

Cluster bombs and anti-personnel mines

Ostrum AM's sector and
exclusion policy

Document owned by: Portfolio management department

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An affiliate of:



1. Legislative references / Regulation / Professional standards

INTRODUCTION

Sector and exclusion policies are at the very heart of Ostrum AM's CSR policy.

As part of its Corporate Social Responsibility policy, Ostrum Asset Management defines sector exclusion policies with the aim of:

- meeting the goals and pledges outlined by Ostrum Asset Management to comply with its Responsible Asset Management strategy.
- complying with national and international regulation,
- fulfilling Natixis' commitments.

Sector exclusion policies defined and implemented by Ostrum AM identify issuers excluded from Ostrum Asset Management's investment scope based on their operations, geographical locations, the way they work, their reputation, and/or having breached international standards.

The list of issuers outlined in our sector and exclusion policies is updated at least once each year.

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

BACKGROUND AND CHALLENGES

The Ottawa Treaty (1999) and the Oslo Convention (2010) prohibit the development, use, stockpiling, production and transfer of anti-personnel mines and cluster bombs.

These arms can affect those not involved in conflict:

- anti-personnel mines are triggered by the presence, proximity or contact of a person and are designed to incapacitate, injure or kill one or several people,
- cluster bombs are designed to scatter or let off explosive cluster munitions in all directions.

Financing can be viewed as an incentive to produce this type of weapon, and interpretation of the scope of prohibition may vary from one country to another. In France "any informed decision to provide direct or indirect financial support for the production or sale of cluster bombs would be considered as assistance, encouragement or incentive punishable under criminal law"¹.

¹ Law No. 2010-819 of July 20, 2010

2. Scope for application

The cluster bombs and anti-personnel mines exclusion policy applies to all funds where Ostrum Asset Management is the investment manager, whether main or delegated manager. This policy therefore applies to all open-ended funds, dedicated funds and mandates where Ostrum Asset Management is the financial management company.

The following funds are excluded from the application scope due to their specific features:

- funds of funds;
- tracker funds.

3. Detailed description of the policy

In accordance with the Ottawa Treaty and the Oslo Convention signed by several countries, including France, Ostrum Asset Management excludes from all its portfolios companies involved in the use, stockpiling, production and transfer of anti-personnel mines and cluster bombs.

Identifying issuers outlined in the Cluster bombs and Anti-personnel mines policy

Ostrum Asset Management relies on the expertise of its teams of analysts and portfolio managers, who are responsible for monitoring and updating the list of issuers identified by our sector and exclusion policies. These teams use their extensive insight into the companies and sectors and rely on external information and research from a non-financial ratings agency specialized in analyzing controversial weapons. Support from an external service provider enables us to share expertise on the issue of arms and provides additional information alongside companies' official communications.

Issuers outlined in this policy

All companies, listed or unlisted, which:

- Are proven to be involved in the use, development, production, sale, distribution, stockpiling and transfer of anti-personnel mines or cluster bombs.
- Are proven to hold 50% or more of a company involved in the activities mentioned above. Proof of involvement requires a key proportion of the company's operations to be devoted to the production of anti-personnel mines and/or cluster bombs.

Updating issuer list

Ostrum Asset Management updates the list of issuers outlined in this policy at least one a year and as often as necessary in the event of a major incident on the issuer. The update takes on board the various analyses available and the results of our engagement initiatives with issuers.

Policy communication

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

- General information on sector and exclusion policies is published on the Ostrum Asset Management website.²

Ostrum Asset Management's exclusion policies are distributed by client services to clients of dedicated funds and mandates to confirm their application to these portfolios.

Text completed in December 2019.

This policy may be reviewed at any time without prior notice. It is available on the Ostrum Asset Management website at the following address: www.ostrum.com

² <http://www.ostrum.com/en-INT/About-us/Our-CSR-strategy/Responsible-investment/Exclusion-policy>

4. Approval process

Owner entity: Portfolio management department

First name, last name and role of person in charge of the procedure: Sophie Potard (Support & Organization Portfolio management)

Date: December 2019

Drafted by

First name, last name of person who drafted the procedure: Alix Gentil (Transformation dept)

Date: November 2019

Approval

First name, last name and role of person in charge of the procedure: Sophie Potard (Support & Organization Portfolio management)

Date: December 2019

Comments and approval

Approval Executive Committee member

By

First name and last name: Ibrahima Kobar

Date

01/22/2020

Comments

By

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Date

11/06/2019

Internal control

First name and last name: Marie-France Bonnin

10/22/2019

Corporate Secretariat

First name and last name: Avi Cabalo

10/29/2019

Version

Version number	Date of update	Comments
Version 1	01/27/2020	Drafted by Ostrum AM

ADDITIONAL NOTES

Ostrum Asset Management

Asset management company regulated by AMF under n° GP-18000014 – Limited company with a share capital of 27 772 359 euros – Trade register n°525 192 753 Paris – VAT: FR 93 525 192 753 – Registered Office: 43, avenue Pierre Mendès-France, 75013 Paris – www.ostrum.com

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



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