions we implemented for the environmental management of our buildings, we have also implemented several tangibles measures:

- Business travels – The Natixis Travel Policy provides guidance on the use of various types of transportation. Our Car Policy defines the highest level of CO<sub>2</sub> emissions allowed. Teleworking and digital equipment also help limit business trips.
- Commuting – We provide incentives for the use of low-impact modes of transportation (Vélib and public transportation subscriptions partially paid for, parking area for bicycles).
- IT equipment – reduced number of printers and increasing use of multi-function printers.

In addition, and since 2016, we fully offset our carbon emissions every year.

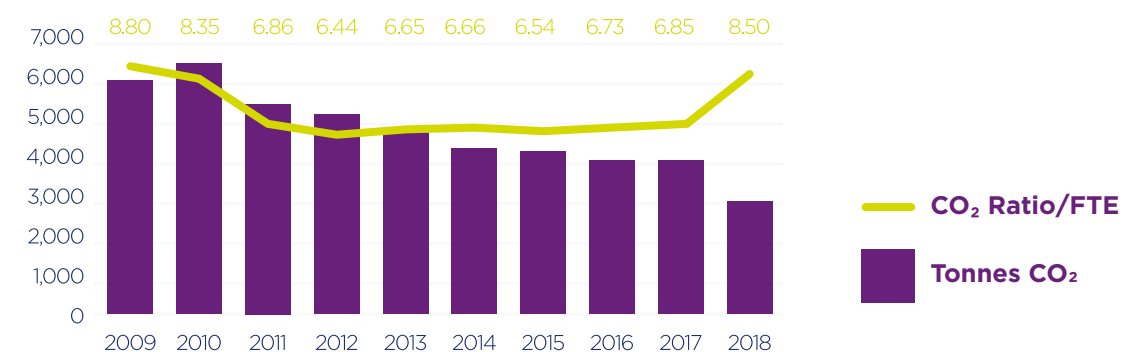
#### BREAKDOWN OF 2018 CARBON FOOTPRINT



#### 2018 KEY FIGURES

**3,006**  
tonnes of CO<sub>2</sub>

#### CHANGES TO CARBON FOOTPRINT



<sup>1</sup> <https://www.ademe.fr/en>

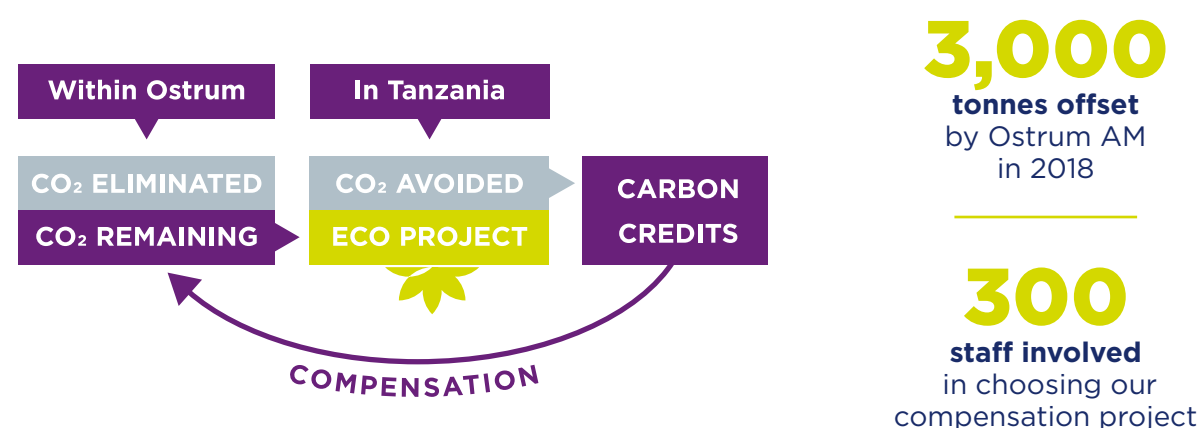




## WE FULLY OFFSET OUR CARBON EMISSIONS!

Each year since 2016 Ostrum AM has been offsetting 100% of its direct carbon emissions. This comes as a natural extension of our efforts to reduce our carbon footprint: measure, reduce, offset!

Led by a participative taskforce,<sup>1</sup> four specific carbon compensation projects were submitted to all staff. Over 300 people voted and selected a project aimed at distributing water filters to ward off deforestation and improve home air quality in Tanzania.



<sup>1</sup> A group that emerged from our engaged approach. See "Committed to Improving our Company," p. 60-61.



## OUR PROJECT

### COOKSTOVES IN TANZANIA

With the help of improved ovens and water filters, distributed by local businesses, families now have access to technology that requires less wood and limits the emissions of health-threatening smoke.

#### PROJECT BENEFITS

- > CREATION OF ON-SITE JOBS
- > 95,000 TEQ CO<sub>2</sub> OFFSET
- > DISTRIBUTION OF OVENS AND WATER FILTERS
- > CLEANER AIR FOR 75,000 HOMES

**75,000**  
households  
involved

**\$300**  
saved  
per family

Risk of pneumonia  
lowered by  
**50%**

Smoke emissions  
reduced by  
**80%**

## 2. A PARTNERSHIP APPROACH TO PHILANTHROPY

New ambitions for a new brand... Ostrum Asset Management's new impulse also permeated our corporate philanthropy.

In 2018, and after a 6 year partnership with la Mie de Pain, Ostrum AM decided to support a new cause, allowing another non-profit organisation to benefit from the commitment of our people.

This move, however, in no way alters the way we see corporate philanthropy as an opportunity to:

- Build genuine partnerships with the associations we sponsor;
- Focus our energy and our actions on a single organisation, for more effective support;
- Bring our staff together around a dynamic partnership.

### A new adventure, under the banner of solidarity!





# 2011-2017: A 6-YEAR PARTNERSHIP WITH LA MIE DE PAIN

We are very happy to have sponsored La Mie de Pain for the last six years. For over 130 years, in the heart of the 13<sup>th</sup> arrondissement in Paris, la Mie de Pain has focused each day on providing emergency shelter and helping highly vulnerable people re-enter the job market.

Through our collective involvement with La Mie de Pain, we have been able to bring tangible support to a longstanding contributor to solidarity in our social and economic environment. We had the opportunity to meet great people and create links with the people helped by la Mie de Pain, with its employees, its volunteers and its board members. This made us question ourselves, enriched us, and helped us contribute to increase solidarity.

This partnership has left its mark on our history and was made successful by our staff's involvement and mobilisation for a project and values they hold dear. We are proud of what has been achieved, as it shows that there is true strength in numbers and that two organisations one could deem worlds apart can work together for the greater good.



DE L'URGENCE  
À L'INSERTION

## KEY FIGURES FROM A SUCCESSFUL COLLECTIVE COMMITMENT



# WRITING A NEW STORY

We asked our staff to help us choose a new partner. At the end of a selection process described below, we opted for Planète Urgence.



Created in 2000, Planète Urgence is a non-profit association of recognised public interest, which supports development projects for vulnerable or economically and socially isolated people, and for the preservation of the natural environment.<sup>1</sup>

## PLANÈTE URGENCE HAS TWO MAIN MODES OF INTERVENTION...

- Sending committed volunteers looking to make a difference via the Congé Solidaire® scheme, for pre-defined short-term missions, agreed upon with local partners and meeting specific criteria.
- Offering financial support for reforestation initiatives, through fundraising campaigns such as 1 euro = 1 tree planted and 5 euros = 1 school kit.

## ... AND CHAMPIONS THREE FUNDAMENTAL VALUES:

- Commitment from teams and volunteers;
- Ethics in the establishment of partnerships;
- Fairness in carrying out its missions and in defending and promoting social justice.

## SINCE 2000, PLANÈTE URGENCE HAS ALREADY:

Planted over  
**7,000,000**  
trees  
throughout the world

Distributed  
**112,828**  
school kits

Worked with over  
**8,000**  
Congé Solidaire® volunteers

**17**  
OSTRUM AM STAFF  
VOLUNTEER TO  
MANAGE OUR  
PARTNERSHIP WITH  
PLANÈTE URGENCE

<sup>1</sup> To learn more, visit: [www.planete-urgence.org/association](http://www.planete-urgence.org/association) (in French).



6



CSR  
REVIEW





The following report has been compiled by Ostrum Asset Management in compliance with French legislation (Grenelle II Act) governing the publication of relevant social, environmental and societal information.

The information presented in this document concerns Ostrum Asset Management France. The report covers the 2018 fiscal year (1 January – 31 December).

## METHODOLOGICAL NOTE ON THE INDICATORS USED

### ENVIRONMENTAL INDICATORS

Environmental indicators (consumption of energy, water, heating oil, etc.) are calculated based on a pro rata occupancy rate equivalent to Ostrum AM's usage first of the Grand Seine facility and then of the Elements premises, i.e. 67% and 42.2% of useable rental space respectively.

- **Water:** water use indicators are calculated based on the occupancy rate equivalent to Ostrum AM's usage first of the Grand Seine facility and then of the Elements premises, i.e. 67% and 42.2% of useable rental space respectively.
- **The Carbon Review** for Ostrum Asset Management takes into consideration the following elements:
  - **Energy:** energy consumption of the building (electricity, gas, heating oil, steam and cooling);
  - **Non-Energy:** leakage of refrigerant liquid;
  - **Goods and Services:** all goods and services purchased by the company, exclusive of durable goods depreciated or amortised over several years, i.e. consumables, paper, intellectual services, office supplies, etc.;
  - **Transportation of persons:** commuting and professional travel undertaken by employees;
  - **Fixed assets:** buildings, vehicles, IT hardware;
  - **Freight:** messengers and couriers;
- **Waste:** Waste of electrical and electronic equipment (WEEE), office waste.

### EXCLUSIONS

Certain indicators for pollution were not calculated as they are irrelevant for Ostrum AM's business activities, which are classified as low-risk in terms of pollution:

- measures to prevent, mitigate or offset particulate emissions released in the air, water or soil and causing serious environmental impact;
- awareness of noise pollution and other types of pollution specific to a type of activity or undertaking;
- measures to reduce food wastage have not been included as this aspect is not a significant part of Ostrum AM's business.



Certain of the indicators featured in this document have significantly evolved between 2017 and 2018, due to major shifts that took place in 2018, notably:

- The creation of Natixis Investment Managers International and the transfer of several business lines to this new organisation. The changes had a significant impact on several of our social indicators.
- The move to new premises, which has also significantly affected our environmental indicators.





# SOCIAL INDICATORS

| SOCIAL ASPECTS         | INDICATORS   | 2016  | 2017  | 2018             |
|------------------------|--|-------|-------|------------------|
| BREAKDOWN OF PERSONNEL | Total personnel (FTE, permanent and fixed-term contracts)  | 569   | 567   | 353              |
|                        | Permanent contracts  | 97.4% | 95.6% | 95.8%            |
|                        | Fixed-term contracts   | 2.6%  | 4.4%  | 4.2%             |
|                        | Breakdown by department (100% France)  |       |       |                  |
|                        | Support staff  | 5%    | 5%    | 5%               |
|                        | Sales and sales support  | 11%   | 10%   | 5%               |
|                        | Communication  | 1%    | 1%    | 1%               |
|                        | Executive Officers   | 2%    | 2%    | 0%               |
|                        | Market Finance   | 27%   | 28%   | 29%              |
|                        | Corporate Finance  | 7%    | 7%    | 3%               |
|                        | Operations   | 15%   | 15%   | 22%              |
|                        | Supply chain/Purchasing  | 0%    | 0%    | 0%               |
|                        | Legal  | 5%    | 6%    | 0%               |
|                        | Marketing/Product management   | 3%    | 3%    | 2%               |
|                        | Organisation/Quality/Monitoring  | 3%    | 4%    | 5%               |
|                        | Human Resources  | 1%    | 2%    | 1%               |
|                        | Compliance/Risk management   | 8%    | 8%    | 10%              |
|                        | Economic and Financial publications  | 5%    | 5%    | 7%               |
|                        | Information Technology   | 6%    | 6%    | 10%              |
|                        | Management   | 88%   | 90%   | 90%              |
| CHANGE IN PERSONNEL    | TOTAL hires (number)<br>Permanent + fixed-term + work/study fixed-term contracts<br>(apprenticeship and professional training) | 117   | 96    | 81               |
|                        | Proportion of permanent contracts (%)  | 44%   | 25%   | 37%              |
|                        | New hires on permanent contracts (number)  | 52    | 24    | 30               |
|                        | New hires on fixed-term contracts (number)   | 30    | 36    | 25               |
|                        | Of which rollover from fixed-term to permanent contract  | 8     | 4     | 1                |
|                        | Of which transfers from within Groupe BPCE   | 17    | 6     | 13               |
|                        | Average seniority (in years)   | 12.2  | 13.3  | 10.7             |
|                        | Total departures of permanent contracts (number)   | 97    | 36    | 231              |
|                        | Of which resignations  | 20    | 13    | 15               |
|                        | Of which economic redundancies   | 0     | 0     | 0                |
|                        | Of which redundancies for other reasons and contractual terminations   | 8     | 0     | 1                |
|                        | Of which transfers within Groupe BPCE  | 62    | 17    | 11               |
|                        | Of which voluntary retirement/early retirement   | 5     | 2     | 3                |
|                        | Others   | 2     | 4     | 201 <sup>1</sup> |
| COMPENSATION           | Average gross annual compensation (k€)   | 94.6  | 89.7  | 91.5             |
|                        | Salary differential<br>Ratio between top 10% of salaries and bottom 10%  | 4     | 3.64  | 5.2              |
|                        | Budget allocated to closing gender wage gap<br>(% of total payroll)  | 0.2   | 0.2   | 0.2              |

<sup>1</sup> These departures actually result from the creation of NIM and from the transfer of several business lines to this new organisation.

| SOCIAL ASPECTS          | INDICATORS   | 2016   | 2017   | 2018   |
|-------------------------|--|--------|--------|--------|
| DIVERSITY               | Proportion of women (% of all staff)   | 44.64% | 44.97% | 38.24% |
|                         | Proportion of women managers (% of all staff)  | 45%    | 42.9%  | 37%    |
|                         | Proportion of women in the Executive Committee   | 17%    | 43%    | 60%    |
|                         | Proportion of women in management teams  | 37%    | 38.5%  | 40.8%  |
|                         | Number of employees on apprenticeship of professional training                                 | 42     | 46     | 21     |
|                         | Number of employees with disabilities  | 16     | 20     | 14     |
|                         | Employees with disabilities<br>- proportion of overall workforce (%) - including indirect jobs | 3.28%  | 3.85%  | NA     |
|                         | Employees with disabilities<br>- proportion of workforce directly employed (%)                 | 3.05%  | 3.64%  | 3.52%  |
| TRAINING                | Total number of training hours dispensed   | 13,757 | 14,859 | 12,402 |
|                         | Total number of employees having participated in at least one training module during the year  | 572    | 550    | 492    |
|                         | Budget allocated to training (% of total payroll)  | 1,22   | 1,33   | 1      |
| WORKING TIME            | Part-time workers (% of payroll)   | 2.3%   | 2.8%   | 2.1%   |
|                         | Part-time workers (% of all personnel)   | 9.3%   | 8.8%   | 5.7%   |
| HEALTH AND SAFETY       | Absenteeism (%)<br>Illness, accidents, occupational illness, and other authorised paid leave   | 4.63%  | 4.29%  | 4.15%  |
| EMPLOYEE REPRESENTATION | Meetings with staff employee representative bodies (number)                                    | 43     | 50     | 51     |
|                         | Collective agreements signed (number)  | 6      | 4      | 4      |
|                         | General employee information meetings  | 24     | 42     | 53     |
|                         | Surveys/polls conducted with staff   | 2      | 1      | 1      |

## SOCIAL INDICATORS

- **The term staff** encompasses all employees with fixed-term and permanent contracts on the pay-roll as at 31 December 2018;
- **Hires** include internal candidates and external recruits including candidates from Natixis Intégrée companies or Groupe BPCE signed to permanent, fixed-term or apprenticeship and professional training contracts;
- **Departures** comprise all resignations, terminations, departures during the trial period, voluntary retirement or early retirement, contractual termination or death, as well as career mobility to other Natixis Intégrée scope or Groupe BPCE companies;
- **The age structure** is based on all staff with permanent contracts;
- **The proportion of employees with disabilities** is calculated based on the number of employees with disabilities under contract with Ostrum AM as at 31 December 2018.
- **Training:** the number of hours of training is based on all staff with fixed-term, permanent contracts and interns, and consists of the number of hours of training dispensed throughout the year
- **Disabilities:** In 2018, and account taken for the creation of Ostrum AM as of 10/01/2018, the employment rate is prorated based on the direct employment rate achieved from October through December 2018. It was not, however, possible to calculate indirect employment, given this re-organisation. These indicators were significantly affected by the creation of Natixis Investment Managers International and the transfer of certain activities to this structure and Natixis Investment Managers.



# SOCIETAL INDICATORS

| SOCIETAL INDICATORS   | INDICATORS  | 2016  | 2017  | 2018  |
|---|---|---|-------|-------|
| PROCUREMENT POLICY AND SUPPLIER RELATIONSHIPS<br><i>Buying centralised through parent company - Natixis indicators<br/>Files included do not include purchase orders.</i> | <b>Files managed by Procurement department</b> (Natixis) that include environment and social criteria (%)   | 95%   | N/A*  | 34%   |
|   | <b>Proportion of sums expended on procurement</b> that include ESG criteria (%)   | 95%   | N/A*  | N/A*  |
|   | <b>Suppliers canvassed</b><br>As part of survey on Sustainable Development  | 30  | 30    | 30    |
| PHILANTHROPY  | <b>Meetings with sponsored association La Mie de Pain</b> (number of update meetings and board meetings)  | 9   | 9     | 2     |
|   | <b>Financial support to La Mie de Pain</b>  | Annual company donation, Collection of luncheon vouchers and sales of drinks to staff |       |       |
|   | <b>Collections of gifts in kind for sponsored association La Mie de Pain</b> (number of collections)  | 4   | 4     | 1     |
|   | <b>Technical support projects for sponsored association La Mie de Pain</b> (number of skills sponsorship philanthropy projects)                       | 1   | 0     | 0     |
|   | <b>Volunteer meal distribution events by Natixis Asset Management staff</b> (number of events)  | 103   | 65    | 0     |
| CONTROL OF INDIRECT IMPACTS: RESPONSIBLE ASSET MANAGEMENT   | <b>Staff trained in non-financial issue</b> (number of staff)   | 131   | 79    | 0     |
|   | <b>Assets under management in SRI and solidarity funds - Ostrum Asset Management open-end, devoted and employee savings funds</b> (billions of euros) | 17,2  | 19,5  | 54    |
|   | <b>Part des encours en gestion ISR et solidaire par rapport au total des encours d'Ostrum AM</b> (en %)   | 4.95%   | 5.62% | 23%   |
|   | <b>Voting universe</b> (number of stocks)   | 1,435   | 1,532 | 604   |
|   | <b>Voting rate</b> (% of general meetings)  | 98%   | 99.8% | 98.2% |
|   | <b>Individual efforts on ESG themes</b> (numbers of issuers contacted)  | 196   | 282   | 198   |
|   | <b>Concerted efforts on ESG themes</b> (numbers of issuers contacted)   | 352   | 374   | 358   |
|   | <b>Market-wide initiatives</b> (number of bodies where Ostrum AM is represented)  | 18  | 11    | 11    |
|   | <b>Carbon footprint measuring for investments</b> (number of portfolios covered)  | 60  | 86    | 31    |

\* In 2017, Natixis' Purchasing Department was integrated into Groupe BPCE's Purchasing Department, in order to create an EIG. Due to this major change, we cannot precisely assess our indicators for 2017 and 2018.

# ENVIRONMENTAL INDICATORS

| ENVIRONMENTAL ASPECTS | INDICATORS  | 2016           | 2017           | 2018           |
|-----------------------|---|----------------|----------------|----------------|
| PAPER                 | <b>Total paper, envelope and cardboard consumption</b> (metric tonnes)  | 26             | 22             | 7              |
| GHG EMISSIONS         | <b>Greenhouse gas emissions</b> (in metric tons CO <sub>2</sub> equivalent)   | 3,828          | 3,884          | 3,006          |
|                       | Percentage of emissions related to procurement (% of total emissions)   | 65,3%          | 58%            | 77%            |
|                       | Percentage of emissions related to energy consumption (% of total emissions)  | 7,6%           | 8%             | 7%             |
|                       | Percentage of emissions related to travel (% of total emissions)  | 7,9%           | 9%             | 9%             |
|                       | Other sources (% of total emissions)  | 19,2%          | 25%            | 7%             |
|                       | Overall GHG emissions - scopes 1 and 2  | 313            | 300            | 191            |
| CARBON COMPENSATION   | <b>Share of carbon emissions offset</b> (% of Ostrum Asset Management's total direct emissions, scopes 1 and 2)       | 100%           | 100%           | 100%           |
| ENERGY                | <b>Total energy consumption</b> (in MWh)<br>Electricity, hot and cold fluids in office buildings - excl. data centres | 3,651          | 3,567          | 2,078          |
| WASTE                 | <b>Total waste volume</b> (in metric tonnes)<br>Grand Seine building  | 71             | 70             | 38             |
|                       | Commercial waste (in metric tonnes)   | 26             | 21             | 11             |
|                       | Paper waste (in metric tonnes)  | 45             | 50             | 27             |
|                       | Discarded batteries (in metric tonnes)  | - <sup>1</sup> | - <sup>1</sup> | - <sup>1</sup> |
|                       | WEEE (in metric tonnes)   | 0.12           | 0.04           | 0.04           |
|                       | Fluorescents or tube lighting (number)  | 327            | -              | 260            |
|                       | <b>Proportion of waste sorted for recycling</b> (% of total volume)   | 62%            | 63%            | 71%            |
| HEATING OIL           | Total heating oil consumption (in m <sup>3</sup> )  | 0.45           | 0.53           | 0.06           |
| WATER                 | Total water consumption (in m <sup>3</sup> ), offices and sanitation facilities                                       | 3,485          | 3,489          | 3,471          |

<sup>1</sup> Where:  
• Scope 1: Direct combustion of fossil fuels and refrigerant gas leakages  
• Scope 2: Electricity consumption and heating networks  
• Scope 3: All other unused flows



# CORRESPONDENCE TABLE FOR ARTICLE 225 OF LOI GRENELLE II SOCIAL INFORMATION

| Reference loi Grenelle 2, Art. 225 | Article 225 themes              |  | Relevant areas of Ostrum AM CSR policy  |
|------------------------------------|---------------------------------|--|---|
| Art. R. 225-105-1-I-1° A)          | Employment                      | Total personnel and distribution of personnel by gender and geographical area  | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Banking on talent diversity” section, “Leveraging gender diversity for higher performance”, p. 64</li> <li>• CSR Review – social indicators, p. 94-95</li> </ul> |
|                                    |                                 | New hires and departures   | <ul style="list-style-type: none"> <li>• CSR Review – social indicators, p. 94-95</li> </ul>  |
|                                    |                                 | Compensation   | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Building human capital, today and tomorrow” section, “Fair and innovative HR practices”, p. 72</li> <li>• CSR Review – social indicators, p. 94-95</li> </ul>    |
| Art. R. 225-105-1-I-1° B)          | Organisation of labour          | Organisation of working time   | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Building human capital, today and tomorrow” section, “Fair and innovative HR practices”, p. 72</li> <li>• CSR Review – social indicators, p. 94-95</li> </ul>    |
| Art. R. 225-105-1-I-1° C)          | Social dialogue                 | Organisation of social dialogue, procedures for informing and consulting personnel and mechanisms for employee negotiation | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Building human capital, today and tomorrow” section, “Fair and innovative HR practices”, p. 72</li> <li>• CSR Review – social indicators, p. 94-95</li> </ul>    |
|                                    |                                 | A review of all Collective Negotiation   |   |
| Art. R. 225-105-1-I-1° D)          | Health and Safety               | Workplace safety and health  | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Innovating to become more agile and collaborative” section, “Federating and managing change”, p. 58</li> </ul>   |
|                                    |                                 | Where applicable, any agreements signed with employee representatives or trade unions on health and safety at work         | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Building human capital, today and tomorrow” section, “Fair and innovative HR practices”, p. 72</li> </ul>  |
| Art. R. 225-105-1-I-1° E)          | Training                        | Professional development and training policy   | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Building human capital, today and tomorrow” section, “Attracting and growing talent”, p. 68</li> <li>• CSR Review – social indicators, p. 94-95</li> </ul>       |
|                                    |                                 | Total number of training hours dispensed   |   |
| Art. R. 225-105-1-I-1° F)          | Diversity and equal opportunity | Measures taken to promote gender equality  | <ul style="list-style-type: none"> <li>• See “We have a shared commitment”, “Building human capital, today and tomorrow” section, “Banking on talent diversity” , p. 62</li> </ul>  |
|                                    |                                 | Measures taken to promote the hiring and employability of staff with disabilities  |   |
|                                    |                                 | Anti-discrimination policy   |   |

# CORRESPONDENCE TABLE FOR ARTICLE 225 OF LOI GRENELLE II ENVIRONMENTAL INFORMATION

| Reference loi Grenelle 2, Art. 225 | Article 225 themes             |   | Relevant areas of Ostrum AM CSR policy   |
|------------------------------------|--------------------------------|---|--|
| Art. R. 225-105-1-I-2° A)          | General Environmental Policy   | Corporate measures in place to take environmental concerns into account and, where appropriate, assessment of impact and/or environmental certification | <ul style="list-style-type: none"> <li>• See “A responsible player within our ecosystem”, “Responsible within society” section, “Mitigating our environmental Impact” p. 82</li> </ul>   |
|                                    |                                | Efforts to inform and train employees in areas related to environmental protection  |  |
|                                    |                                | Efforts devoted to preventing or reducing environmental risks and pollution   |  |
| Art. R. 225-105-1-I-2° B)          | Pollution and waste management | Measures to prevent, mitigate or offset particulate emissions released in the air, water or soil that may cause serious environmental impact            | <i>Not a relevant category for asset management activities</i>   |
|                                    |                                | Measures to avoid, recycle, and eliminate waste   |  |
|                                    |                                | Concern for sound pollution and all other types of pollution specific to the activity under consideration   |  |
| Art. R. 225-105-1-I-2° C)          | Sustainable use of resources   | Water consumption and water supply assessed in terms of local constraints   | <ul style="list-style-type: none"> <li>• See “A responsible player within our ecosystem”, “Responsible within society” section, “Mitigating our environmental Impact” p. 82</li> <li>• CSR Review – Environmental Indicators, p. 97</li> </ul> |
|                                    |                                | Consumption of raw materials and measures in place to improve efficient use thereof   |  |
|                                    |                                | Energy consumption and measures in place to improve energy efficiency and increase reliance on renewable energy sources                                 |  |
| Art. R. 225-105-1-I-2° D)          | Climate change                 | Greenhouse gas emissions  | <ul style="list-style-type: none"> <li>• See “A responsible player within our ecosystem”, “Responsible within society” section, “Mitigating our environmental Impact” p. 82</li> <li>• CSR Review – Environmental Indicators, p. 97</li> </ul> |
| Art. R. 225-105-1-I-2° E)          | Protection of biodiversity     | Measures implemented to preserve or foster biodiversity   | <i>Not a relevant category for asset management activities</i>   |



# CORRESPONDENCE TABLE FOR ARTICLE 225 OF LOI GRENELLE II SOCIETAL INFORMATION

| Reference loi Grenelle 2, Art. 225 | Article 225 themes  |   | Relevant areas of Ostrum AM CSR policy  |
|------------------------------------|---|---|---|
| Art. R. 225-105-1-I-3° A)          | Economic, social and regional impact  | Employment and regional development impact  | <ul style="list-style-type: none"><li>• See “A responsible player within our ecosystem”, “Responsible within society” section, “Promoting a partnership approach to philanthropy”, p. 87</li><li>• CSR Review – societal indicators, p. 96</li></ul>      |
|                                    |   | Effects on local or neighboring populations   |   |
| Art. R. 225-105-1-I-2° B)          | Relationships with persons or organisations having an interest or stake in the company’s activities | Mechanisms supporting dialogue with persons or organisations (especially job-placement associations, educational institutions, environmental protection non-profit associations, consumer groups and local communities) | <ul style="list-style-type: none"><li>• See “A responsible player within our ecosystem”, “Responsible within society” section, “A partnership approach to philanthropy”, p. 87</li><li>• CSR Review – societal indicators, p. 96</li></ul>                |
|                                    |   | Partnerships and philanthropic actions  |   |
| Art. R. 225-105-1-I-3° C)          | Subcontracting and suppliers  | Incorporation of social and environmental issues into procurement decisions   | <ul style="list-style-type: none"><li>• See “A responsible player within our ecosystem”, “Responsible in what we do” section, “Fostering responsible conduct on the part of suppliers”, p. 80</li><li>• CSR Review – societal indicators, p. 96</li></ul> |

# CARBON REPORTING REGULATORY FUND INFORMATION

| FUNDS                               | LEGAL FORM  | ISSUER                                    | MANAGER                 | RISK AND RETURN INDICATOR <sup>1</sup><br>Funds are exposed to the risk of capital loss. Return cannot be guaranteed   |
|-------------------------------------|---|---|-------------------------|--|
| EQUITIES                            |   |   |                         |  |
| ECUREUIL INVESTISSEMENTS            | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 6/7  |
| OSTRUM ACTIONS EURO                 | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 6/7  |
| AAA ACTIONS AGRO ALIMENTAIRE        | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 5/7  |
| FRUCTI ACTIONS FRANCE               | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 6/7  |
| OSTRUM ACTIONS SMALL & MID CAP EURO | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 5/7  |
| MONEY AND BOND MARKET               |   |   |                         |  |
| OSTRUM CONVERTIBLES EURO            | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 4/7  |
| OSTRUM TRÉSORERIE RESPONSABLE       | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 1/7  |
| OSTRUM CASH EURIBOR                 | Luxembourg-based SICAV compartment  | Natixis Investment Managers International | Ostrum Asset Management | 1/7  |
| OSTRUM ULTRA SHORT TERM BONDS PLUS  | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 1/7  |
| OSTRUM TRÉSORERIE PLUS              | Mutual fund registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 1/7  |
| OSTRUM EURO SHORT TERM CREDIT       | Luxembourg-based SICAV compartment  | Natixis Investment Managers International | Ostrum Asset Management | 2/7  |
| OSTRUM DEPOSIT                      | Professional fund without approval from the French Autorité des Marchés Financiers. <i>Subscribers must be as described in article 423-27 of the AMF General Regulations.</i> | Natixis Investment Managers International | Ostrum Asset Management | Credit, counterpart, concentration, rate, overexposure and liquidity risks, as well as risks related to the temporary acquisitions or sales of securities and to the management of financial guarantees. |
| SOVEREIGN                           |   |   |                         |  |
| OSTRUM SOUVERAIN EURO               | SICAV registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 3/7  |
| OSTRUM SOUVERAINS EURO 3-5          | SICAV registered under French law   | Natixis Investment Managers International | Ostrum Asset Management | 2/7  |
| MULTI ASSET                         |   |   |                         |  |
| OSTRUM EURO AGGREGATE               | Luxembourg-based SICAV compartment  | Natixis Investment Managers International | Ostrum Asset Management | 3/7  |

<sup>1</sup> Return/risk (profile) is an indicator assessed on a scale from 1 to 7 corresponding to increasing levels of risk and return. It is calculated using the regulation-mandated methodology based on annualised volatility averaged over a sliding five-year period. Subject to periodic revaluation, this indicator may change.



# GLOSSARY

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## **ESG**

This international acronym is used by the financial community to designate the Environmental, Social and Governance (ESG) criteria that generally underpin extra-financial analysis. “Responsible” management takes these dimensions into account in analysing issuers.

## **Green Bond**

A green, or environmental bond is a bond issued on the financial markets by a private company, an international organisation or a municipal authority to finance a project or activity that provides an environmental benefit.

## **SRI**

Socially Responsible Investment (SRI) is the systematic and traceable integration of environmental, social and governance (ESG) criteria as part of financial management.

It also refers to “the application of sustainable development principles to investment.” Such financial investments seek to reconcile economic performance, social impact and environmental impact by financing companies that contribute to sustainable development.

## **Mountaintop removal**

Mountaintop removal mining is a type of open-pit mining that makes extensive use of explosives and modern mechanical means with superior yields and lower cost than more traditional mining techniques.

## **CSR**

Corporate social responsibility (CSR) involves applying the notion of sustainable development to companies.

CSR embodies an attitude according to which companies take into account the social, environmental and economic concerns of their activities.

The European Commission defines CSR as “the responsibility of enterprises for their impact on society.”

## **Tokenization**

‘Tokenization’ is the process of registering an asset and its rights to a token (digital asset), in order to enable management and peer-to-peer exchange in an instant and secure manner of said asset on a blockchain infrastructure.

## **SEU**

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