

POINTS OF VIEW

1 question, 3 experts

COP26: HOW TO IMPROVE COLLABORATION TO COMBAT GLOBAL WARMING?



Valerie Chaussende
Head of CSR

THE POWER OF COLLABORATION

As we are always stronger and can exert greater influence as a group than we can separately, Ostrum AM has implemented a policy of collaborative engagements for many years now, which complements our individual engagements. Each year, we are involved in collaborative actions which reflect our convictions.

Collaborative engagement involves identifying controversial practices within a sector or a group of companies and entering into dialogue in order to demand greater transparency and also request changes in practices where appropriate. As a group, investors have the power to exert influence and incite issuers to adopt tangible changes within a given timeframe.

Since 2019, Ostrum AM has opted to participate in actions targeting the 10 United Nations Principles and initiatives contributing to the Paris climate agreement and the July 2019 financial marketplace low-carbon declaration.

Unable to participate in all of the initiatives responding to these key principles, Ostrum AM has prioritized schemes supporting the climate, biodiversity and healthcare. In 2021 for example, we contributed to the Carbon Disclosure Project by encouraging companies to set climate impact reduction targets aligned with the Science-Based Target Initiative and the campaign for greater transparency. We are also signatories to the declaration calling on governments to set more ambitious climate targets in the context of the COP26 symposium. These examples demonstrate our resolve to engage alongside investors in order to accelerate transition towards a more sustainable world.



Audrey Hyvernat
ESG Strategy

OSTRUM AM'S CONTRIBUTION TO MARKETPLACE BODIES

Ostrum AM actively contributes within marketplace groups and bodies towards defining tomorrow's responsible investment standards and extending the outreach of CSR and ESG issues and practices, particularly regarding the climate. As such, we are members of the AFG (French asset management association) Responsible Investment Committee.

We are actively involved in several schemes, including the Taxonomy Practitioners Group and the PRI and also drafting the *Good coal practices guide* in collaboration with the AFG. Ostrum AM is also a member of the two other AFG workgroups preparing guidelines for best practices in the oil & gas sector and the application of Article 29 of the Energy-Climate law.

Ostrum AM also participates in the FIR (French Responsible Investments Forum), which aims to promote and develop responsible investment and best practices. This thinktank, which groups together all of the players in the responsible investment ecosystem, issues recommendations and publishes regular ESG bulletins, including the latest report entitled *Finance & Biodiversity – Understanding & Actions*.

At the international level, Ostrum AM is also a member and stakeholder in the Institutional Investors Group on Climate Change (IIGCC) which is a European body acting as the mouthpiece for investors implementing measures towards a carbon neutral and more resilient future. The group supports various schemes and enables the investment community to make significant tangible progress by 2030, notably through engagement.



Nathalie Beauvir-Rodes
Senior impact bond analyst

COLLABORATION IS A KEY FACTOR IN BOOSTING OUR IMPACT ON TRANSITION

Strength in numbers. This well-worn adage is perfectly adapted to the fight against climate change due to its global scale. Collaboration is therefore one of the keys factors in optimising financing the low-carbon economy, both in terms of volume and efficiency.

Ostrum AM is a committed player in transition financing, notably through green bonds. Our collaborative approach provides strong leverage to enhance the efficiency of our exposure to this asset class, through two key strategies: 1/ promoting best market practices and 2/ engagement in themes we consider key. This accounts for our active targeted participation in certain marketplace bodies. We are members of the International Capital Market Association (ICMA) Principles. The key role of this scheme is to define a global framework for sustainable bond issues. Its aim is to support the development of this market, while defining strict transparent guidelines in order to combat green/social washing. Through our participation in various workgroups, we are able to discuss and form a marketplace view of key issues such as impact reporting.

We have also joined the Investors for a Just Transition coalition, organized by Finance for Tomorrow, in order to maximise our engagement in this theme we consider strategic. We believe that it is vital to promote inclusive transition, which takes the societal dimension of transition into account, as well as climate issues. The coalition will enable us to engage with issuers collaboratively and provide us with greater weight in our dialogue with them.

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