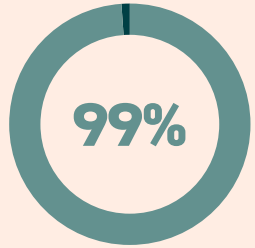


# PROMOTING BEST PRACTICES ON THE FINANCIAL MARKET

Ostrum AM looks beyond its investment business and plays an active role in the broader financial market, with a view to supporting the industry's transformation and the development of more responsible practices. Our approach involves bolstering our SRI accreditation policy, taking a proactive part in developing CSR-SRI standards and engaging in specific market-wide initiatives. Our responsible investment approach was commended again in 2020, with excellent scores in the annual PRI campaign.

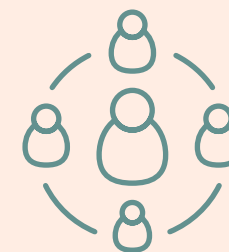
## BOLSTERING OUR SRI ACCREDITATIONS<sup>1</sup>

**25**  
open-ended funds carry  
SRI accreditations<sup>2</sup>  
as at 12/31/2020  
↓  
equating to  
**63%**  
of AuM in our  
open-ended funds

Goal for 2022  
  
↓  
of AuM in our open-ended funds  
to carry SRI accreditations

## PLAYING AN ACTIVE ROLE IN FINANCIAL MARKET INITIATIVES

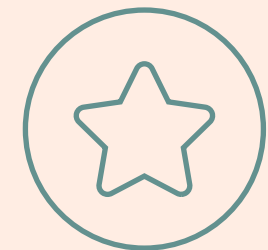
Ostrum AM is a member of  
**10**  
market-wide groups and  
bodies that foster the deve-  
lopment of the ESG and SRI  
standards of tomorrow



**7**  
new collaborative  
initiatives in 2020 to support  
gender equality, safeguard  
biodiversity, etc.

## ESG APPROACH WIDELY APPLAUDED

**A to A+**  
score for all our asset  
classes managed from  
the PRI



**10/10**  
for the quality of the  
coal phase-out strategy  
criterion in the Reclaim  
Finance Coal Policy Tool<sup>3</sup>

<sup>1</sup>Any reference to a ranking, a rating or an award provides no guarantee for future performances of the fund or fund manager.

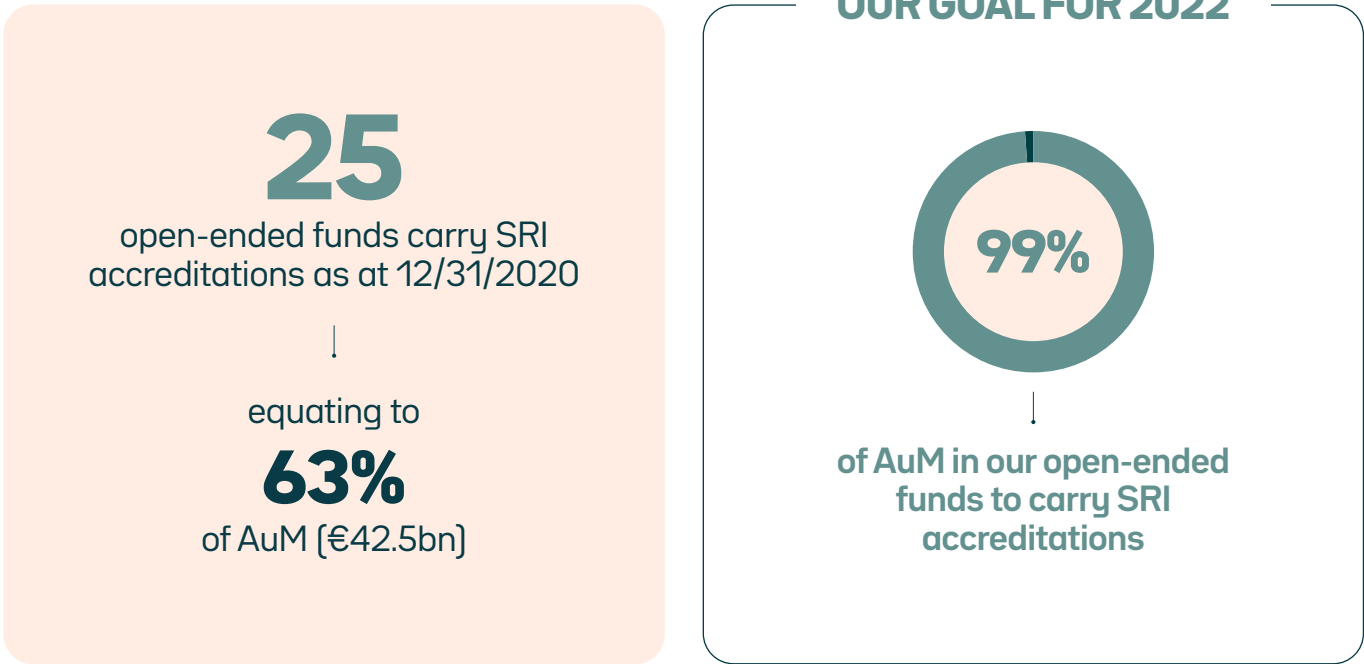
<sup>2</sup> <https://www.lelabelisr.fr/> (website in French only)

<sup>3</sup> <https://coalpolicytool.org/>



# DEVELOPING OUR SRI ACCREDITATIONS

Ostrum AM is committed to working to the highest standards of responsible investment and resolutely believes in the importance of accreditations, as we pursue an ambitious SRI (Socially Responsible Investment) accreditation policy. Our aim is to achieve SRI certifications for 99% of assets managed in our open-ended funds out to 2022, while we are also working towards accreditations for mandates and dedicated funds.



## IMPORTANCE OF SRI ACCREDITATIONS FOR OUR CLIENTS

### 1. Transparency & reporting

SRI-accredited funds are required to disclose environmental, social, governance and human rights performances entirely transparently, in addition to details on CO<sub>2</sub> emissions. They must therefore issue four ESG-human rights indicators, one of which must also display greater showings than the reference universe.

### 2. Diverse range of sectors

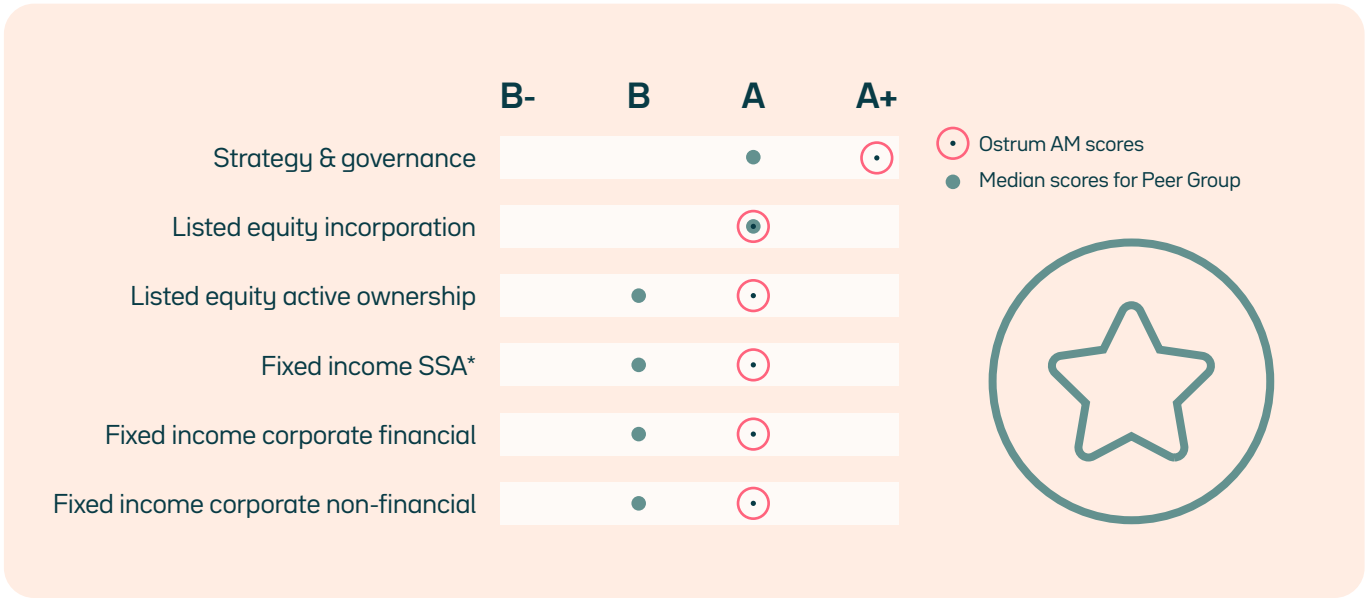
Accredited funds cover a diverse range of sectors: the key criteria assessed are the portfolio's ESG quality along with the transparency of our investment processes.

# AWARDS FOR OUR RESPONSIBLE APPROACH

Ostrum AM is fully committed to taking all ESG dimensions on board in its investment decisions, as we draw on the main international standards to guide our actions, particularly the Principles for Responsible Investment, where we have been a signatory for 12 years.

## PRI: SCORES OF A TO A+ FOR ALL OUR ASSET CLASSES

Ostrum AM was once again applauded for the quality and ambition of our ESG approach during the PRI 2020 campaign, with excellent scores across all the asset classes we manage.



Source: Ostrum Asset Management's 2020 PRI assessment.  
\* SSA: supranational organizations, sovereign states, government agencies, subnational entities.

## OUR COAL POLICY COMMENDED BY RECLAIM FINANCE

Ostrum AM achieved outstanding 2020 scores in NGO Reclaim Finance's Coal Policy Tool, highlighting both the quality and stringency of our new coal policy, with its strict requirements in terms of exclusion, dialogue and engagement. The tool was developed as part of Reclaim Finance's commitment to stepping up the decarbonization of financial flows, and is designed to analyze the quality of coal policies and assess all French financial companies' practices and policies on the basis of five criteria.

Criterion	Projects	Developers	Relative threshold	Absolute threshold	Phase-out
Ostrum AM's score	N/A	9/10	8/10	8/10	10/10

- **Projects** : halt support for new coal projects
- **Developers** : halt support for companies that develop new coal projects
- **Relative threshold** : halt support for companies highly exposed to coal
- **Absolute threshold** : halt support for companies that are very active in the coal sector
- **Phase-out** : adopt a robust strategy to support the closure of existing coal infrastructure

Source: Reclaim Finance.

# COMMITTED TO DEFINING CSR & SRI STANDARDS

Ostrum AM plays an active role in developing the responsible investment standards of the future across various industry groups and bodies, supporting the promotion and standardization of CSR and ESG practices.

## SUPPORTING INDUSTRY BODIES

### In France

**FR** FORUM POUR  
L'INVESTISSEMENT  
RESPONSABLE

**afg**  
association française  
de gestion financière

### Internationally

**PRI** Principles for  
Responsible  
Investment

**CDP**  
DRIVING SUSTAINABLE ECONOMIES

**IIGCC**  
The Institutional Investors  
Group on Climate Change

**United Nations**  
Global Compact

**EFAMA**  
European Fund and Asset Management Association

**ICMA**  
International Capital Market Association

**The Social Bond**  
Principles

**The Green Bond**  
Principles

## TAXONOMY, COAL: ACTIVELY INVOLVED IN WORKING GROUPS

Ostrum AM played an active part in a raft of initiatives in 2020, such as the PRI Taxonomy Practitioners Group, and the development of the white paper "Coal Best Practices Guide" (in French only) alongside the French Asset Management Association (AFG, or *Association Française de la Gestion Financière*). This guide was published in February 2020 and is designed to support asset managers in their coal phase-out strategies by sharing best practices. Ostrum AM was also involved in initiatives by French and European authorities, such as the application of regulatory measures on disclosure of sustainability risks (SFDR) and the IOSCO questionnaire on questions related to ESG and the climate.

*Ostrum AM has a strong presence in industry-wide work in this arena, as we resolutely voice our convictions and promote stringent, transparent and sustainable market practices.*

**Nathalie Beauvir-Rodes,**  
Senior Impact Bond Analyst



# SUPPORTING COLLABORATIVE ENGAGEMENT

Ostrum AM has been committed to collective initiatives for several years as we seek to raise awareness among issuers, public authorities and regulatory bodies on the importance of environmental, social and governance challenges. We focus first and foremost on actions that target Sustainable Development Goals 3 (Good Health and Wellbeing), 5 (Gender Equality), 13 (Climate Action), 14 (Life Below Water) and 15 (Life on Land). In 2020, Ostrum AM supported the following seven initiatives<sup>1</sup>:



### CDP's science-based targets campaign

to accelerate the adoption of science-based climate targets in the corporate sector



### Global investor engagement on meat sourcing - Phase II



### Open letter to EU leaders from investors on a sustainable recovery from Covid-19



### Investor statement on coronavirus response



### Letter to meatpackers and processors on traceability of indirect suppliers in their Brazilian supply chains



### The need for biodiversity impact metrics



### 30% Club Investor Group for the promotion of better gender diversity within the SBF 120's executive management teams

## FOCUS ON TWO INITIATIVES WE SUPPORTED IN 2020

### Open letter to EU leaders from investors on a sustainable recovery from Covid-19

This letter is organized by The Investor Agenda and calls for a sustainable recovery from Covid-19. It urges European Union states to include climate-related considerations in developing economic recovery programs, in line with the Green Deal and the Paris Agreement. It recommends prioritizing net zero emissions economic solutions and facilitating fresh investment and jobs in clean energy and sustainable infrastructure.

Launched in May 2020

**183**

investors  
involved

**€12 trillion**

in assets under  
management

### The 30% Club Investor Group

This group seeks to promote greater female representation in executive management teams in SBF 120 companies, by combining the engagement and voting capacities of its members. The group particularly urges companies to set clear goals relating to gender diversity, as well as setting up actions plans to achieve them by using their voting rights at annual shareholder meetings.

Launched in November 2020

Target for 2025

**30%**

women in executive management  
teams in SBF 120 companies

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