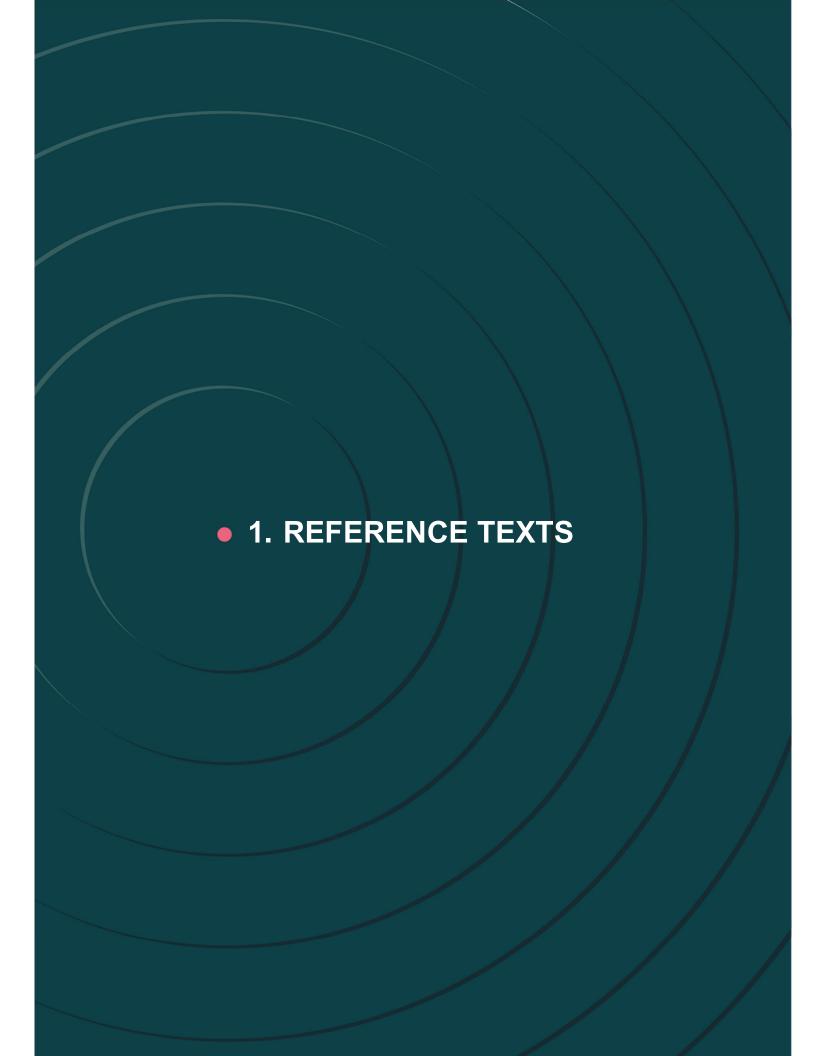


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1.1. INTRODUCTION

One of Ostrum Asset Management's key priorities is to ensure a **consistent approach** to its corporate responsibility. We constantly apply the same convictions, and these are reflected in our values, our investment management business and the way we run our company. Our engagement policy therefore also embodies this key principle.

Ostrum Asset Management has been actively involved in sustainable development and responsible investment initiatives for more than 35 years and the company takes on board non-financial dimensions in our analysis of issuer quality, providing our clients with responsible investment solutions that address the specific aspects of their own ESG (Environmental, Social, Governance) philosophies and goals.

We take a comprehensive and integrated ESG approach, factoring E, S and G risks into our company analysis, while identifying opportunities in our growth scenario and our quality and risk assessment. This approach enhances our insight into our companies and bolsters our scope for dialogue with them.

Ostrum Asset Management has decided to go beyond this integration and make engagement one of our key priorities. We have a responsibility to support issuers in their enhancing their practices, as we roll out an ambitious engagement policy with companies we invest in and with issuers with a view to playing this role.

Some of the engagement themes we have decided to promote incorporate the United Nations' Sustainable Development Goals.

1.2. OSTRUM ASSET MANAGEMENT'S ENGAGEMENT PHILOSOPHY AND ITS MAIN APPLICATIONS

Ostrum Asset Management promotes its convictions via its engagement efforts, which involve individual dialogue with issuers as well as collaborative initiatives.

As of 2021, Ostrum Asset Management has decided to identify the main themes and areas in our assessment of companies' corporate social responsibility (CSR) policies and raise companies' awareness on their importance for us in our analysis.

We have therefore singled out a number of company-wide themes for engagement.

Some of these themes will be championed more by Fixed Income Portfolio Management teams and promoted by our credit analysts, while others will be advocated by our Equity Portfolio Management teams.

Meanwhile, some themes will not be subject to specific engagement efforts from our Portfolio Management teams. These aspects are deemed to be mainstream issues that are already a key component of our constant dialogue efforts with companies and/or there is insufficient data on them at this stage to be able to engage with companies on these points. However, these themes can be highly significant in our analysis of companies' CSR policies, and we will pay close attention to them via our controversy management policy. We will pay particular attention to ensuring that an issuer subject to a controversy is monitored closely in accordance with our procedures.

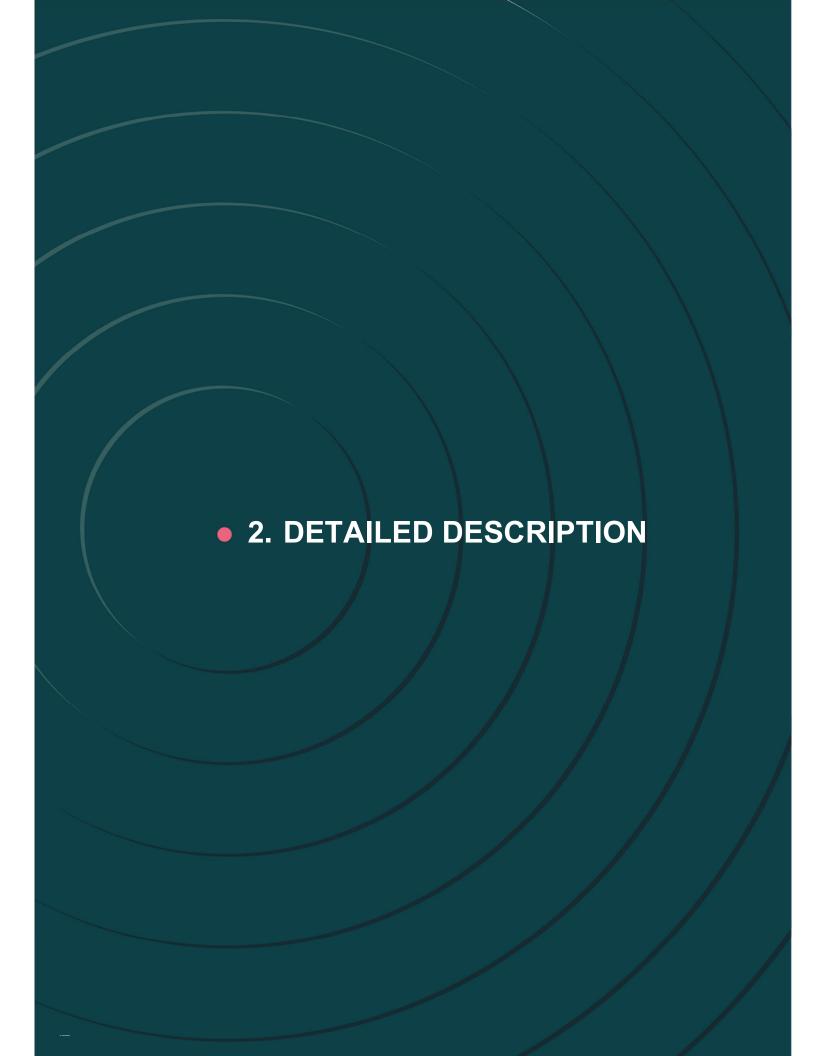
Some of these controversies feature in our collaborative engagement actions in accordance with the themes and areas set out by Ostrum Asset Management.

In keeping with our approach, Ostrum Asset Management has implemented sector exclusion policies, facilitating extensive engagement efforts from our teams.

Our new coal sector policy provides an opportunity to engage with issuers that do not comply with our policy. For companies that have not set out a transition plan by 2021 to exit the coal sector in alignment with the Paris Agreement, we will monitor the credibility of exit plans and their funding. We will therefore engage and dialogue with these companies.

We have also rolled out a Worst Offenders policy. Our Worst Offenders committee comprises Portfolio Management, the Risk department and the Compliance department and applies an extremely stringent policy enabling us to assess the severity of controversies compared with commonly established international standards (UN Global Compact, OECD). The committee decides whether to exclude from our portfolios any issuers that have been subject to a major controversy. If the committee believes that the controversy does not warrant exclusion from portfolios, but that it should be monitored, the issuer is placed on the Watch List and is carefully observed while engagement efforts are also conducted.

We target the fulfillment of certain Sustainable Development Goals via our full range of individual and collaborative engagement initiatives, as well as our sector and exclusion policies (coal, tobacco, etc.). Goals relating to the climate and biodiversity are also a way for us to identify sustainability risks, as required by European (SFDR) and French regulation (law on Energy and the Climate).



2.1. OSTRUM ASSET MANAGEMENT'S COMPANY-WIDE ENGAGEMENT THEMES

The themes for engagement we have identified are as follows:



- 1. SUPPORT MITIGATION AND ADAPT TO CLIMATE CHANGE
- 2. LIMIT THE IMPACT ON THE ENVIRONMENTAL ECOSYSTEM
- 3. PROMOTE HUMAN CAPITAL
 - 4. ENHANCE RELATIONSHIPS WITH STAKEHOLDERS
 - 5. ENSURE CONSUMER SECURITY AND PROTECT THEIR DATA



- 6. SAFEGUARD BUSINESS ETHICS
- 7. BALANCE POWERS AND COMPENSATION
- 8. IMPROVE DATA TRANSPARENCY

THEME 1: SUPPORT MITIGATION AND ADAPT TO CLIMATE CHANGE





Climate change has become one of the most critical challenges facing our society for the decades ahead, requiring an extensive overhaul of our economies and all business sectors.

Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality out to 2050.

Companies must demonstrate their business resilience in a low-carbon world. Carbon management has become a crucial challenge that management must address from both a strategic and operating standpoint. The energy and transportation sectors are key participants in this debate.

Sub-theme 2: Manage physical and transition risks.

Companies are faced with both transition risks – resulting from the effects of implementation of a low-carbon business model – and physical risks resulting from damage directly caused by weather and climate events.

THEME 2: LIMIT THE IMPACT ON THE ENVIRONMENTAL ECOSYSTEM







Natural resources management has consistently been part of companies' strategies to minimize costs, but the protection of biodiversity is becoming increasing important for civil society, regulators and companies.

Sub-theme 3: Manage resources

A wide range of business sectors use vast amounts of energy, water, sand and commodities. Reducing or optimizing their use makes for greater business efficiency and can minimize regulatory risks and shortages.

Sub-theme 4: Safeguard health and biodiversity

Preservation of biodiversity includes managing waste, pollution, recycling and product supply. This issue increasingly exposes companies to reputational and operational risk, as well as fines.

THEME 3: PROMOTE HUMAN CAPITAL



Good relationships with employees are crucial in ensuring business continuity and productivity. This is particularly challenging during an economic recession with major redundancies for some business sectors.

Sub-theme 5: Maintaining good relationships with staff and employees

Preserving strong social dialogue and attracting new talents who can address new trends are crucial challenges (digitalization, automation, etc.): retaining staff is also vital, particularly in labor-intensive sectors. Other factors for performance and attractiveness are also important, particularly gender balance.

Sub-theme 6: Safeguard staff's and service providers' health and safety

Safety is an absolute priority, particularly in certain of the more exposed companies. Poor working conditions expose companies to fines, attempted lawsuits from staff and major reputational risk.

THEME 4: ENHANCE RELATIONSHIPS WITH STAKEHOLDERS



Maintaining solid relationships with the various stakeholders – suppliers, employees in supply chains, local communities – is crucial in ensuring business continuity and reducing exposure to reputational risk.

Sub-theme 7: Safeguarding human rights in supply chains

It is important to ensure that a certain level of standards and labor legislation are protected across supply chains. Checks on working conditions in their supply chains are a way for companies to better manage operational, reputational and growing regulatory risks, as well as the dangers of lost contracts.

Sub-theme 8: Maintaining good relationships with local communities

Some business operations may lead to tension with local communities. Companies in certain business sectors must therefore demonstrate how they prevent human rights violations and mitigate negative impacts on communities in order to maintain their operating licenses.

THEME 5: ENSURE CONSUMER SECURITY AND PROTECT THEIR DATA



Poorly managed consumer safety, health and data may have a lasting impact on a company's finances and brand image.

Sub-theme 9: Ensure consumer health and safety

Product quality and safety are of crucial importance in consumer sectors. Any faults or flaws can lead to lawsuits, fines, bans and in a worst-case scenario product boycotts. Companies must also adapt to new healthier consumer trends.

Sub-theme 10: Manage cybersecurity and data

Increasing concerns on privacy protection expose companies that collect personal and financial data to an increase in compliance costs. Any violations of privacy and intellectual property rights can lead to reputational risks and potentially create legal risks for companies.

THEME 6: SAFEGUARD BUSINESS ETHICS



Companies face high ethical and commercial risks as well as potential costs when they fail to combat poor practices i.e. preventing corruption, risks related to anti-competitive practices, strategies and practices of influence, as well as tax policies. The issue of business ethics is crucial in assessing a company's good governance.

Sub-theme 11: Safeguard business ethics (corruption, anti-competitive practices, strategy of influence, etc.) It is in all companies' interests to set up anti-corruption programs and practices in their organizations, comprising codes of conduct and business ethics, and ensure that these aspects are transparent.

Sub-theme 12: Guarantee a transparent tax policy and comply with applicable legislation

Companies must ensure tax policy transparency by setting up codes of tax conduct and declaring any businesses in certain countries where necessary.

THEME 7: BALANCE POWERS AND COMPENSATION



The balance of powers both within the board of directors and more broadly speaking across the company, in addition to the compensation policy, are crucial challenges and decisive aspects of governance quality.

Sub-theme 13: Balance powers

Balanced governance generally fosters enhanced management and stronger performances. The quality of the governance structure and the composition of the board are decisive factors. In addition to fair treatment for all shareholders, it is essential for companies to achieve a balance between measures to protect the long-term interests of the company, its shareholders and stakeholders and measures to prevent takeover bids.

Sub-theme 14: Standardize the compensation policy and make it transparent

Fair compensation policies are vital in preserving a climate of strong social dialogue in the company and in safeguarding human rights. Companies must ensure transparent compensation policies and systems, and clearly disclose financial incentive mechanisms and their consistency with value creation for the company.

THEME 8: IMPROVE DATA TRANSPARENCY

Financial and non-financial reporting from companies is generally deemed to be challenging to compare, and lacking in reliability, relevance and transparency.

Sub-theme 15: Guarantee transparency of financial and non-financial reporting

Financial and non-financial corporate reporting must enable stakeholders to assess businesses' sustainability and this disclosure must therefore be relevant and transparent.

Access to financial and non-financial corporate reporting must be facilitated despite the wide range of documents companies use.

The various themes and sub-themes above are key areas for Ostrum Asset Management's engagement and dialogue with companies, geared to using our influence in an impactful way.

2.2. APPLICATION OF ENGAGEMENT THEMES TO FIXED INCOME PORTFOLIO MANAGEMENT

Shared themes across Ostrum Asset Management will be covered by engagement efforts by our Fixed Income analysts as they are deemed to be mainstream and are already a key component of our constant dialogue efforts with companies.

Ostrum Asset Management will primarily focus on certain key themes that are already the subject of formal engagement efforts with issuers:

THEME 1: SUPPORT MITIGATION AND ADAPT TO CLIMATE CHANGE

Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality out to 2050



Ostrum Asset Management has ramped up its strategy for exiting the coal sector since January 1, 2021 and announced its aim of phasing out coal exposure for OECD countries by 2030 and non-OECD countries by 2040. Ostrum Asset Management no longer invests in companies that develop new coal projects or that fail to comply with certain thresholds, in particular from the GCEL¹.

As of 2022, Ostrum Asset Management 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.

○ Credit analysts in charge of the sectors in question will therefore need to ensure that companies have a coal exit plan. Ostrum Asset Management undertakes individual engagement efforts with any companies that did not already have a withdrawal plan in 2020 to inform them of this timeframe.

This is a crucial focus for engagement and dialogue that Ostrum Asset Management will conduct with companies.

Ostrum Asset Management's coal policy: https://www.ostrum.com/en/our-csr-and-esg-publications

¹ By way of reminder, in June 2019 (definitive divestment is slated by June 2021), Ostrum Asset Management halted investment in companies:

[•] that derive more than 25% of their revenue streams from coal-fired energy generation or coal production;

whose business depends primarily on producing, transporting and selling coal derived using aggressive mountain top removal methods (MTR), used in the Appalachian Mountains, in the east of the United States.

Coal issuers that are not ruled out on the basis of previous criteria are excluded as of January 1, 2021 if they exceed the following thresholds:

^{• 20} million tons of thermal coal production on an annual basis and;

^{• 10} GW in installed capacity;

[•] similarly, Ostrum Asset Management no longer invests in companies with a coal share of power generation of more than 30%. These three thresholds equate to limits set out by the 2019 Global Coal Exit List (GCEL). The GCEL is an initiative by German NGO Urgewald that provides datasets on 2,300 companies' coal-related revenues streams, the proportion of coal production, installed coal capacity and annual coal production.

THEME 7: BALANCE POWERS AND COMPENSATION

Sub-theme 13: Balance powers



Balance of powers and gender diversity in particular are crucial priorities for Ostrum Asset Management. Our goal is to dialogue and engage with companies on their policies for ensuring that gender equality is promoted across all levels within their organizations.

Ostrum Asset Management is a member of the "30% Club France Investor Group", an engagement initiative that engages with certain companies individually. This initiative will focus primarily on management bodies i.e. executive committees, management committees and management boards.

THEME 8: IMPROVE DATA TRANSPARENCY

Sub-theme 15: Guarantee transparency of financial and non-financial reporting

When considering sustainable bond issues (sustainability, green, social & sustainability-linked bonds), transparency of financial and non-financial disclosure from issuers is a key component in analyzing the bond, as well as the project that proceeds will be used to finance.

The issuer must be particularly transparent on the categories of assets or projects eligible for investment, as well as the social benefit of these projects. Environmental and social benefits must be proven and be quantifiable, while the issuer must also disclose ESG information on its own issuer profile. Documentation on sustainable bonds does not always provide a clear view of environmental and social management of risks on the underlying projects.

In the event of inadequate information or insufficiently transparent disclosure, experts at Ostrum Asset Management engage in dialogue with issuers to obtain extensive and relevant data to conduct a full analysis and urge issuers to enhance their transparency.

This analysis is updated on an annual basis and may lead to engagement initiatives if data are insufficient during the life of the bond, as well as an improvement in impact reporting practices.

2.3. APPLICATION OF ENGAGEMENT THEMES TO EQUITY PORTFOLIO MANAGEMENT

Engagement policy

The Equity Portfolio Management teams at Ostrum Asset Management decided to focus on certain themes they deem to be relevant in the current environment: these will be their key priorities for 2021.

Dialogue with companies offers an opportunity to address the CSR challenges identified by our teams of analysts and portfolio managers as part of our broader analysis of corporate practices. The various aspects are presented and discussed, and we systematically monitor progress to assess each company's commitment.

We will obviously prioritize aspects related to controversies, where the company must clarify the possible risks for its stakeholders, assess its degree of responsibility and implement corrective measures.

Ostrum Asset Management may therefore dialogue with any issuer that seeks to engage with investors, encouraging an improvement in ESG practices.

Collective approach

Corporate and shareholders' responsibility must seek to equally take on board the best interests of all stakeholders and not solely consider shareholder interests.

Against this backdrop, Ostrum Asset Management believes that exiting its investments is not the best way to express its disagreement on issues of corporate governance. Withdrawing from investments is a last resort and is only relevant as a way to protect unitholders' interests.

Ostrum Asset Management's shareholder responsibility is reflected in its engagement approach, which endeavors to highlight any risks that are insufficiently taken into account by the company and urges it to take steps to mitigate these risks.

Challenges facing companies are best analyzed with a long-term view in mind, and this particularly involves greater consideration of ESG matters.

We also dialogue with issuers to look at resolutions presented at shareholder meetings.

By regularly discussing with issuers, we are able to monitor how each one addresses major challenges facing its business over time.

This ongoing engagement process applies to all securities held in Ostrum Asset Management's portfolios.

Ostrum Asset Management takes a long-term engagement approach, and so we monitor corporate practices over time, shaping our buy and sell approach by degrees:

- Improvement/deterioration in ESG rating;
- Freeze or unfreeze on investment restriction in a stock;
- Temporary divestment;
- Exclusion/reintegration into our investment universe.

Engagement process

Ostrum Asset Management's continuous engagement process is rolled out right throughout the voting campaign and includes the following steps:

Stage 1: contact

Before the voting season gets under way, Ostrum Asset Management reviews the principles underlying its voting policy and incorporates recent changes to regulations and corporate governance practices.

Our voting policy is available to issuers on our website: this document forms the basis for the engagement process and opens a dialogue on proposed resolutions ahead of their vote at shareholder meetings.

Stage 2: dialogue & engagement

Prior to the exercise of voting rights, the analyst/portfolio manager in charge of monitoring the issuer contacts the investors relations officers or legal officers to discuss the resolutions that require additional analysis. Contact can be made via conference calls, emails or meetings.

The aim of this dialogue is to discuss with the companies on engagement topics that have been identified, and urge them to adopt practices that are more in line with the good governance and CSR principles defined in the voting policy.

Stage 3: results of engagement process

At the end of the dialogue and engagement process, a voting committee takes the voting decisions and also decides on any potential further steps required:

- if satisfactory => end of the engagement process;
- if unsatisfactory => vote Against certain resolutions and/or continue engagement efforts and/or change the ESG opinion on the stock.

Companies are informed of the voting committee's decisions, particularly as regards the various resolutions discussed during the engagement process, either by email or during a conference call.

Stage 4: reporting

Ostrum Asset Management publishes an annual engagement report, which is posted on our website and is available to unitholders on request.

Priority areas for engagement for Equity Portfolio Management

Our priority areas for engagement are certain specific themes that we believe to be particularly relevant in today's society and that we seek to explore.

We focus in particular on aspects related to controversies, where the company must clarify the risks involved for its stakeholders, assess its degree of responsibility and implement corrective measures.

Ostrum Asset Management may therefore dialogue with any issuer that seeks to engage with investors, encouraging an improvement in ESG practices.

Ostrum Asset Management conducts assessments on a regular basis on specific ESG themes to which individual issuers may be exposed. This approach is designed to achieve greater insight into these themes for the company and issue recommendations.

Ostrum Asset Management does not reduce shareholders' interests to solely financial considerations. We firmly believe that companies can only create value over the long term if they support all stakeholders' interests as well as the environment.

A responsible corporate governance system ensures a company's sustainability as well as value creation over the long term. This involves:

- Strict respect for shareholders' rights by promoting representative governance that safeguards the balance of powers;
- Sufficiently relevant and detailed information disclosed publicly to ensure that risks and opportunities
 can be ascertained, particularly as regards environmental, social and governance aspects;
- A balance between all stakeholders' interests and environmental conservation;
- All shared themes across Ostrum Asset Management will be covered by engagement efforts by the Equity Portfolio Management team as they are deemed to be mainstream and are already a key component of our constant dialogue efforts with companies or included in the voting policy.

Ostrum Asset Management will focus on some key themes in 2021 from among the joint themes set out above:

THEME 1: SUPPORT MITIGATION AND ADAPT TO CLIMATE CHANGE

Sub-theme 1: Reduce CO2 emissions and achieve carbon neutrality out to 2050

This involves monitoring issuers' carbon paths as compared with global scenarios set out by the Intergovernmental Panel on Climate Change (IPCC). We use a tool to calculate each issuer's carbon footprint and its future trends to assess the climate trajectory for each portfolio and manage our investment choices. With this approach in mind, we will seek to engage in dialogue with companies that are struggling to adjust their businesses to a 2-degree scenario;

THEME 2: LIMIT THE IMPACT ON THE ENVIRONMENTAL ECOSYSTEM

Sub-theme 4: Safeguard health and biodiversity

THEME 6: SAFEGUARD BUSINESS ETHICS

Sub-theme 11: Safeguard business ethics (included in voting policy)

THEME 7: BALANCE POWERS AND COMPENSATION

Sub-theme 13: Balance powers

The quality and diversity of the board of directors are **promoted** to support enhanced consideration on strategy, robust risk management and effective supervision of management. In our engagement efforts, we will monitor that executives' and directors' compensation is both attractive and preserves social cohesion in the company.

This pledge is embodied in our support for the 30% Club France Investor Group, which seeks to increase female representation in management bodies, as outlined above.

THEME 7: BALANCE POWERS AND COMPENSATION

 Sub-theme 14: Standardize the compensation policy and make it transparent (included in the voting policy)

THEME 8: IMPROVE DATA TRANSPARENCY

 Sub-theme 15: Guarantee transparency of financial and non-financial reporting (including in voting policy)

Voting policy

Engagement and voting are closely connected in Equity Portfolio Management. Some of the areas set out in the policy also feature in the voting policy.

Our voting policy therefore does not reduce shareholders' interests to solely financial considerations.

We firmly believe that companies can only create value over the long term if they support all stakeholders' interests as well as the environment.

Ostrum Asset Management therefore pays particular attention to:

GOVERNANCE



Strict compliance with shareholders' rights by promoting representative governance that ensures a balance of powers;

INFORMATION TRANSPARENCY

Sufficiently relevant and detailed information disclosed publicly to ensure that risks and opportunities can be ascertained, particularly as regards environmental, social and governance aspects;

(8)

ALIGNMENT OF INTERESTS

Pursuit of balance between the interests of all stakeholders and environmental protection.

Applying the highest standards of governance

In its role as an asset manager, Ostrum Asset Management seeks to enhance governance structures via its engagement efforts.

Strong governance safeguards the interests of the company's stakeholders and allows for a clearer appreciation of financial, social and environmental risks and opportunities. A solid governance structure affords a company additional scope to enhance its medium- to long-term performances.

Ostrum Asset Management particularly seeks to promote the following aspects as it defines effective governance:

- Quality and diversity of the board of directors, with a focus on each director's skills and the
 effectiveness of supervision for management;
- Compensation for management and directors that is attractive while preserving social cohesion in the company.

Dialogue is organized as part of our broader efforts to exercise our voting rights and primarily focuses on each company's sustainability and long-term performance.

The voting process at shareholder meetings is a crucial component in Ostrum Asset Management's engagement policy in communicating our stance with issuers. It is a powerful illustration of our philosophy "Enhancing your power to act".

Ostrum Asset Management requires the most stringent standards of corporate governance. However, if the governance practices within a particular country are more rigorous than the principles of our voting policy, we will align our practices with local practices when analyzing resolutions and determining our vote.

We are also aware that some of these standards may present constraints for small- and medium-sized companies that do not have the resources to implement a strict corporate governance policy. Ostrum Asset Management has therefore decided to adapt some of our voting policy principles in order to take into account these companies' specific features related to their size and shareholding structure. These principles are set out in the section headed "Principles for analyzing resolutions on small and medium-sized securities".

Open and proactive communication

Ostrum Asset Management incites issuers to adopt more transparent disclosure practices beyond their legal obligations.

It is crucial that companies provide investors with transparent, exhaustive and reliable reporting covering financial, social, environmental and governance aspects that should be incorporated into the annual report.

With this in mind, Ostrum Asset Management may disclose its voting intentions ahead of shareholder meetings. Depending on the substance of discussions with the company, we may then change our initial voting intentions. These changes along with the reasons explaining them are listed in an inhouse document.

Appropriate governance: control structure, balance of power and compensation policy

The board of directors or supervisory board plays a central role "in guiding the strategy and effective monitoring of a company's management". It acts first and foremost in the interests of the company, its shareholders and its stakeholders, and promotes its long-term growth. The board must therefore strike a balance in the distribution of powers between management and supervisory bodies, and be transparent regarding the responsibilities assigned to each body.

Additionally, the effectiveness of a board primarily depends on the quality of its members. The ability of directors to embrace strategic issues, contribute to management's thinking processes and ensure implementation of the decisions made by executives is vital for efficient corporate governance. This means that the board must choose directors who can bring real added value to the board's discussions and work, and ensure a balanced mix in terms of expertise, skills and diversity i.e. education, nationality, gender, etc.

The board should be regularly assessed to ensure that its efforts are constantly enhanced, and results of this process should be shared with shareholders.

We particularly focus on:

- Quality of the governance structure
 - o Change in the company's governance structure
 - Separation of the functions of chair of the board and CEO
 - Board size
- Quality of the composition of the board and its committees
 - Selection process for directors, whether natural or legal person
 - o Independence of the board and its committees
 - Board's complementary profiles
 - Availability of directors
 - o Election of shareholder representatives
- Transparency and quality of compensation systems
 - Make-up of compensation committee
 - Compensation transparency
 - Compensation report
- Vote on specific components of compensation policy
 - Senior managers' and corporate officers' compensation
 - Directors' compensation
 - Plans for employees

Transparency, reliability and relevance of financial and non-financial information

Transparency, extensiveness, reliability and relevance of financial and non-financial information contribute to the integrity of financial markets and reinforce trust among the various participants in the value creation process, laying the cornerstones for responsible corporate governance. Companies must therefore comply with these principles when drafting and issuing information for shareholders, while this information must also be certified in the form of an unqualified audit opinion from the statutory auditors.

This involves votes on:

- Shareholder meetings
 - Agenda items
 - o Disclosure of required information
- Transparency and quality of financial and non-financial information
 - o Financial statements, management report and statutory auditors' report
 - Allocation of income and dividends
 - o Discharge of the board, management and/or statutory auditors
- Supervision of internal control and risks
 - o Appointment of statutory auditors
 - Compensation of statutory auditors
 - o Statutory auditors' independence
 - o Independence of the audit committee
- · Managing conflicts of interests of directors
- Social and environmental issues

Concerns on corporate growth and financial performance should not override the importance of the interests of other stakeholders that make an important contribution to the company's sound management and long-term growth. Stakeholders particularly include bondholders, who play an essential role in a company's stable long-term financing, as well as employees, who contribute to value creation. Ostrum Asset Management is convinced that factoring certain non-financial elements into portfolio management can improve the long-term risk/return ratio. Ostrum Asset Management is a signatory to the Principles for Responsible Investment (PRI). We pay close attention to:

- o Publication of a CSR report
- Social and environmental issues

- o Senior managers' and corporate officers' compensation
- Incorporation of environmental, social and governance (ESG) criteria into compensation policies

Business ethics

- Political donations
- Donations to associations or foundations

0

o Directors' ethics

Shareholders' rights

Companies have a duty to implement all measures to ensure the equal treatment of shareholders belonging to the same category. We also feel that it is essential for companies to achieve a balance between measures to protect the long-term interests of the company, its shareholders and stakeholders, and measures to prevent takeover bids. Ostrum Asset Management actively encourages companies to take all necessary steps to facilitate the exercise of shareholder voting rights.

We focus on the following:

- Equitable treatment of shareholders
 - Voting rights

Supporting shareholders' rights

- Disclosure threshold for stock ownership
- o Supermajority shareholder vote requirement to approve article amendments
- Qualified majority shareholder vote requirement to approve mergers
- o Qualified majority vote requirement to remove a director from office
- o Reincorporation and expansion of business activities
- o Other article amendments

• Tender offer defenses

- Poison pills
- o Defensive use of share warrant issues
- Special case in the Netherlands: protective preference shares

Share capital increases and reductions

- o Share capital increases without a specific purpose
- o Capital increases with a specific purpose
- o Capital increase through capitalization of reserves
- o Capital reduction
- o Use of authorizations during a tender offer period (France)

· Operations on outstanding capital

- Share repurchase programs
- o Other operations on outstanding capital
- o Use of authorizations during a tender offer period (France)

• Borrowing powers/debt issuance/financing plans/affiliation agreements

- Debt restructuring
- o Debt issuance requests
- Issuance of contingent convertible bonds (CoCos)
- o Increase in company's borrowing powers
- Financing plans
- Control and profit transfer agreements (affiliation agreements with subsidiary)

Mergers and corporate restructurings

- Mergers and acquisitions
- o Corporate restructuring and spin-offs
- Asset sales and liquidations
- Appraisal rights
- Change of corporate name

- Mandatory takeover bid waivers
- Joint venture

Principles for analyzing resolutions on small and medium-sized securities

The principles outlined below cover all small and medium-sized securities in Ostrum Asset Management's voting universe.

Small and medium-sized securities shall be understood as all companies with a market capitalization of less than €4 billion.

For all resolutions not dealing with subjects discussed in this part, we will apply the analysis principles adopted for large-cap securities.

- Quality of the composition of the board and committees
 - o Independence of the board
 - o Directors terms of office
 - o Election or re-election of directors to audit, compensation and appointment committees
- Compensation and value creation for the company
 - Compensation report
 - Stock option plans
 - o Requests for the allocation of free shares
 - Severance pay

Procedures for identifying, preventing and managing conflicts of interest

Generally speaking, the asset management company exercises voting rights solely in the general interest of its unitholders, irrespective of its own interests, and in compliance with its guiding principles on the exercise of these rights. Ostrum Asset Management has introduced a procedure to anticipate, identify and manage potential conflicts of interest. Thus:

- if a conflict of interest should arise between Ostrum Asset Management and one of its clients, the Head of Compliance and Internal Control, in coordination with the Ostrum Asset Management voting committee, would rule on what steps to take;
- if a member of the team involved in the exercise of voting rights has a conflict of interest on a vote, s/he should immediately notify the Ostrum Asset Management voting committee, the Head of Compliance and Internal Control and take no part in the exercise of the vote concerned.

If exercising its voting right for a given company exposes Ostrum Asset Management to a significant conflict of interest, the Ostrum Asset Management voting committee will refer the matter to the Head of Compliance, who will decide on the appropriate measures, including the advisability of taking part in the company's shareholder meeting.

Ostrum Asset Management's organization for exercising voting rights

- Exercising voting rights
- Current procedure for exercising voting rights
 - o French securities: Ostrum Asset Management votes by post
 - o Foreign securities: Ostrum Asset Management votes by proxy
- Principles for determining the framework for exercise of voting rights
- Securities lending policy

2.4. COLLABORATIVE ENGAGEMENT

Ostrum Asset Management pursues a consistent policy and with this in mind, we go beyond the individual engagement initiatives coordinated by our Portfolio Management teams.

Each year, we pledge to get involved in collaborative initiatives that resonate with our own convictions.

Collaborative engagement consists of identifying controversial practices within an industry or group of companies and engaging in dialogue to appeal for increased transparency, and a change in practices where necessary.

Dialogue is formally established either by a personal letter signed by all investors that have committed to the initiative, or by a publicly disclosed investor statement.

We work with other investors on engagement to enhance overall responsible investor influence, with the goal of driving specific, measurable and time-bound changes from issuers. In addition, we may embark on further engagement efforts at an industry association level and/or to influence public policies.

Ostrum Asset Management has been actively involved in a raft of collective initiatives for several years to raise awareness among issuers, public authorities and regulatory bodies on the importance of environmental, social and governance challenges.

The process for implementing these engagements involves selecting collaborative initiatives that chime with our own convictions (cf. paragraph below). This information is then passed on to the member of the Executive Committee and to Portfolio Management teams to ensure overall consistency across our engagement initiatives. The CSR department monitors these actions on a long-term basis.

Since 2019, Ostrum Asset Management has opted to contribute to initiatives focusing on the UN's Ten Principles, programs to promote the Paris Agreement on Climate Change and the declaration from the Paris financial center in July 2019 for a low-carbon economy.

Ostrum Asset Management is unable to take part in all initiatives to address these key principles, and has focused on actions that target the following:

- Support good health and wellbeing for all and at all ages. This goal is particularly important in the current pandemic, with COVID-19 leading to considerable suffering, disrupting the world economy and unsettling life for billions of people worldwide.
- Encourage gender equality: discriminatory laws and social norms are still widespread, and women remain under-represented at all levels of power;
- Work to combat climate change: climate change now affects each and every country across all
 continents. It disrupts national economies and affects lives, with weather conditions changing, sea
 levels rising and climate phenomena becoming more extreme.
- Contribute to safeguarding biodiversity, which ensures correct functioning for ecosystems and is vital
 to our existence. The destruction of one species can weaken the entire ecosystem. However, 75% of
 land environments and 40% of marine environments are heavily affected by human activity.

These priorities equate to Sustainable Development Goals 3 (Good Health and Wellbeing), 5 (Gender Equality), 13 (Climate Action), 14 (Life Below Water) and 15 (Life on Land).



ADDITIONAL NOTES

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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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