

A POSITIVE IMPACT ON OUR ECOSYSTEM



Ostrum Asset Management (Ostrum AM) is committed to developing its positive impact on broader society by developing a responsible investment policy and ensuring an exemplary approach in the way we operate our company, particularly as regards our carbon footprint. This commitment was reflected in 2020 in our more robust climate policy, with a stronger coal phase-out strategy in particular. Our people here at Ostrum AM also play a leading role in our social policies, with responsible resource management, ethical practices and involvement in sponsorship programs.

COMMITTED TO A LOW-CARBON ECONOMY



Enhanced coal policy
in 2020

€14.9bn
in assets held in green,
social and sustainability bonds
at end-2020

CURBING OUR CARBON FOOTPRINT

2,314
metric tons CO₂-eq of carbon
emissions in 2020

-90%
in paper use
[compared with 2018]
with our paperless program



of emissions offset

COMMITTED TO SPONSORSHIP PROGRAMS



Partner since 2018¹



Partner since 2020,
for 3 years²

Source: Ostrum AM at 12/31/2021.
¹ <https://www.groupe-sos.org/structure/planete-urgence/> [website in French]
² <https://fondationrechercheaphp.fr/> [website in French]

PORTFOLIO MANAGEMENT: ACTING FOR THE CLIMATE

Ostrum AM firmly believes that investment has a crucial role to play in combating climate change and as such we support protection of the climate via our responsible investment management policy. Our climate commitment sits at the very center of the way we operate our business, and draws on six areas for action:

- 1. Bolster our sector policy,**
by excluding sectors and companies that do not comply with certain fundamental responsibility standards, first and foremost our coal sector withdrawal policy.
- 2. Develop a low carbon emission funding strategy.**
- 3. Provide a responsible and active investment management approach for our open-ended funds**
to support our clients in their own climate policies. [cf. page 31]
- 4. Dialogue with companies**
to raise awareness on the risks and opportunities resulting from climate change. [cf. page 35]
- 5. Contribute to financial market initiatives**
and industry bodies that work to fight global heating. [cf. page 42]
- 6. Adopt tailored resources**
with a view to addressing climate challenges i.e. organization, tools, etc.



DEVOTED ORGANIZATION

We have also set up a specific organizational structure in the Research and SRI department designed to drive forward our ESG and climate pledges. Meanwhile a number of committees and working groups address climate matters in the company:

Sector committees	Worst offenders committee	TCFD working group	CSR committee	Financial risk & performance committee	Operational risk committee
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Coal: an ambitious sector policy

Efforts to ramp up our coal exit policy¹ were among our priorities in 2020. In 2019, Ostrum AM had already halted investment in companies that derive more than 25% of their revenue streams from coal-fired energy vs. 50% previously. We rolled out additional criteria in 2020, and bolstered our engagement and dialogue efforts with companies. In 2021, we will further pursue our climate strategy and look at other high-polluting sectors, such as oil and gas, where we also have ambitious dialogue and exclusion goals.

FOUR EXCLUSION CRITERIA FOR OUR INVESTMENTS:

1. Companies that develop new coal capacity

This exclusion criterion also applies to coal infrastructure developers.

Deadline for application:

At January 1, 2021, for investments

With a six-month timescale for divesting holdings in companies concerned under normal market conditions

2. Companies that have not set out a coal phase-out policy in 2021

The phase-out plan must comply with the Paris agreement. We will undertake constant engagement efforts with companies, which were informed in 2020 of the timeframe for action via our individual engagement policy. We will monitor the credibility of the exit plans proposed and their funding.

Deadline for application:

At January 1, 2022: end to investments

With a six-month timeframe to run down existing positions under normal market conditions

3. Companies whose main business relies on coal

This criterion covers companies producing, transporting and selling coal derived using aggressive mountain top removal methods (MTR), used in the Appalachian Mountains in the United States.

4. Companies that exceed the following thresholds

as defined by the Global Coal Exit List (GCEL):

20 million metric tons

of thermal coal production
on an annual basis

10 GW

in installed
capacity

> 30%

coal share
of power generation

Deadline for application:

At January 1, 2021, for investments

With a six-month timeframe for divesting holdings under normal market conditions

OUR GOALS FOR 2021

10 million
metric tons of thermal
coal production
on an annual basis

5 GW
in installed
capacity

20%
coal share of power
generation

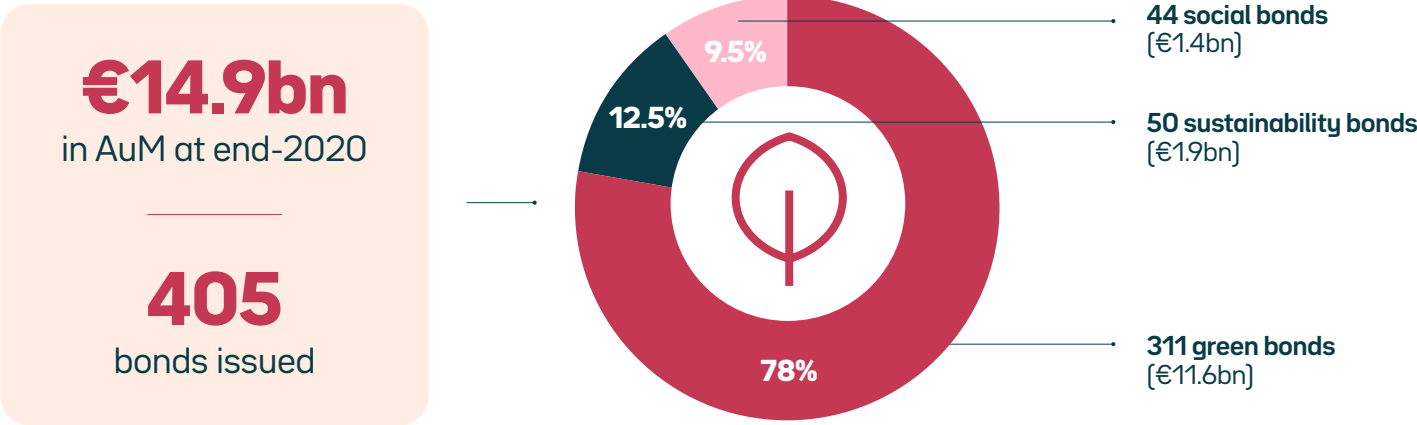
¹ Ostrum AM applies this policy to all dedicated funds and mandates, unless our clients request otherwise.



Financing a low-carbon economy

Beyond our SRI management and accreditation policy [cf. pages 26-31], we also significantly ramped up our exposure to and expertise on sustainability bonds in 2020, with a view to playing an active role in financing projects that support the fight against climate change, drive the energy transition and foster a strong social impact.

OUR EXPOSURE TO GREEN, SUSTAINABILITY AND SOCIAL BONDS IN 2020



EXPERT AND SPECIALIST ANALYSTS

Ostrum AM draws on the expertise of two specialist sustainability bond analysts as well as a proprietary methodology to analyze and assess this type of bond.

SAFEGUARDING BUSINESS ETHICS

The Natixis Code of Conduct was developed in 2017 and covers best practices and behavior required to safeguard our business ethics. The code applies to all our staff, as well as Natixis’ its subsidiaries’ and affiliates’ suppliers and partners. Each of our staff took a training course on the code of conduct to ensure that ethical behavior is firmly rooted in our company.

Be client-centric

- Protect clients’ interests
- Communicate clearly with clients ;
- Protect clients’ information and data ;
- Handle clients’ after-sales requests in a fair and timely manner.

Behave ethically

- Respect employees and ensure their personal development ;
- Demonstrate professional ethics ;
- Ensure market integrity.

Act responsibly towards society

- Behave in accordance with Natixis’ commitments with regard to Environmental and Social Responsibility ;
- Ensure financial security.

Protect Natixis’ and Groupe BPCE’s assets and reputation

- Protect assets ;
- Ensure business continuity ;
- Communicate responsibly with external stakeholders.

PROMOTING RESPONSIBLE PRACTICES FROM OUR SUPPLIERS

Our responsible procurement policy is managed by Natixis’ Procurement department as part of the shared program with the Groupe BPCE Procurement division and aims to promote products and services that support the environment and provide social value-added. Our goals are:

1.

Assess our suppliers on CSR challenges related to their products, services and industries

2.

Promote official eco-labels and eco-designed products

3.

Encourage our suppliers to provide greater transparency on their products’ environmental features

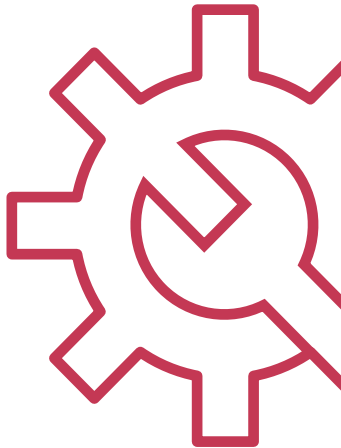
OUR TOOLS

A responsible procurement charter:
signed in 2017 by Natixis, this charter requires our suppliers to comply with certain fundamental principles in the United Nations Global Compact regarding human rights, working conditions, the environment, and the fight against corruption.

Sustainable development clauses
in our requests for proposals and contracts.

A responsible purchasing database
which sets out regulatory or recommended social and environmental criteria for each procurement category.

A supplier relationship charter
setting out our values on sustainable development.



OUR MAPPING FOR CSR RISKS IN PROCUREMENT

Natixis has measured the various CSR risks for each country and procurement category since 2018, drawing on a shared mapping process for the entire Banking and Insurance industry.

Loyal and ethical practices

- Fraud and corruption
- Personal data protection
- Property rights and patents

Environment

- Natural resource consumption
- Pollution [air, water, land]
- Biodiversity
- Greenhouse gas emissions
- Waste management

Human rights

- Health & safety
- Working conditions
- Discrimination
- Forced labor and modern slavery
- Child labor

MEASURING, REDUCING AND OFFSETTING OUR CARBON FOOTPRINT

We take concrete action to reduce the carbon footprint resulting from running our company, with a three-pronged strategy to measure, reduce and offset our emissions. We act at all levels of our business and draw on our staff's support to better manage our buildings' energy use, address business travel and offset our emissions.

MEASURING OUR CARBON FOOTPRINT IN 2020

Information for our 2020 carbon assessment cannot be compared with previous years as a result of the Covid-19 pandemic. A significant drop in our emissions as compared with the previous year would have been expected, but figures were almost on a par with 2019 as a result of an increase in service provision following on from the business combination with La Banque Postale Asset Management (LBP AM).

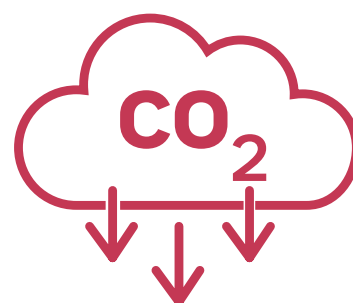
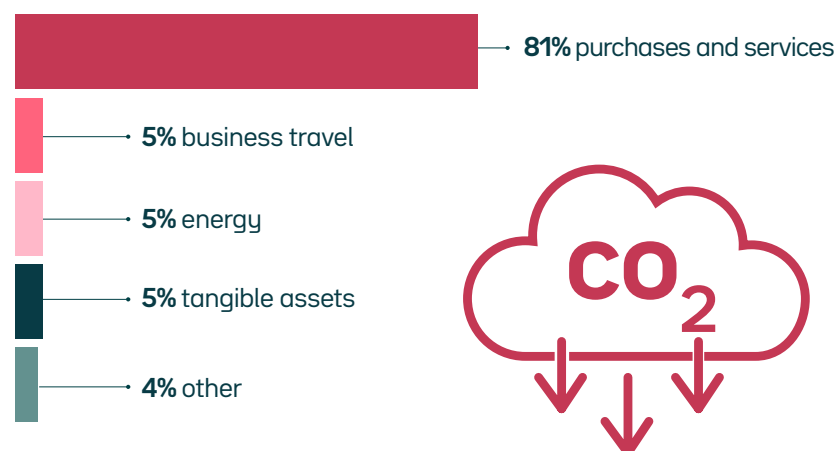
2,314

metric tons CO₂-eq

or

7

metric tons CO₂-eq
for each employee



TAKING A COMPREHENSIVE APPROACH TO REDUCING OUR EMISSIONS

Guaranteeing ecological building management

- **ISO 9001 and ISO 14001 certifications** for the Real Estate department at Natixis' Workplace division, which manages and ensures maintenance for Ostrum AM's buildings
- **High environmental performance building**, with certifications from *NF Bâtiments Tertiaires*, *HQE®*, *HPE*, *Effienergie+* and *BREEAM®3*

Engaging our staff

- **We organize awareness programs** to encourage all our staff to adopt the right habits to curb our environmental footprint

Warding off environmental and pollution risks

- **We organize specific training programs** on environmental and pollution-related challenges for teams in charge of monitoring, managing and operating our buildings
- **We regularly test** monitoring, alert and management procedures
- **We apply Groupe BPCE's regulatory and environmental charter** incorporating environmental standards

Reducing our energy use

- **Our lighting systems are equipped with motion sensors** and our building relies on natural light
- Our building is fitted with **light-emitting diodes (LEDs)**



If we are to expect other companies to manage their environmental footprint, we must also be exemplary in the way we run our own business.

Valérie Chaussende, CSR Manager

OFFSETTING 100% OF OUR EMISSIONS

Ostrum AM has offset 100% of its direct carbon emissions every year since 2016 via a range of avoidance projects in partnership with Eco Act. Rather than compensation via carbon capture, this approach is designed to make a direct and immediate impact by avoiding emissions.

Access to drinking water to avoid CO₂ emissions

The borehole rehabilitation project in Eritrea provides local populations with drinking water by repairing boreholes. The project supports the avoidance of carbon emissions in several ways: families no longer need to burn wood to purify water, thereby curbing combustion-related emissions, while deforestation is also reduced. Meanwhile access to clean drinking water offers a number of indirect benefits for communities, supporting children's schooling and providing paid work for women.

2
boreholes
rehabilitated
in 2020
↓
or
100%
of metric tons of
CO₂-eq emitted



DID YOU KNOW?

Recovering energy from our data center

Natixis' 3,000 m² VEGA datacenter is the first in France to recover and reuse heat generated to heat other buildings.

SUSTAINABLE RESOURCE MANAGEMENT

We have rolled out a raft of initiatives and actions to raise awareness in our offices and encourage our people to take ecological initiatives and use our resources responsibly day-to-day.

Manage waste

- **Sorting and recycling** paper, pens, cups, cans and plastic bottles
- **Collecting and recycling** used ink cartridges and batteries
- **Recovering** waste electrical and electronic equipment

End single-use items

- **All our staff received a vacuum flask** to their home
- **Plastic cups have been removed** in our buildings, and replaced by mugs and glasses

OUR GOALS FOR 2021

Eliminate 100% of still and sparkling water bottles

Gradually eliminate single-use cups

Eliminate cigarette ends

26,200

cigarette ends were collected and recycled with the company Cy-clope

this means

13,100 m³

of water protected from pollution

Paperless program

Our paperless program was launched in 2018 and has met its goals on a long-term basis:

90% reduction

in paper used vs. 2018 (3.6 tons)

DISPLAYING SOLIDARITY IN OUR SPONSORSHIP PROGRAMS

Ostrum AM has made sponsorship programs a true company-wide initiative, showcasing our staff's engagement. We offer our people the opportunity to make their contribution to the initiatives we support as we partner with the various associations.

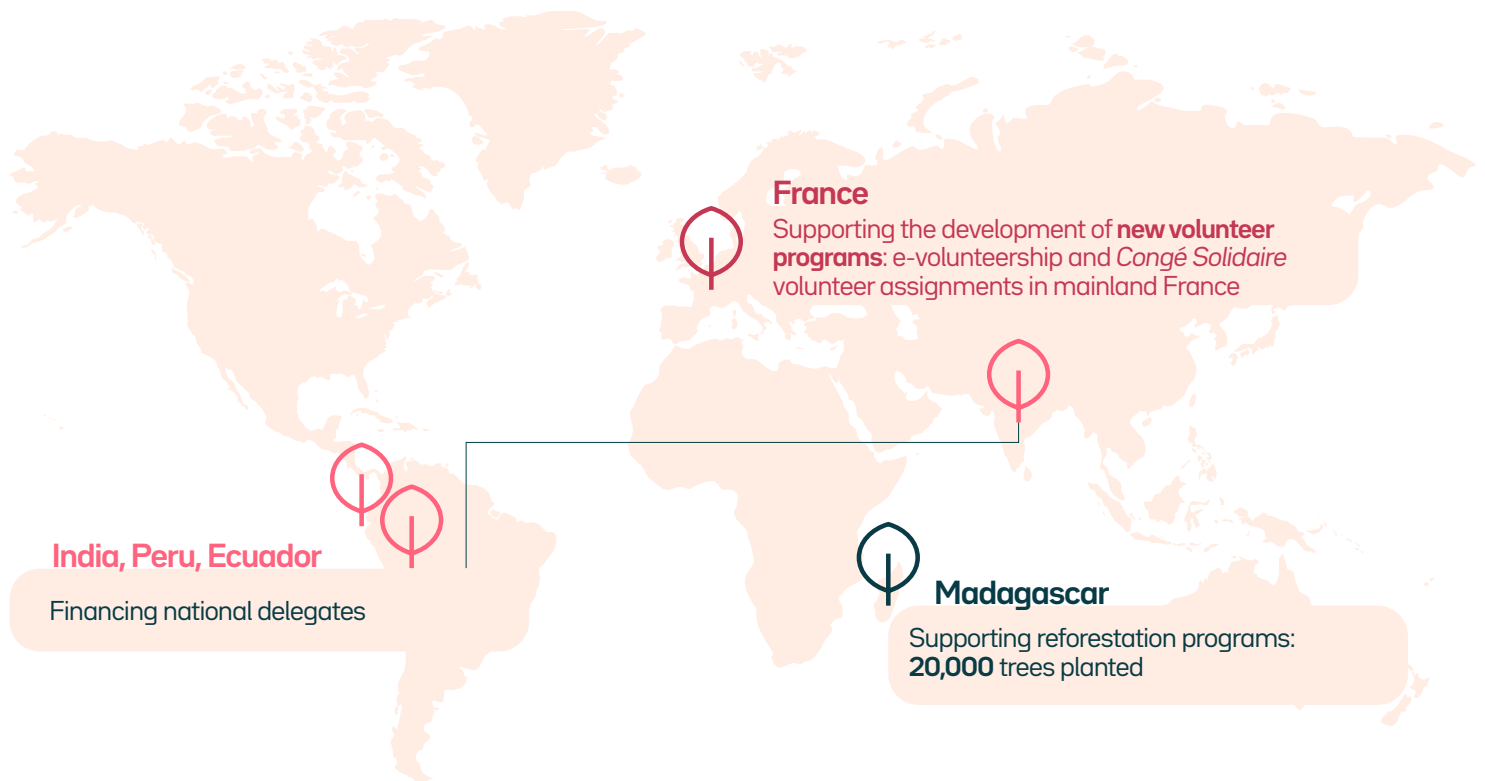
360° PARTNER FOR PLANÈTE URGENCE

Ostrum AM has partnered with the NGO Planète Urgence since 2018, in an initiative selected following consultation with all our staff. The organization conducts development projects in communities that are economically and socially vulnerable and where natural habitats have been damaged. In 2020, we extended our support to two new continents and we accompany the organization across all its areas of work.



PLANÈTE URGENCE
VOLONTARIAT & DÉVELOPPEMENT

| GROUPE SOS |



India, Peru, Ecuador

Financing national delegates

France

Supporting the development of **new volunteer programs**: e-volunteering and *Congé Solidaire* volunteer assignments in mainland France

Madagascar

Supporting reforestation programs:
20,000 trees planted



SUPPORTING CORONAVIRUS RESEARCH

Ostrum AM decided to support the Fondation AP-HP in its research on Covid-19 for a period of three years to address the recent unprecedented pandemic. Our contribution will help support one or several of the Foundation's research projects across all areas i.e. patient treatment trials, prevention efforts for carers, research on at-home care for patients, etc. We also offered our staff the opportunity to get involved in this initiative by setting up a donation system for all our people to contribute as they wished.