

SUPPORTING BOND & SHARE ISSUERS IN THEIR TRANSFORMATION

Ostrum AM has a responsibility to have a positive influence on bond and share issuers in our role as an asset manager, as we support them in developing enhanced environmental, social and governance practices. We draw on our constructive dialogue with them, along with our stringent voting policy to make a positive impact on the companies we invest in, as well as society in the broadest sense. We reinforced our dialogue with bond issuers in 2020, and published a comprehensive engagement policy applying to all our portfolio management operations.

OUR ENGAGEMENT POLICY



8

engagement themes shared
across all portfolio
management departments

ENHANCING DIALOGUE WITH ISSUERS



> 600

meetings
or conferences each year
with bond issuers

ROBUST SHAREHOLDER ENGAGEMENT



We engaged with
53
companies in 2020

STRINGENT VOTING POLICY



↓
participation in votes
in our voting universe¹

¹ Voting scope covered by Ostrum AM's voting policy in 2020.

OUR ENGAGEMENT POLICY

Ostrum Asset Management (Ostrum AM) set out eight themes for engagement on environmental, social and governance themes in 2020, covering both our equity and bond portfolio management. Each individual department – equity and bond – then draws on these shared themes to focus on specific initiatives in line with our updated voting policy.

1. Support mitigation and adapt to climate change	<ul style="list-style-type: none">By reducing CO₂ emissions to achieve carbon neutrality by 2050By managing physical and transition risks	 
2. Limit impact on environmental ecosystem	<ul style="list-style-type: none">By optimizing resource managementBy safeguarding biodiversity	 
3. Promote human capital	<ul style="list-style-type: none">By maintaining strong relationships with staffBy ensuring staff's and subcontractors' health and safety	  
4. Enhance relationships with stakeholders	<ul style="list-style-type: none">By guaranteeing human rights in supply chainsBy maintaining strong relationships with local communities	 
5. Ensure consumer security and protect their data	<ul style="list-style-type: none">By ensuring consumers' security and healthBy ensuring their data security	
6. Safeguard business ethics	<ul style="list-style-type: none">By rolling out an anti-corruption policyBy ensuring a transparent tax policy	
7. Balance powers and compensation	<ul style="list-style-type: none">By implementing balanced governanceBy making the compensation policy transparent	 
8. Improve data transparency	<ul style="list-style-type: none">By facilitating access to financial and non-financial data	

Engagement is one of the asset management industry's most crucial responsibilities as we strive to build a more sustainable world. It is vital not only to focus on voting, but also to sustain constant dialogue with companies, including in bond portfolio management.


Ibrahima Kobar, Chief Investment Officer

BOLSTERING OUR ENGAGEMENT AS SHAREHOLDER AND BOND INVESTOR

Ostrum AM believes that a committed asset manager must take the same responsible approach across all companies held in the portfolios it manages, whether via shares or bonds.

CONSTANT DIALOGUE WITH BOND ISSUERS

Ostrum AM pursues regular dialogue with bond issuers across the full spectrum of environmental, social and governance themes, and supports them in enhancing their ESG risk management practices, and promoting transparent disclosure. We organize this dialogue process as part of our due diligence prior analysis procedure, either before making our investments or during our constant monitoring efforts for positions in our portfolios.



> 600
meetings
or conferences each year
with bond issuers

OUR GOAL FOR 2021

Strengthen and formally set out
engagement with debt issuers

SHAREHOLDER ENGAGEMENT TO PROMOTE STRONGER PRACTICES

Ostrum AM is committed to supporting the companies it invests in and as such we promote constructive dialogue with them ahead of shareholder meetings. Our teams draw on extensive responsible investment analysis to single out the main challenges facing each business sector and ascertain any areas for improvement, with a view to supporting issuers as they strive for progress.

1. **We assess each issuer's ESG practices**
ahead of the shareholder meeting
2. **We communicate on areas for improvement**
and expected results with the company
3. **We monitor each issuer's progress**
over the long term and review its ESG score accordingly



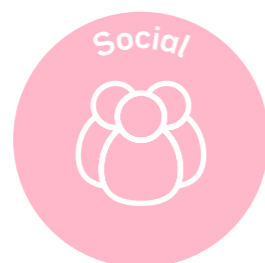
We engaged with
53
companies in 2020

OUR THEMES FOR DIALOGUE IN 2020

Our dialogue with 30 companies in our funds in 2020 (before the business combination on October 30, 2020) covered the following themes:



- Energy transition (renewable energy, carbon footprint)
- Biodiversity (species and ecosystems)
- Waste management



- Turnover
- Shareholder payout
- Health and security (Covid-19)
- Human rights



- Data protection
- Transparency of ESG reporting
- Balance of powers
- Covid-19



● France ● North America ● Europe ● Rest of world

STRINGENT AND EXACTING VOTING POLICY

Ostrum AM holds itself to the highest standards as a responsible shareholder and takes a stringent and exacting approach to the exercise of voting duties¹ at shareholder meetings, as part of a comprehensive voting universe addressing environmental, social and governance themes. We pursue a transparent approach and as such we disclose details on all our votes from the shareholder meetings we attend.



100% — participation in votes in our voting scope



KEY VOTING FIGURES FOR 2020

For portfolios held by Ostrum AM at 12/31/20, depending on initial scope, whether Ostrum AM or La Banque Postale Asset Management (LBP AM).

Ostrum AM scope

101

Shareholder meetings

1,865

o/w

91% for



9% against²

Resolutions Voted



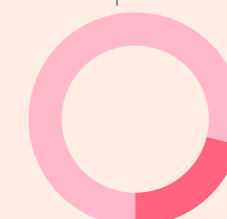
LBP AM scope

87

1,570

o/w

79% for



21% against²

¹ Read our voting policy and our report on the exercise of voting rights: <https://www.ostrum.com/en/our-csr-and-esg-publications>

² Opposition or abstention.

