

• **TOBACCO**  
**OSTRUM ASSET**  
**MANAGEMENT'S SECTOR**  
**AND EXCLUSION POLICY**

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- **1. INTRODUCTION**

**Sector and exclusion policies are at the very heart of Ostrum Asset Management's CSR strategy.**

As part of its Corporate Social Responsibility policy, Ostrum Asset Management defines sector and exclusion policies that are in line with our shareholders' philosophy and comply with the goals and pledges outlined specifically by the company to align with our Responsible Asset Management strategy, as well as meeting national and international regulation.

Sector and exclusion policies defined and implemented by Ostrum Asset Management aim to identify issuers excluded from the company's investment scope based on their operations, geographical locations, the way they work, their reputation, breach of international standards, etc.

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](http://www.ostrum.com).

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- **2. SCOPE OF APPLICATION**

Investment bans on issuers related to the Tobacco sector exclusion policy apply to all funds where Ostrum Asset Management is the investment manager, main or delegated manager. This policy is designed to apply to all open-end funds for which Ostrum Asset Management is financial investment manager.

Ostrum Asset Management therefore pledges to:

- Continue rolling out the tobacco exclusion policy across all its SRI funds,
- Exclude tobacco from all its open-end funds where it is in charge of investment decisions,
- Engage with clients and discuss application of this policy to their dedicated funds and/or mandates where Ostrum Asset Management is the financial manager. Ostrum Asset Management's clients will be responsible for deciding whether to apply this policy to the way this type of fund is managed, and Ostrum Asset Management will then be in charge of implementation.

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- **3. DETAILED DESCRIPTION**

## **3.1. IDENTIFYING ISSUERS COVERED BY THE POLICY**

Ostrum Asset Management relies on its analyst and portfolio management teams' expertise, who are in charge of updating and monitoring issuers covered by sector and exclusion policies.



## **3.2. ISSUERS COVERED BY THE POLICY**

This policy covers companies that manufacture and/or produce tobacco products.

### **3.3. UPDATING THE LIST OF ISSUERS COVERED**

Ostrum Asset Management updates the list of issuers covered by this policy at least once a year, or at any other time when necessary in the event of major news regarding the issuer. This update of the list of issuers covered takes on board various analysis information available and the results of engagement efforts conducted with issuers.

## 3.4. APPLICATION DATE

This policy has been effective since June 30 2018, as follows:

- Tobacco investments were removed from all open-end funds as of June 30, 2018, apart from the most affected funds, which will gradually phase out investments in order to safeguard the interests of fund unit-holders, with gradual and full divestment by 2021 as stipulated in the funds' prospectuses.
- The tobacco exclusion policy will be fully effective on money market funds after maturity dates are reached for holdings in this scope.

## 3.5. 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.<sup>1</sup>
- 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.

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<sup>1</sup> <https://www.ostrum.com/en/our-csr-and-esg-publications>

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- **4. REFERENCE TEXTS**

**Ostrum Asset Management continues its initiatives and commitment to responsible investment management and pledges to halt support for the tobacco sector, one of the worst offender sectors.**

Ostrum Asset Management has defined and implemented an ambitious responsible investment management approach, which it applies right across its investment processes.

This approach aims to promote greater inclusion of non-financial criteria in investment decisions, complying with recommendations from the main international standards bodies, such as the Principles for Responsible Investment (PRI), where Ostrum Asset Management has been a signatory since 2008.

**In keeping with this strategy, Ostrum Asset Management pledges to halt support for the tobacco sector, which is one of the worst offender sectors and runs contrary to the United Nations Development Program's Sustainable Development Goals<sup>2</sup> due to its particularly negative social, societal and environmental effects.**

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<sup>2</sup> Click here to find out more about the Sustainable Development Goals:  
<https://www.undp.org/sustainable-development-goals>

## ADDITIONAL NOTES

Asset management company regulated by AMF under n° GP-18000014 – Limited company with a share capital of 48 518 602 €. 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](http://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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