

Paris, December 11, 2020

Ostrum Asset Management ramps up its coal sector withdrawal policy

Ostrum Asset Management (Ostrum AM), an affiliate of Natixis Investment Managers, has revised its coal sector withdrawal policy and outlines fresh pledges for the years ahead.

Ostrum Asset Management has taken decisive action to tackle the climate emergency as it extends its coal sector exit strategy and today announces its goal to fully phase out coal exposure by 2030 for OECD countries and by 2040 for non-OECD countries, driven by its fiduciary responsibility as a leading investor.

Ostrum Asset Management rolled out an initial coal exclusion policy in 2018 before adding to its pledges in 2019, and now takes fresh measures to bolster this strategy, setting out a timetable for application to all open-ended funds¹ it manages, as well as all mandates and dedicated funds, unless clients request otherwise:

1. **Ostrum AM will no longer invest in companies that develop new coal projects**, with effect as of January 1, 2021 for investments, and with a six-month timescale for divesting holdings in companies concerned under normal market conditions.
2. **Ostrum AM will no longer invest in companies that have not set out a transition plan by 2021 to exit the coal sector in alignment with the Paris Agreement**, and will undertake individual engagement efforts with any companies that do not already have a withdrawal plan in 2020 to inform them of this timeframe. Investments will cease as of January 1, 2022, with a six-month timeframe to run down existing positions under normal market conditions. Ostrum AM will engage and dialogue extensively with companies as it applies this measure.
3. **Ostrum AM halted investment in companies that derive more than 25% of their revenue streams from coal** in June 2019, while definitive divestment is slated by June 2021. This exclusion threshold will be reviewed by end-2021.
4. **Coal issuers that are not ruled out on the basis of previous criteria will be excluded as of January 1, 2021 if they exceed the other thresholds set out by the 2019 Global Coal Exit List (GCEL)²**, with divestment within six months³.

Ostrum AM will evaluate this policy on a regular basis and strengthen its exclusion thresholds accordingly. This policy follows on from the Paris financial market's commitment to exiting the coal industry, and ties in with pledges by both of Ostrum AM's shareholder groups, Natixis and La Banque Postale.

As part of its commitment to both its clients and the broader industry's ecosystem, Ostrum AM recently took part in drafting the [White Paper on Coal Exit](#), an initiative from the French Asset Management Association (AFG) that encourages investment managers to implement coal exit policies in a timely manner. Ostrum AM also produces carbon reporting for its portfolios, complying with the Taskforce on Climate-related Financial

Disclosures' (TCFD) recommendations and has developed a methodology to report on portfolios' alignment with the Intergovernmental Panel on Climate Change's (IPCC) temperature scenarios.

Nathalie Pistre, Head of Research and SRI at Ostrum AM, states: "Our moves to ramp up our coal withdrawal strategy herald a new stage in our contribution to tackling climate challenges and further attest to our responsible investment commitment. We also support our clients as they apply their own climate policies both by rolling out tailored measures and offering investment strategies to help them establish their own pledges."

¹ Bar certain exceptions: for some funds, certain measures outlined will be applied by the end of 2021.

² The GCEL is an initiative by German NGO Urgewald, following the realization of investors' difficulty in tracking their coal investments. The GCEL provides datasets on 2,300 companies' coal-related revenues streams, the proportion of coal production, installed coal capacity and annual coal production. The list of parent companies and subsidiaries involved is available online at <https://coalexit.org>.

³ Exceptions may be possible where extensive analysis of the company indicates a strong commitment to a credible exit scenario.

About Ostrum Asset Management

Ostrum Asset Management draws on its investment expertise to enhance the impact of its clients' commitments as they act together to support European citizens' life plans, health and retirement.

A European institutional investment management leader¹, Ostrum Asset Management supports its clients in their liability-driven investments, offering both asset management solutions on the back of its long-standing fixed-income and insurance-related management expertise, and investment services via its innovative technological platform.

Ostrum Asset Management is a well-established responsible investment advocate² and manages €430 billion³ in assets for large institutional clients – insurers, pension funds, health insurers, corporations – as well as €590 billion³ in assets under administration for professional investors worldwide across all asset classes.

Ostrum Asset Management is an affiliate of Natixis Investment Managers.

1. IPE Top 500 Asset Managers 2020 ranked Ostrum AM as the 77th largest asset manager, as at 12/31/2019. Any reference to a ranking, a rating or an award provides no guarantee for future performance.
2. Ostrum AM was one of the first French asset manager signatories to the PRI in 2008. More details: www.unpri.org
3. Source: Ostrum Asset Management, consolidated data at end-September 2020. Administered assets include Ostrum AM's assets. The services provided for a given client may concern certain services only.

www.ostrum.com



About Natixis Investment Managers

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise of more than 20 specialized investment managers globally, we apply Active Thinking® to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis Investment Managers ranks among the world's largest asset management firms¹ with nearly \$1.1 trillion assets under management² (€910.0 billion).

Headquartered in Paris and Boston, Natixis Investment Managers is a subsidiary of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Not all offerings available in all jurisdictions. Natixis Investment Managers' distribution and service groups include Natixis Distribution, L.P., a limited purpose broker-dealer and the distributor of various U.S. registered investment companies for which advisory services are provided by affiliated firms of Natixis Investment Managers, Natixis Investment Managers S.A. (Luxembourg), Natixis Investment Managers International (France), and their affiliated distribution and service entities in Europe and Asia.

¹ Cerulli Quantitative Update: Global Markets 2020 ranked Natixis Investment Managers as the 17th largest asset manager in the world based on assets under management as of December 31, 2019.

² Assets under management ("AUM") as of September 30, 2020 is \$1,067.3 billion. AUM, as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

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