

# 2023 ENGAGEMENT POLICY

POLICY

JUNE 2023

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## PREAMBLE

LBP AM and its subsidiary Tocqueville Finance SA (TFSA) – together known as **Groupe LBP AM** – have made the strategic choice to engage with companies that we assist financially through our investment decisions, for the purpose of encouraging them to make steady progress in managing sustainable development challenges. Among other things, this dialogue is a way to enhance our portfolios' climate performance and a lever for achieving our ambition to make our portfolios carbon neutral.

In addition to our in-house convictions, our clients – both individuals and institutionals – want their investments to contribute to a positive societal impact and expect us, as a responsible manager, to conduct an active and constructive dialogue with portfolio companies to foster an improvement in their environmental, social and governance practices.

The main objectives, perimeter, and normal procedures of engagements are formalised in this comprehensive shareholder engagement policy, supplemented by our SRI thematic policies, which lay out the techniques to be used in addressing specific challenges and sectors.

The principles of this policy are meant to apply independently to each of Groupe LBP AM's two management companies – LBP AM and TFSA – and uniformly to all funds within their respective perimeters.

**In our annual Groupe LBP AM engagement report, we tell how this policy is exercised** and report to our clients and stakeholders on the dialogue and engagement we have conducted, as well as how we have exercised our voting rights.

### *Information:*

*In accordance with Articles R. 533-16 and L. 533-22 of the French Monetary and Financial Code and the standards of the engagement strategy of French Ministerial Order n° 2021-663 of 27 May 2021 as applied in Article L. 533-22-1 of the French Monetary and Financial Code, Groupe LBP AM has set up its own shareholder engagement mechanism. This policy also meets the standards of Ministerial Order n° 2019-1235 of 27 November 2019 transposing Directive (EU) 2017/828 as regards encouragement of long-term shareholder engagement.*



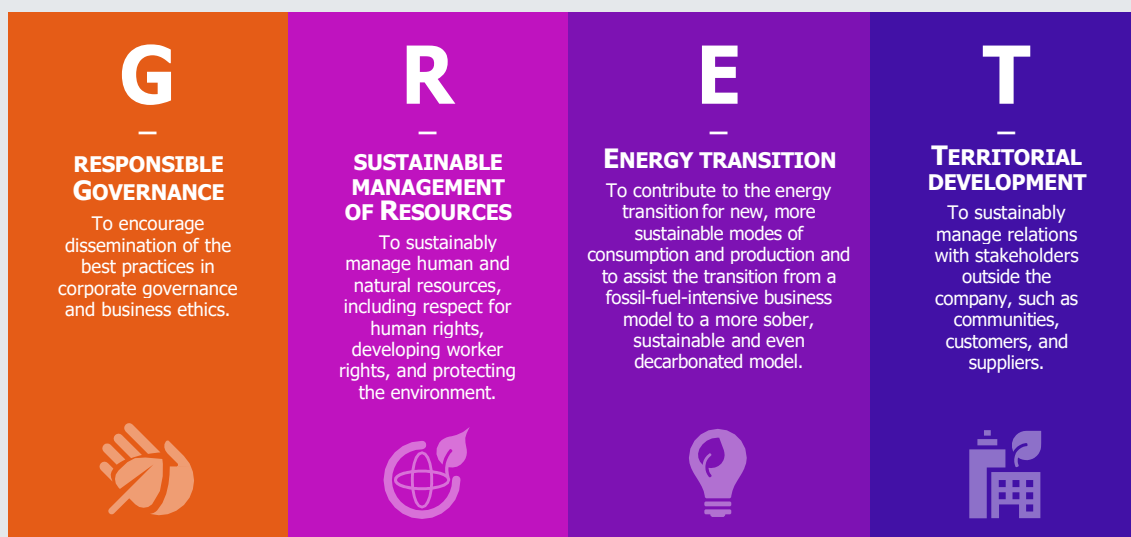
# ENGAGEMENT, A PILLAR OF GROUPE LBP AM'S SOCIALLY RESPONSIBLE INVESTMENT APPROACH

# 1. An engagement policy based on our GREaT philosophy

Engagement consists of **urging companies to enhance their sustainability policies and practices in the Environmental, Social and Governance (ESG) realms**, by carrying on a dialogue with them to understand their practices and challenges and to formulate avenues for improvement. Shareholder engagement is a key pillar in implementing our SRI strategy.

In order to establish the key ESG thematic of dialogue and engagement with invested companies, our engagement policy is based, like our other SRI levers, on the four pillars of GREaT, our proprietary ESG methodology.

## THE 4 PILLARS OF THE GREaT METHODOLOGY



**This comprehensive engagement policy** describes the procedures for identifying companies to be engaged with, the usual conduct of these engagements, the escalation strategy if needed if no results have been achieved, and the ESG thematic of engagement.

In accordance with our funds' sustainability goals, our engagement policy is also structured around our **SRI thematic policies**, which describe in greater detail our objectives, principles, procedures, priorities and expectations on various thematic:

- ▶ **Voting policy and governance**
- ▶ **Biodiversity policy**
- ▶ **Coal policy**
- ▶ **Oil & gas policy**
- ▶ **Exclusion policy**

## 2. Our objectives, our convictions

Groupe LBP AM is confident that, alongside other stakeholders (employees, trade-unions, civil society, NGOs, etc.), responsible investors have a role to play in assisting companies in their trajectory towards sustainable practices.

That's why our **engagement policy constitutes one of the levers for implementing our responsible investor practices**, alongside the other levers, i.e., ESG selection, exclusion, management of controversies, and thematic investment.

The dialogue that we conduct with companies, particular in our role as shareholders, takes two paths:



Via ESG dialogues

**To better understand companies' policies and practices in order to enhance the analyses conducted by our teams.** Dialogue with issuers aims to compile additional information or to enhance our understanding of their sustainability disclosures.



Via ESG engagement

We seek both: 1/ **to encourage integration of sustainable development challenges** into companies' strategies, to formalise robust policies for preventing ESG risks, and to implement those policies in companies' operational practices; and 2/ **to enhance companies' transparency on ESG policies, objectives and outcomes.**

The goal is not to interfere in companies' strategies or to obtain a board seat but, rather, as an external stakeholder, to incentivise companies to constantly improve their policies and practices to place them on a sustainable trajectory. We define a sustainable trajectory as being part of a **dual materiality**, while taking into account the **risks and opportunities that arise from companies' activities that address environment and social challenges**, and the way in which **managing these challenges influences the companies' long-term economic and financial performance.**

### 3.

## Engagement perimeter and identifying companies to engage with

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Groupe LBP AM's engagement policy is conducted on the scale of the management companies LBP AM and TFSA. Accordingly, all invested companies in Groupe LBP AM's portfolios may be engaged with on ESG issues. **All shareholder engagement initiatives are conducted in Groupe LBP AM's name** on behalf of its individual and institutional clients.

**Companies to be engaged with are identified** on the basis of several factors:

- ▶ Our shareholding in the company, which determines, in part, **our influence**;
- ▶ The weight that our investment in the company represents for Groupe LBP AM, which determines **our risk exposure**;
- ▶ The importance and **materiality of an ESG controversy** (see: norms-based policy);
- ▶ The importance of the engagement thematic regarding the **company's sector of activity**; (including the concept of a challenging or risky sector with regards to a particular challenge);
- ▶ The engagement opportunities that may arise via **financial sector initiatives**.

**Regarding financial securities, we engage companies** as both **shareholders and bondholders** and for all our portfolio holdings.

**The engagement policy may also encompass real and private assets, while taking into account the specific features of these asset classes.** The private debt management teams (corporate, infrastructure and real estate debt) conduct a dialogue with counterparties during the due diligence phase to gather information and to better understand their ESG practices. Meanwhile, under certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to incentivise borrowers to improve their practices on the most material environmental and social challenges. In this case, these commitments are written into the financial documentation and bind the counterparties to an annual disclosure obligation.

## 4. How we take action

As part of their engagement and dialogue initiatives, analysts on the Fundamental and Sustainable Research and SRI Solutions teams join with portfolio managers in regular discussions with the management and/or specialised teams of companies in which Groupe LBP AM invests.

These contacts are undertaken in two ways, which in some cases overlap:



**Dialogue and bilateral engagement** with the management of invested companies, in particular during one-on-one meetings. Groupe LBP AM may request meetings with companies to discuss thematic relating in particular to the application of our policies. It may also be asked by the companies to provide feedback on thematic defined by these companies, for example for the preparation of general meetings. We take these opportunities to present our expectations in terms of good practices, for example in governance.

**Collaborative engagement**, which is conducted with other investors on a common theme. Groupe LBP AM takes part in joint initiatives when they come under its SRI policies. Such initiatives can usefully supplement bilateral approaches by pooling research, by giving companies consistent signals on the expectations of responsible investors, in order to exercise greater influence over the companies. Groupe LBP AM may play a support or leading role in such initiatives.



## ENGAGEMENT, A PILLAR OF LBP AM'S SOCIALLY RESPONSIBLE INVESTMENT APPROACH

These contacts may be made within the specific setting of general meetings or as part of the process of managing controversies:



**At general meetings**

**Dialogue at general meetings:** contacts may be conducted on the initiative of companies that wish to gauge their shareholders' view before their general meetings, or on the initiative of Groupe LBP AM, in order to encourage the companies to align themselves with the best ESG practices. General meetings are an opportunity to express shareholders' SRI convictions to companies, in areas such as remuneration, board membership or employee involvement in governance. This is done either by exercising voting rights or by putting questions to company managers.



**In dealing with controversies**

**Dialogue when assessing and managing controversies:** Groupe LBP AM may conduct a dialogue with a company when it has determined that it is implicated in a controversy. It does so in order to investigate the quality of its policies and procedures on a particular challenge and, where applicable, to formulate proposals meant to end, and prevent the recurrence of, negative impacts of the company's practices on the company itself and its own performance. This dialogue is different from the regular dialogue on companies' holistic trends, in that it aims, where applicable, to steer the company's policy or practices on a particular issue on which LBP AM has identified a body of evidence pointing to a particular negative impact, for example in suggesting the implementation of remediation and risk control measures on this issue.

**Groupe LBP AM's takes a long-term approach.** Groupe LBP AM seeks to evaluate changes in companies' practices over time, keeping in mind that progress is often made over time and may have different motivations (regulatory pressure, internal request, mobilisation by civil society, investor engagement, etc.). This follow-up is undertaken in particular for targeted engagement actions, to follow up on controversies or thematics that are priorities for LBP AM.

Discussions may take the form:

- **of in-person meetings**
- **and/or letters/emails formalising Groupe LBP AM's feedback, questions and recommendations.**

## 5. A comprehensive escalation strategy

When dialogue has been unsuccessful, Groupe LBP AM may use additional “escalation” tools. Our escalation levers are classified into three categories: enhanced dialogue, public actions at general meetings, or initiatives involving management practices.





# A TRANSVERSAL *MODUS OPERANDI*, FULLY STRUCTURED AROUND OTHER STAGES OF THE MANAGEMENT PROCESS

# 1. Governance that fosters transversality

Engagement and dialogue initiatives are conducted by the analysts of the Fundamental and Sustainable Research and SRI Solutions teams, as well as portfolio managers. Groupe LBP AM has made the strategic choice not to outsource its shareholder engagement.

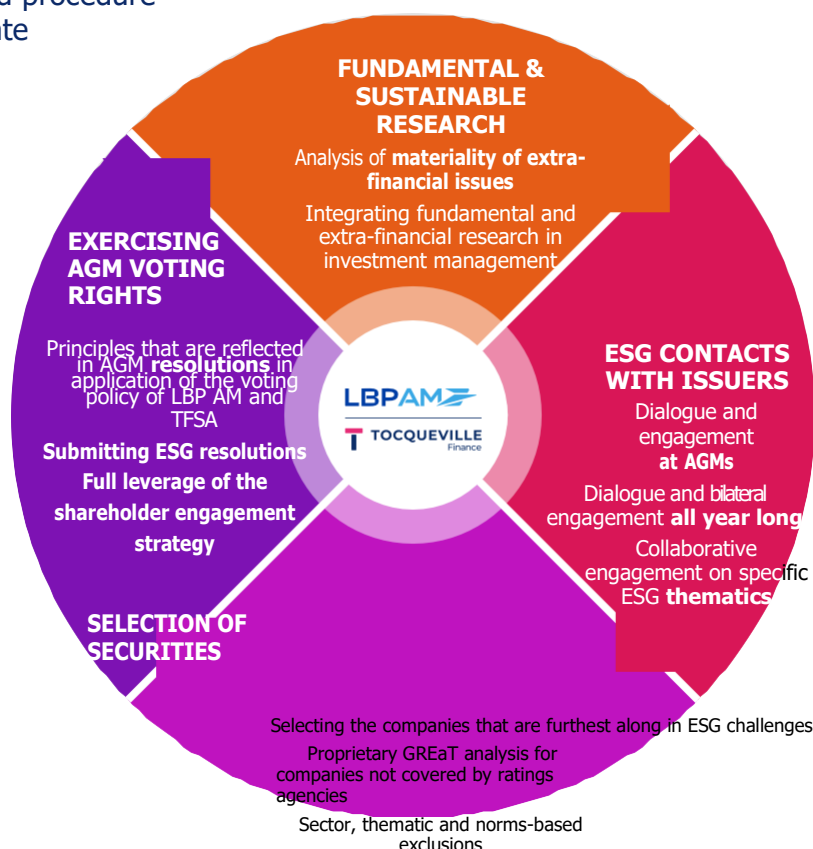
Our ESG and fundamental research, our shareholder messages, our general meeting voting practices and our selection of securities are closely intertwined.

This is due, among other things, to how management processes and teams are organised in such a way as to encourage transversality of perspectives and structuring of levers, via:

- **Integration of financial and sustainable development prospects** on the fundamental and sustainable research teams;
- **The option of modifying** SRI ratings of a security, subject to a strictly defined procedure and motivations, in order to integrate more recent or more complete information obtained during this dialogue;
- **Integrated strategic, financial and SRI dialogue** conducted by

Groupe LBP AM portfolio managers;

- **Organised and routine soliciting of manager opinions** for Groupe LBP AM's most significant votes and engagements;
- **Participation of portfolios managers and fundamental analysts** in updating Groupe LBP AM's voting and engagement policies, subject to the approval of, respectively the Sustainable Finance Committee and the Governance Committee.
- **Establishment of transversal committees** to apply and monitor the engagement policy



## A TRANSVERSAL MODUS OPERANDI, FULLY STRUCTURED AROUND OTHER STAGES OF THE MANAGEMENT PROCESS

**Engagement campaigns are monitored at weekly ESG management committee meetings and, where applicable, GREaT committee meetings.**

The GREaT Committee is in charge of monitoring and managing the transversal deployment of Groupe LBP AP's engagement and exclusion policies, as defined by its Sustainable Finance committee. In particular, it provides:

- ▶ **Regular updates** on transversal engagement campaigns, deliberates on the selection of procedures for escalating the engagements that are the most significant for Groupe LBP AM, monitors engaged companies on its watchlists (SRI norms-based and materiality controversies), and deliberates on the participation in new engagement initiatives.
- ▶ **The necessary deliberations** on implementing the exclusion policy. The norms-based and materiality watchlists are submitted to the committee. The draft exclusion lists drawn up qualitatively (biodiversity policy, norms-based and specific exclusion policies) are submitted to the committee for deliberation.

## DECISION-MAKING AND DUE DILIGENCE BODIES

**SUSTAINABLE FINANCE COMMITTEE**

Signs off on the production and updating of Groupe LBP AM's related exclusion policy and thematic or sector policies.

**GOVERNANCE COMMITTEE**

Approves the production and updating of the voting policy for general meetings.

**GREaT COMMITTEE**

Steers the transversal deployment of engagement and exclusion policies, in ruling on the following, based on the specific conditions expressed in the various components of the exclusion policy:



- The adoption of recommended norms' based actions (engagement, rating overrides, suspension, exclusion, reintegration)
- **Draft exclusion lists** drawn up qualitatively (biodiversity, deforestation, norms-based or specific)
- **Exclusion lists** drawn up strictly quantitative (regulatory exclusions, tobacco, gambling, thermal coal, and oil & gas)

**WEEKLY ESG COMMITTEE**

Prioritises and organises **enhanced due diligence** based on watchlists drawn up by Groupe LBP AM from monitoring the investable universe:



- **Qualitative due diligence** in order to understand, respectively, the risk to the company's financial performance due to poor ESG practices (materiality watchlist) or the risk of non-compliance with the norms-based principles that we adhere to (norms-based watchlist)
- **Formalisation of a recommendation** for management action (engagement, rating overrides, suspension, exclusion, reintegration)

To promote the transversality of engagements conducted by LBP AM's various teams, the Group has launched **the development of a transversal internal engagement platform** that facilitates:


- ▶ The coordination and traceability of the preparation and monitoring of engagements;
- ▶ The production of reports (engagement reports, mandates, responses to requests for proposals, shareholder reports, and financial sector surveys)

## 2. Structuring of our engagement, exclusion and controversy management activities




Groupe LBP AM has set up an exclusion policy, which encompasses regulatory, sector and norms-based exclusions.

### RECAP OF EXCLUSIONS


#### SECTOR-BASED EXCLUSIONS

-  **Gambling**  
Exclusion of the sector.
-  **Tobacco**  
Exclusion of the sector.
-  **Thermal coal**  
Within the mining and utilities sectors, exclusion of companies that have no active exit plan or that are developing new projects and service companies that are significantly exposed.
-  **Oil & gas**  
Within the sector, companies whose revenues are exposed to non-conventional energies and companies that have not undertaken an energy transition.
-  **Biodiversity**  
Within high-impact sectors (energy; agro-food, beverages, and tobacco; materials; transport; utilities and infrastructures) exclusion of companies having the most negative impact and that have not demonstrated that they are taking steps to reduce that impact.
-  **Deforestation**  
Within sectors exploiting the main at-risk commodities (palm oil, soja, livestock and its derivative products, rubber, wood and cacao), exclusions of companies that do not possess anti-deforestation policies, commitments, roadmaps or reporting practices in these areas that are aligned with the Accountability Framework.

#### REGULATORY EXCLUSIONS

-  **Controversial weapons**  
Companies implicated in the making and/or sale of anti-personnel mines, cluster bombs, biological, chemical or nuclear weapons, or depleted-uranium, blinding, incendiary or white phosphorus weapons.
-  **Speculative instruments on agricultural commodities\***
-  **Companies targeted in the fight against money laundering and the financing of terrorism\***

#### NORMS-BASED EXCLUSIONS

-  **Companies that are in serious and repeated violation of the following and that have not taken corrective measures:**  
the OECD Guidelines for Multinational Companies, the United Nations Guiding Principles on Business and Human Rights, or the UN Global Compact when Groupe LBP AM has determined that exclusion is the most effective lever for reducing the risk of ongoing and future violations of standards.

#### SPECIFIC EXCLUSIONS

-  **Companies with poor ratings on an SRI\*\* dimension that could have a material impact on the company.**

\* Specific implementation by LBP AM and TFSA of current regulations.

\*\* Based on the analysis by LBP AM and TFSA, GREaT: Governance, natural and human Resources, Energy transition, Territorial development.



Groupe LBP AM can thus decide to exclude companies for which there exists an unacceptable risk that they cause, or contribute to, especially serious violations of Groupe LBP AM's fundamental ethical standards.

In accordance with Principle 19 of the United Nations Guiding Principles on Business and Human Rights (UNGPR), before the GREaT Committee takes the decision to exclude a company, it must ensure whether other measures, such as shareholder engagement, could be taken in order to reduce the risk of further violations of standards. To this end, **the GREaT Committee rules on excluding or freezing the company, on re-evaluating its rating and/or engaging with it.** It bases its decision on:

- ▶ an evaluation of the seriousness of the impact on human rights, the environment, healthcare and security, or governance;
- ▶ the robustness of the company's due diligence policies and procedures;
- ▶ corrective and remediation measures taken by the company;
- ▶ the link between the business activity and the violation;
- ▶ Groupe LBP AM's potential leverage and actual engagement capacity with the company concerned.

## A TRANSVERSAL MODUS OPERANDI, FULLY STRUCTURED AROUND OTHER STAGES OF THE MANAGEMENT PROCESS

These analyses are conducted based on the following process:

## IMPLEMENTING OF THE NORMS-BASED EXCLUSION POLICY





### 3.

## Exercising our voting rights at general meetings

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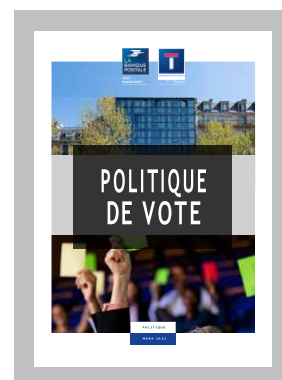
Holding shares confers the right to take part in the general meetings of companies issuing those shares. LBP AM and its subsidiary Tocqueville Finance SA (TFSA) – together known as Groupe LBP AM – believe that voting at general meetings is an integral part of the management process and accordingly exercise their voting rights based on the principles laid down in their voting policy. **Exercising voting rights is an integral component of Groupe LBP AM's engagement strategy and may constitute a lever in formalising the expression of its shareholder expectations.**

Groupe LBP AM may **support non-board-approved resolutions** that it believes are likely to help improve ESG (Environmental, Social or Governance) practices within the company, including **participating in having them written onto the meeting agenda.**

**Exercising our voting rights at AGMs is an opportunity to engage a dialogue with companies** in which Groupe LBP AM has invested on behalf of managed funds, but without exercising a notable influence on managing these companies.

Since 2008, LBP AM has formalised **a voting policy** presenting the perimeter and procedure for voting at general shareholder meetings, as well as the criteria on which resolutions submitted to shareholder votes are approved or rejected. An internal voting guide details the technical rules applying to the policy, particularly as regards financial sector application features.

The voting policy is implemented by LBP AM for both LBP AM and its subsidiary TFSA. It is applied uniformly for all funds (*FCP* and *SICAV* funds) open to the public, as well as to dedicated funds and mandates for which the client has so requested. LBP AM will then apply its voting policy, barring any clause to the contrary.



### Organising the exercising of voting rights

Voting is coordinated by LBP AM's SRI Solutions team, which reports to the Chief Investment Officer, based on:

- recommendations from Institutional Shareholder Services (ISS) and Proxinvest, two recognised governance consulting firms, which provide analyses dedicated to LBP AM in application of its own voting policy;
- the recommendations of the French Asset Management Association (*AFG*).

Enhanced qualitative research with the managers and analysts is conducted on some types of ESG resolutions as well as for general meetings of companies deemed priority.

Several departments, such as compliance and internal controls, are also involved in implementing the policy's conflict-of-interest management component.

### Voting perimeter at general meetings

In 2023, Groupe LBP AM pledged to exercise voting rights regardless of companies' region:

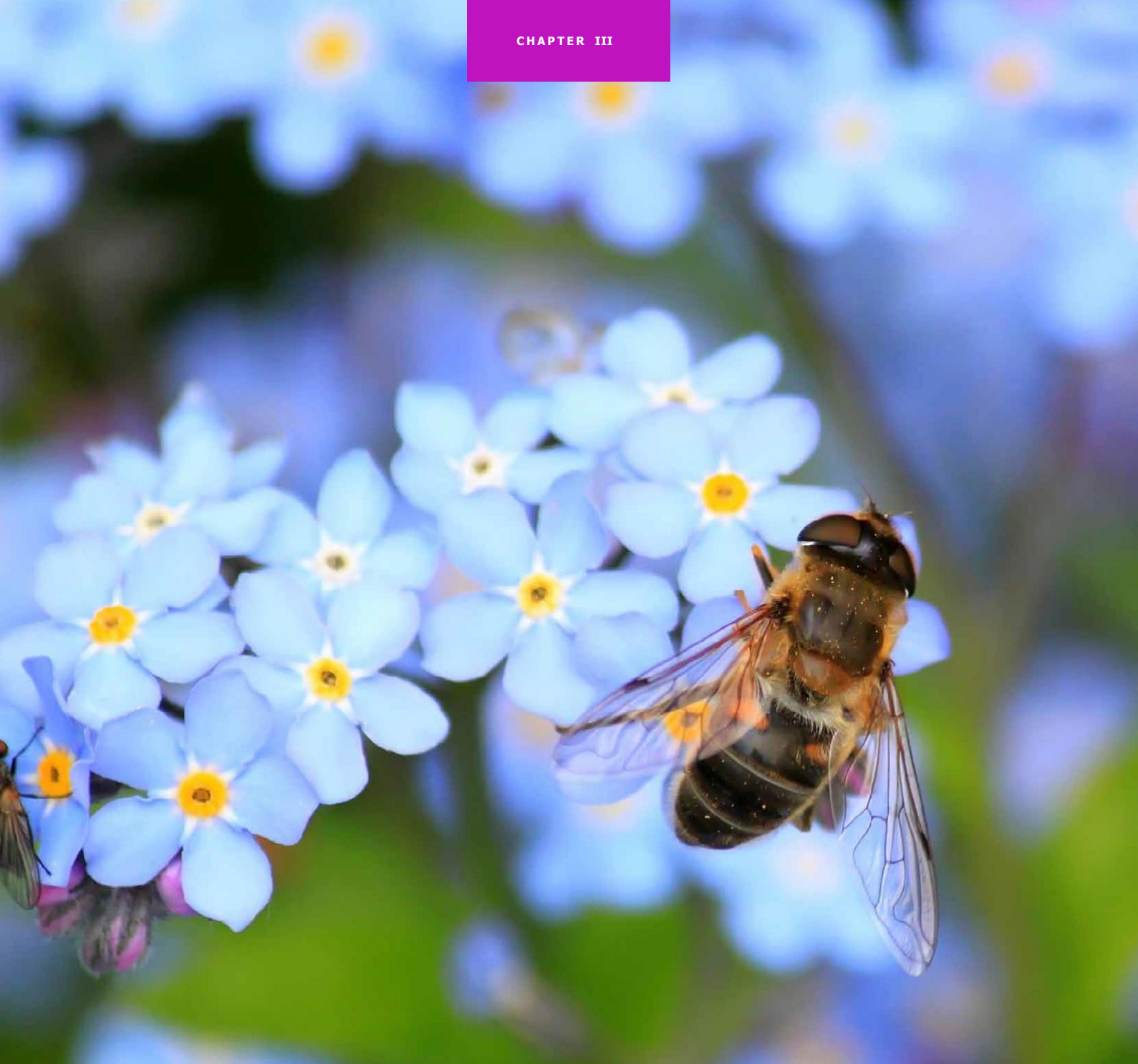
- ▶ Based on the amount in absolute terms invested in the companies, so that votes are cast covering **at least 98% of the total amount invested in equities\***;
- ▶ As well as for companies in which all Groupe LBP AM funds hold at least **0.2% of the shares**.

Groupe LBP AM considers that this level is both significantly representative in terms of assets under management and commensurate with our research and dialogue capacity. However, given that the exercising of voting rights is an essential lever of its shareholder engagement strategy, Groupe LBP AM has chosen to raise its level of participation in general meetings each year so that, by 2025 it is exercising all its exercisable voting rights.



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\* For practical reasons, and to take into account changes within the funds, holdings are calculated at the start of each month.



# OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

# 1.

## Corporate governance engagements

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Corporate governance consists of practices deployed with the objective of managing and supervising the company in the most optimum manner, while protecting stakeholder interests, including those of shareholders, with the purpose of ensuring a proper balance of powers. Our expectations in terms of corporate governance, are developed in **our voting policy** and deal mainly with the following thematics:

- ▶ **Income allocation and value sharing:** Groupe LBP AM pays special attention to sharing value. The distribution of earnings — and remuneration of shareholders — must not be detrimental to the company's financial solidity, resources needed to invest in its long-term development, or the remuneration of all its stakeholders.
- ▶ **Corporate actions:** Utmost transparency is expected on the conditions and motivations of recapitalisation resolutions, in particular when they provide for the elimination of preferential subscription rights. Precautions are necessary, given the risk that shareholders could be diluted.
- ▶ **Structure of the board of directors or supervisory board:** a balance of powers is one of the fundamental principles of good governance. Groupe LBP AM encourages companies to set up competent and independent checks and balances to ensure effective control of management and to create conditions for good performance over time. We accordingly pay special attention to membership of board committees, to directors' capabilities, to the diversity of board directors, to ethics and directors' environmental and social responsibility.
- ▶ **Remuneration of managers and non-executive directors:** Groupe LBP AM expects manager remuneration to be transparent, balanced, and linked to value creation — financial and extra-financial — over the long term and that fosters social cohesion. Groupe LBP AM is in favour of moderating remunerations via a benchmark cap of 240 times the median salary of the country where the company is headquartered. We also expect variable remuneration to integrate ESG criteria and for the company to disclose its equity ratios, which express the difference between remuneration of the company's managers and its employees.
- ▶ **Shareholder rights:** Groupe LBP AM is in favour of long-term shareholdings, as they are a source of stability and a factor of development for the companies. We accordingly support additional rights for long-term shareholders through the payment of an enhanced dividend or double voting rights. However, when multiple voting rights are not meant to make shareholders more loyal, Groupe LBP AM adheres to the one share-one vote principle, so that shareholder voting rights are directly proportional to their financial stake.
- ▶ **Regulated agreements:** a regulated agreement tying the company to one stakeholder having significant influence (e.g., a manager, a member of the board of directors or supervisory board, or a significant shareholder). Given their inevitable conflicts of interests, regulated agreements are subject to enhanced supervision.

## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

- ▶ **External auditors:** external auditors have the task of ensuring that the annual financial statements are fair and sincere in the interests of shareholders. We urge companies to prevent any conflict of interests in selecting external auditors by organising a steady rotation of auditors and in refraining from assigning any non-auditing tasks to them.
- ▶ **Employee involvement in companies' governance and equity capital:** We support the development of employee shareholdings and are in favour of electing employee representatives to the board of directors and remuneration committees.

Most engagement initiatives dealing with corporate governance are conducted at general meetings.

**The purpose of this dialogue and/or engagement approach is:**

- ▶ to enhance the analysis of resolutions submitted to general meeting votes by allowing companies to provide additional information;
- ▶ **to improve companies' governance practices in one or more of the aforementioned areas,** for example in explaining the motivations of our "no" votes or intentions to vote "no". Discussions prior to general meetings may be undertaken on the initiative of companies that want to submit resolutions that are on the agenda or taken on LBPAM's initiative.

In exercising voting rights at AGMs, Groupe LBP AM **applies principles of governance that are detailed in its policy**, and may accordingly:

- ▶ **support shareholder resolutions submitted at general meetings and can take part in submitting resolutions which it believes would have a positive incidence on the companies' governance;**
- ▶ **oppose certain resolutions** submitted by management, for example **in the event of material governance controversies.**

On an annual basis, Groupe LBP AM draws up a list of priority companies for which we systematically disclose our oppositions to resolutions submitted to shareholder votes **with the goal of accompanying and disseminating good governance practices.**

Groupe LBP AM also participates in the **Club des 30**, a French collaborative engagement initiative created in November 2020 in order to promote gender diversity on the governing bodies of SBF 120 companies. Groupe LBP AM is a founding member of the French chapter of this broader initiative which aims to encourage companies to promote the inclusion of women in positions of responsibilities. We expect companies to show transparency in procedures used to identify and appoint new members of the management team, and to explain how this process ensures diversity on management teams. We also ask companies to disclose information on how diversity is achieved at all levels of responsibility at the company. We also expect evidence of a corporate culture that is favourable to gender diversity.

## 2. Climate engagements

In accordance with the Paris Agreement, Groupe LBP AM aims to make its investments compatible with low-carbon development that is resilient to climate change (Art. 2.1). **In January 2021, Groupe LBP AM joined the Net-Zero Asset Manager Initiative**, pledging to define a trajectory of decarbonation of its portfolios with an initial target date of 2030, until it achieves **carbon neutrality** of its investments by 2050. In May 2022, Groupe LBP AM accordingly set a target of **aligning 80% of its eligible assets by 2030**. Shareholder engagement with companies is an important lever for achieving this objective, as we want to help them steer their environmental planning practices towards contributing to the transformation of the real economy.

**To achieve its objectives, Groupe LBP AM encourages companies:**

- ▶ **to formalise robust transition plans** that help deploy a transparent and credible transition strategy, in order to align, over time, their activities and practices with a scenario under which global warming can be capped at 1.5 °C.
- ▶ **to regularly consult their shareholders on this transition plan and its execution**, in particular through dedicated climate resolutions submitted to a general meeting vote, commonly called “say-on-climate” resolutions. These allow shareholders to voice their opinion specifically on companies’ energy transition strategy and objectives and how that strategy was executed during the financial year.
- ▶ **to evaluate, reduce and report on its exposure to physical and transition climate risks**, based in particular on the TCFD reporting framework.

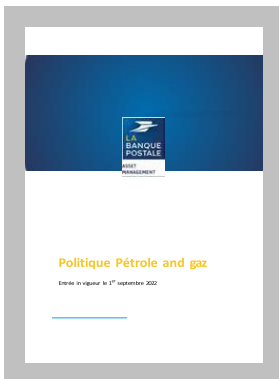
These expectations, which are applicable to all sectors, are deployed on the basis of the selection criteria mentioned under point 1.3, and with special attention to, and prioritisation of, “challenging” sectors. They are accordingly articulated and expressed in two sector policies: **oil & gas and coal**.

### Groupe LBP AM’s oil & gas policy

Our sector policy for investing in companies and company projects operating in the oil & gas sector (including exploration, exploitation, processing, transport, refining or products or services related to these activities directly or as a partner or shareholder) aims to define the principles applicable by the management companies in aligning, by 2030, their oil & gas sector allocation with their 2050 carbon neutrality objective. It is based mainly on actively engaging with sector companies **to ask them to establish and disclose a clear and credible strategy for transitioning their energy strategy into carbon neutrality that is aligned with climate and energy scenarios that would cap global warming at 1.5°C**, while giving priority to permanent means that are the most quickly available and the least costly.

This strategy covers all emissions scopes and must in particular include steering these companies’ investments (both capex and M&A) towards already existing and the lowest-emitting fields. The goals are: 1/ to avoid exacerbating a shutdown of regional economies and companies invested in fossil fuels, where applicable, on the basis of asset exploitation costs and positioning in the value chain; and 2/ to avoid increasing the risk of stranded assets or the decline of emitting commercial activities that would result from a successful energy transition, as advocated by the IPCC.

## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

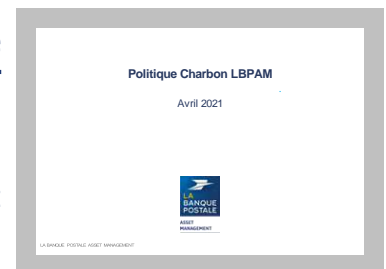


The strategy is also meant to **control physical risks from climate change**, risks to biodiversity from their operations and social risks from their strategy.

**Groupe LBP AM's expectations on transition plans are developed more in depth in the third chapter of our oil & gas policy.**

### Groupe LBP AM's coal policy

Groupe LBP AM's **coal policy** consists in selecting companies on the basis of their **commitment to eliminate thermal coal from their activities** in accordance with scientific recommendations.



Our analysis is based on IPCC recommendations, which state that electricity producers and mining groups must eliminate thermal coal from their activities by 2030 in OECD countries and by 2040 in other countries. **The companies are classified into three categories:**

- ▶ **Hold:** the company has formalised a coal-exit commitment that is aligned with scientific recommendations:
- ▶ **Engage:** the company has formalised a commitment to exit coal, but this commitment is not aligned with scientific recommendations. **The engagement goal is to urge them to revise the timing of their thermal coal exit plan by identifying possible workarounds.**
- ▶ **Divest:** the company has not formalised a commitment to exit coal.



## COAL ANALYSIS CRITERIA

## 5 MAIN ANALYSIS CRITERIA OF ISSUERS THAT GENERATE REVENUES FROM COAL, ELECTRICITY GENERATION, MINING AND SERVICES



1. Is this issuer involved in the **development of new projects** (power plants, mines or services)?



2. Has this issuer **pledged publicly to eliminate coal from its activities** (power plants or mines)?



3. Does this issuer generate **more than 20% of its revenues from thermal coal** (services)?



4. Is the issuer's commitment **aligned with the Climate Analytics\* timetable**?



5. Has the issuer **released a detailed, per-unit exit plan** based on shutting down assets, rather than just divesting them?

## DECISION-MAKING CRITERIA

## DIVEST

- Mining company or electricity producer **involved in the development of new projects.**
- A services company generating **at least 20% of revenues from thermal coal.**

## HOLD

- Issuer whose coal exit date is **aligned with the Climate Analytics timetable.**

## ENGAGE

- Issuer having **disclosed** a coal exit but **without a clear timetable.**
- Where applicable, an **engagement is undertaken by SRI Solutions** in Q1 of year N for the purpose of ruling on whether the security will be held or divested by 31 December.

\* Elimination of coal in electricity generation by 2030 in the OECD and by 2040 worldwide



## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

Groupe LBP AM expresses its climate expectations through a regular and consistent bilateral or collaborative dialogue with invested companies, to promote all or some of these three objectives.

To cite one example, we take part in **two collaborative engagement campaigns organised by the Carbon Disclosure Project (CDP)**. CDP is an international, not-for-profit organisation that manages an environmental reporting-based database for investors, companies, governments and regions.

- ▶ The first campaign, the **Transition Champion**, aims to enhance the quality of portfolio companies' decarbonation plans.
- ▶ The second, the **Science-Based Targets Campaign**, aims to encourage companies to commit to the Science Based Targets initiative (SBTi). In doing so, companies set decarbonation goals that have been scientifically approved and aligned with a scenario capping global warming at 1.5 °C. This dialogue **is intertwined with our voting policy**. In the framework of this dialogue, Groupe LBP AM:
  - may **support shareholder resolutions and may take part in submitting resolutions addressing some or all of these three climate objectives;**
  - may **oppose some resolutions** submitted by management **in the event of serious environmental controversies;**
  - is favourable to voting regularly on **companies' holistic environmental strategy laying out its energy transition objectives**, and voting regularly on a report detailing the implementation of this strategy via resolutions that are commonly known as "say-on-climate".

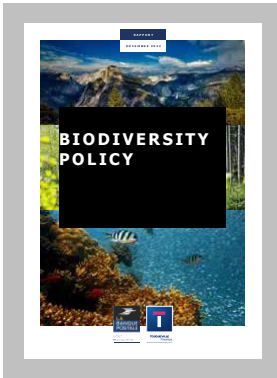
To manage real and private debt assets, Groupe LBP AM does its utmost to contractually incentivise companies and company projects to adopt a transition strategy aligned with the aforementioned standards.



Groupe LBP AM is also a signatory of Climate Actions 100+. This initiative, launched in December 2017 during the One Planet Summit, aims to incentivise the world's major greenhouse gas emitters to reduce their emissions in line with the goals of the Paris Agreement. In signing the initiative's charter, Groupe LBP AM pledges to work to encourage the energy transition through its funds' investments.

We also support the Task Force on Climate-related Financial Disclosures (TCFD), through which Groupe LBP AM pledges to disclose and report on climate risks.

### 3. Biodiversity engagements



Groupe LBP AM's commitment to protecting biodiversity is expressed in its **biodiversity policy**. This policy is based mainly on an active commitment to urge invested companies in challenging sectors **to bring their biodiversity impacts and dependencies on natural capital under control**.

Accordingly, Groupe LBP AM undertakes **a dialogue with companies in order to enhance its understanding of the issues involved and the challenges of meeting its expectations in biodiversity, classified into sector challenges and the company's own challenges**. A sector is selected for a period of two to three years, during which discussions are held with certain companies on a regular basis through either bilateral or collaborative engagements.

Groupe LBP AM's expectations are based on the following actions, which are adjusted to the company's own challenges:

- ▶ The deployment of TNFD-style reporting and moving into compliance with the future CSRD standards;
- ▶ The deployment of engagements and objectives set by the Global Biodiversity Framework of the Convention on Biological Diversity;
- ▶ The recommendations of working groups of the Finance for Biodiversity Pledge regarding engagement;
- ▶ The framework of the Science Based Targets for Nature, and particularly the analysis of biodiversity pressures in the key main sectors.
- ▶ The sector's main challenges, based on the ENCORE database;
- ▶ Scientific reports and studies by NGOs that are specific to the company and its business.



In particular, we encourage companies:

- ▶ to identify their impacts and dependencies pertaining to biodiversity and ecosystem services and to undertake TNFD-style reporting and moving into compliance with future CSRD standards;
- ▶ to deploy an efficient risk management policy, laying out protection/restoration/limitation objectives and procedures of the impact of their activities on nature, and, in particular to set up circularity and reduction plans for single-use plastic.
- ▶ to adhere to the approach of the Science Based Targets for Nature in order to help achieve the objectives of the Global Biodiversity Framework of the Convention on Biological Diversity.

## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

As **deforestation** is a crucial challenge in combating the loss of biodiversity, Groupe LBP AM has defined a **shareholder engagement approach dedicated to this challenge**:

## DEFORESTATION CHALLENGES



## DEFORESTATION

- **Carbon sinks:** forests play an important role in capturing CO<sub>2</sub>, which is essential for limiting climate imbalance.
- **Reasons for deforestation:** livestock, soja, forestry, palm oil, industry (mines, dams, etc.).
- **Media pressure**, which was especially strong after the summer 2019 fires in Amazonia, as well as Asia and Africa.
- **Risks of a worsening of the situation**, due to the policies of the Bolsonaro government.  
Example: the decision in February 2020 to authorise mining activities in territories reserved for native peoples.
- **Human rights risks:** displacement of indigenous populations.



## IMPLEMENTATION OF OUR SRI STRATEGY

- **Identifying companies having a big impact** on deforestation without corrective measures
- **Sources:** NGOs, CDP, MSCI, etc.



## Forestry companies and merchants

## Proposal

- **Exclusion** unless the group has set up a policy to prevent deforestation that is aligned with the *Accountability Framework* and is externally certified (by RSPO, RTRS, FSC, etc.)

## Motivation

- **Direct responsibility** for deforestation
- **Risk of controversy**



## Manufacturers and processors

## Proposal

- **Exclusion** unless the group has set up a policy to prevent deforestation that is aligned with the *Accountability Framework* and is externally certified (by RSPO, RTRS, FSC, etc.)

## Motivation

- **Significant reputational risk** (B-to-C)
- **An important lever for changing the practices of** forestry companies and merchants



























## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES


Groupe LBP AM expresses its shareholder expectations on biodiversity through a regular and consistent bilateral or collaborative dialogue with invested companies.


We participate particularly in **collaborative engagement initiatives on thematics that address pressures on biodiversity**. In 2022-2023, these collaborative engagement campaigns dealt with:


- ▶ **The circular economy**, coordinated by the **Forum pour l'Investissement Responsable (FIR) in partnership with the Institut pour l'Economie Circulaire**, to understand how SBF 120 companies take into account the issue of circularity and to incentivise them to improve their practices through discussions with investors.
- ▶ **Preserving biodiversity in the production of raw materials**, coordinated by **Ceres** and adapted to the challenges arising from land use, overexploitation of resources and the impact on climate change of deforestation and the depletion of biodiversity, particularly in supply chains.
- ▶ **Responsible production of raw materials**, coordinated by the **Principles for Responsible Investment (PRI)**, in order to promote actions against deforestation and in favour of transparency and monitoring of the supply chain, and respect for human rights.
- ▶ **The transition of the agro-food sector**, coordinated by the **Farm Animal Investment Risk and Return (FAIRR)** based on annual studies conducted by this network on the following thematics:
  - **Sustainable proteins** for a diversification and vegetation of product lines and the implementation of good livestock practices. Groupe LBP AM has also signed the Cerrado Statement against deforestation.
  - **Sustainable aquaculture** to improve the quality of aquaculture feed for salmon and shrimp.
  - **Animal pharmaceuticals and use of antibiotics and antimicrobials**: signatories of the Statement on Antibiotics Stewardship in favour of responsible use of antibiotics in animal pharmaceuticals; Groupe LBP AM conducts dialogues with companies producing pharmaceutical substances for livestock.
  - **Biodiversity and soil pollution** by producers of fertilisers and agricultural chemicals and pork industry producers.
- ▶ Enhanced reporting on **managing water and forests**, coordinated by the **Climate Disclosure Project (CDP)** on the basis of dedicated thematic questionnaires sent to companies to report on their objectives, strategies and achievements. Groupe LBP AM uses these data for analysis in conducting dialogues with companies on the issue of deforestation in particular, encouraging companies to fill out these questionnaires through the **Non-Disclosure Campaign on Forestry and Water thematics**.
- ▶ **Deforestation in the automotive supply chain** as part of the investor group coordinated by Storebrand AM in partnership with Rainforest Action Norway in order to conduct dialogue with the various links in the industry's value chain.
- ▶ In the coming months, Groupe LBP AM will also be joining the engagement coordinated by **ShareAction** on the issue of preserving sensitive biodiversity sites and on the use of chemicals in agriculture, and the **Nature Action 100** initiative coordinated by several investor networks.


OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES


COLLABORATIVE ENGAGEMENT						
COORDINATOR	ENGAGEMENT THEME					
CERES	Responsible production of raw materials and the fight against deforestation					
	Sustainable proteins					
FAIRR	Sustainable aquaculture and responsible sourcing of aquaculture feed					
	Responsible use of antibiotics and antimicrobials (livestock)					
Rainforest Action investor coalition	Biodiversity and pollution					
	Deforestation in the automotive supply chain					
CDP	Reporting – Forestry questionnaire					
	Reporting – Water questionnaire					
ShareAction (to come later)	Use of agricultural chemicals					
	Protection of UNESCO World Heritage sites					
Nature Action 100 (to come later)	Nature Action 100 (Biodiversity)					

 **Change in the use of soil and seas**

 **Overexploitation of resources**

 **Climate change**

 **Pollution**

 **Proliferation of invasive species**

This dialogue is intertwined with our voting policy. Under its voting policy, Groupe LBP AM:

- ▶ may support shareholder resolutions and take part in submitting resolutions that help meet its biodiversity expectations;
- ▶ may oppose certain resolutions submitted by management in the event of material environmental controversies;
- ▶ is favourable to voting regularly on companies' holistic environmental strategy, specifying the related biodiversity objectives, as well as on a report detailing the implementation of this strategy via "say-on-nature" resolutions.

## 4. Human rights engagements

**Groupe LBP AM pledges to respect internationally recognised human rights\* (“human rights”) in all its investment activities**, in accordance with the OECD Guidelines for Multinational Enterprises (“the Guidelines”), the United Nations Guiding Principles on Business and Human Rights (UNGP) and the 10 Principles of the United Nations Global Compact (UNGC).

In carrying out this engagement, we strive to implement responsible standards of conduct by companies in the area of human rights, as described in the aforementioned guidelines.

This engagement also constitutes a standard for our business relationships, starting with the companies in which we invest. We are therefore committed to respect for human rights via an active engagement to encourage invested companies to **identify, evaluate, mitigate and remedy their impact on people and to follow up and report on those impacts**.

Groupe LBP AM expresses its shareholder expectations pertaining to human rights through a regular and consistent bilateral or collaborative dialogue with invested companies.

Groupe LBP AM also takes part in bilateral or collaborative engagement initiatives that promote due diligence in companies’ human rights practices, thus allowing them to identify their material impact risks on human rights, for example:

- ▶ **Advance, organised by the Principles for Responsible Investment (PRI):** Advance is a collaborative initiative in which institutional investors work together to promote human rights, through due diligence that is in compliance with the UNGP and the OECD Guidelines.
- ▶ **Corporate Human Rights Benchmark (CHRB), organised by Investors Alliance for Human Rights:** The CHRB provides a comparative glance at companies by examining their policies, processes and practices in the area of human rights and due diligence. Investors engage one or more companies in order to promote the enhancement of companies’ due diligence in protecting and respecting human rights in all of their activities.
- ▶ **Coalition against forced labour and child labour with the Forum pour l’Investissement Responsable (FIR) and Human Resources Without Borders (RHSA):** this coalition aims to support the fight against forced labour and child labour worldwide. The coalition mobilises so that exercising due diligence makes an effective contribution to reducing risks to persons, through a constructive dialogue carried on with companies. Within this framework, engaged companies are evaluated on the basis of an analysis grid co-designed by participating investors and RHSA. The purpose is to underline the points for improvement by companies on these two issues and to assist them in implementing the best practices

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\* Human rights are defined as all inalienable rights of treatment to which all people are entitled, regardless of their sex, national or ethnic origin, couleur, religion, language, handicap, sexual or gender orientation or any other factor. They also include international humanitarian rights. As part of the norms-based policies of LBP AM and Tocqueville Finance, special attention is paid to the rights contained in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the ILO Declaration on Fundamental Principles and Rights.

## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

We also take part in several initiatives that pay special attention to major risks that are especially relevant to certain sectors, such as:

- ▶ **A collaborative initiative on healthcare companies, with UNI Global Union:** UNI Global Union is an international trade-union federation of service industries. Working more specifically in the healthcare and retirement home sectors, UNI Global Union started a coalition with a goal of engaging with sector companies to promote and enhance practices, particularly in the treatment of elderly persons and working conditions. In 2022, Groupe LBP AM signed the Investors' Declaration on expectations with regard to the retirement home sector, a document formalising the coalition's objectives.
- ▶ **A collaborative initiative on telecommunications companies organised by the Investor Alliance for Human Rights and Rating Digital Rights:** Ranking Digital Rights is an independent research programme that assesses the policies and practices of technology and telecom companies and studies how to control the impacts these companies have on human rights, particularly the right to privacy and freedom of expression. Based on their findings, investors engage with evaluated companies in order to discuss their impacts and promote the best practices in respect for human rights.
- ▶ **A collaborative initiative on pharmaceutical companies, organised by the Access to Medicine foundation:** Established in 2004 and based in the Netherlands, Access to Medicine evaluates pharmaceutical companies on their capacity to promote access to medicines and healthcare, particularly among the most vulnerable persons, via research & development, pricing policies, and intellectual property policies. The foundation conducts a biennial ranking of the largest sector companies on these aspects and brings investors together in order to engage with companies and incentivise them to enhance their practices.

Lastly, companies that are in serious and repeated violations of the guidelines of the OECD, the UNGC and UNGP and have not taken any corrective and effective remediation steps, or for which there exists an unacceptable risk that they cause or contribute to particularly egregious violations of Groupe LBP AM's fundamental ethical standards are subject to action by Groupe LBP AM to mitigate the risks of ongoing and future violations of standards. The nature and organisation of due diligence and deliberations for doing so are laid out in **Groupe LBP AM's norms-based policy.**



These engagements **are intertwined with our voting policy.** Under its voting policies, Groupe LBP AM:

- ▶ **may support shareholder resolutions** submitted at general meetings **and may take part in submitting resolutions if they further its objectives in respect for human rights;**
- ▶ **may oppose certain resolutions** submitted by management **in the event of serious human rights controversies.**



# OUR ADVOCACY INITIATIVES AND PARTNERSHIPS WITH FINANCIAL SECTOR ACTORS



OUR ADVOCACY INITIATIVES AND PARTNERSHIPS WITH FINANCIAL SECTOR

In accordance with its commitment to the Six Principles for Responsible Investment (PRI), Groupe LBP AM extends its **engagement initiatives to financial regulators and organisations of financial professionals**, in order to bring its vision of responsible investment to the market in specific regulations and standards that promote sustainable finance.

FINANCIAL SECTOR INITIATIVES IN WHICH GROUPE LBP AM TAKES PART

ESG/SRI THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND ITS IMPLICATIONS FOR GROUPE LBP AM	NATURE OF ITS ENGAGEMENT
		<p><b>AFG (French Asset Management Association):</b> Emmanuelle Mourey (chair of the LBP AM Management Board) has been a member of the Strategic Committee since December 2019. Groupe LBP AM is a member of the Responsible Investment and Corporate Governance committees. Other Groupe LBP AM employees also take part in other AFG committees.</p>	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Seat</b> on a committees</li> </ul>
		<p><b>AMF (French Financial Markets Authority):</b> Groupe LBP AM is member of the climate and sustainable finance consulting committee, which began a new term at the end of 2022. On that occasion, Groupe LBP AM took active part in developing the committee's position on say-on-climate.</p>	<ul style="list-style-type: none"> <li>• <b>Seat</b> on a commission</li> </ul>
		<p><b>Ceres</b> is a US body that encourages dialogue between investors and companies in order to act on sustainability issues. Groupe LBP AM participates in the following Ceres-organised collaborative engagement campaigns: Land Use and Climate, Deforestation, Biodiversity, Valuing Water Initiative.</p>	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in collaborative engagement campaigns</li> </ul>
		<p><b>The Sustainable Finance and Responsible Investment (FDIR) chair</b> aims to promote collaboration between asset management professionals and researchers whose work contributes to the international reputation of the Paris market on this essential theme. Since 2016, Groupe LBP AM has held the presidency of the Chair.</p>	<ul style="list-style-type: none"> <li>• <b>Support</b> for academic research</li> </ul>
		<p><b>Eurosif</b> is a pan-European association promoting sustainable finance at the European level – encompassing the EU, the extended European Economic Area (EEA) and United Kingdom. Eurosif's activities consist in contributing to public policies and conducting research into better understanding responsible investment and the obstacles encountered by sustainability-minded investors. Groupe LBP AM takes part in the working groups on classifying financial products.</p>	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in working groups</li> </ul>

Responsible investment

Governance

Climat

Biodiversity

Impact investment














Human rights

Transition plan

Net Zero

## OUR ADVOCACY INITIATIVES AND PARTNERSHIPS WITH FINANCIAL SECTOR

## FINANCIAL SECTOR INITIATIVES (CONT.)

ESG/SRI THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND ITS IMPLICATIONS FOR GROUPE LBP AM	NATURE OF ITS ENGAGEMENT
		<b>The Farm Animal Investment Risk and Return (FAIRR)</b> is an initiative that aims to steer the livestock sector in a different direction. Groupe LBP AM takes part in working groups and collaborative engagement campaigns in the following areas: sustainable aquaculture, sustainable proteins, biodiversity and pollution, resistance to antimicrobials and antibiotics.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in collaborative engagement campaigns</li> </ul>
		<b>Finance for Biodiversity Foundation:</b> Since 2022, Groupe LBP AM has been a signatory of the Finance for Biodiversity Pledge and takes part in the following working groups: measuring biodiversity impact, shareholder engagement on biodiversity, setting biodiversity objectives, advocacy initiatives and policy engagement on biodiversity.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in collaborative engagement campaigns</li> <li>• <b>Signatory</b> of a pledge</li> </ul>
  		<b>The Forum pour l'Investissement Responsable (FIR)</b> was set up in 2001 in order to promote SRI. Groupe LBP AM joined the FIR in 2014. Helena Charrier (head of SRI Solutions at LBP AM) and Nicholas Vantreesse (CSR head at La Banque Postale) were re-elected to FIR's board of directors in 2022, of which Helena is a vice-president. Groupe LBP AM takes part in collaborative engagement campaigns on say-on-climate, the circular economy, forced labour and child labour.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Seat</b> on the board of directors</li> <li>• <b>Participation</b> in collaborative engagement campaigns</li> </ul>
		<b>France Invest</b> is a professional organisation with more than 400 French asset management, private equity and private debt companies and of which Groupe LBP AM is a member of the Sustainability Committee. The association and its members are committed to accompanying non-listed start-ups and SMEs in their transformation towards responsible practices and models.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in working groups</li> </ul>
 		<b>GFANZ</b> is a global coalition of first-tier financial institutions committed to accelerating the decarbonation of the economy. The alliance aims to broaden, deepen and raise carbon neutrality ambitions throughout the financial system and to demonstrate a collective commitment to helping companies and countries meet the objectives of the Paris Agreement. As part of this alliance, Groupe LBP AM has taken very active part in working groups on developing a voluntary international standard on transition plans in the real economy via Real Economy Pathways and for financial institutions as part of the Portfolio Alignment.	<ul style="list-style-type: none"> <li>• <b>Participation</b> in working groups</li> </ul>

OUR ADVOCACY INITIATIVES AND PARTNERSHIPS WITH FINANCIAL SECTOR

FINANCIAL SECTOR INITIATIVES (CONT.)

ESG/SRI THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND ITS IMPLICATIONS FOR GROUPE LBP AM	NATURE OF ITS ENGAGEMENT
		<b>The Institutional Investors Group on Climate Change</b> is a network of investors on climate change that works together in drawing up guides to financial sector practices and engagement indicatives. Groupe LBP AM takes part in consultations and working groups.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in working groups</li> </ul>
		<b>The International Corporate Governance Network</b> is a network of professionals that aims to promote standards of good governance. Groupe LBP AM joined the network in early 2023.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> </ul>
   		<b>The Institut de la Finance Durable (IFD)</b> (formerly Finance for Tomorrow) is an initiative of Paris Europlace to promote sustainable finance in France and internationally. Its goal is to steer financial flows into a low-carbon and inclusive economy, in consistency with the Paris Agreement and the Sustainable Development Goals. Groupe LBP AM is a member of its bureau, of the Policy Committee and the Impact, Fair Transition, Biodiversity & Deforestation working groups.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in working groups</li> <li>• <b>Participation</b> in collaborative engagement campaigns</li> </ul>
		<b>The Investor Alliance For Human Rights</b> mobilises responsible investors around the respect of fundamental human rights. Groupe LBP AM takes part in the Corporate Human Rights Benchmark and Rating Digital Rights working groups.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in working groups</li> </ul>
 		<b>The Net Zero Asset Managers Initiative (NZAMI)</b> is an initiative to enhance pro-climate actions with the goal of achieving carbon neutrality in 2050. Groupe LBP AM has pledged to achieve carbon neutrality in its portfolios via its commitment to this alliance.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> </ul>
   		<b>The Principles for Responsible Investment (PRI)</b> were launched by the United Nations in 2006. This is a voluntary commitment that addresses the financial sector and urges investors to integrate ESG issues into managing their portfolios, Groupe LBP AM takes part in working groups and collaborative engagement initiatives on the following thematic: tax responsibility, responsible production of raw materials, human rights, and plastics.	<ul style="list-style-type: none"> <li>• <b>Membership</b> in a financial sector organisation</li> <li>• <b>Participation</b> in collaborative engagement campaigns</li> <li>• <b>Participation</b> in working groups</li> </ul>



Impact investment



Human rights



Transition plan




Net Zero

# MANAGING CONFLICTS OF INTEREST

Groupe LBP AM's portfolio management companies provide on their websites a document entitled "**Policy for managing conflicts of interests**", which describes the mechanism set up to identify, prevent and manage conflicts of interests that may arise between, on the one hand, Groupe LBP AM, persons under its authority or acting on its behalf or any other person linked directly or indirectly through a controlling relationship and, on the other hand, its clients, or between two clients, in providing any investment service or any ancillary service or any combination of these services.

Regarding the management of conflicts of interest and within the framework of its voting activities at general meetings, more details are provided in Chapter V of the **Groupe LBP AM voting policy**.



# TRANSPARENCY IN OUR SHAREHOLDER ENGAGEMENT

Groupe LBP AM's portfolio management companies publish an annual shareholder engagement report on the application of this shareholder engagement policy. It is available on the websites of:

- ▶ LBP AM in the category "News" — "Publications & Reports"
- ▶ TFSA in the category "All our news" — "Publications"

For the purpose of transparency with regard to all our stakeholders, details on votes for each open-ended fund for which Groupe LBP AM votes are published online seven days after each general meeting via the following link:

<http://vds.issgovernance.com/vds/#/NDY5MA==>

Groupe LBP AM reserves the option of pre-announcing some of its votes, after a case-by-case review of the suitability of such an action in the conduct of an engagement.

**LBPAM** 

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**T** **TOCQUEVILLE**  
Finance

**<https://www.lbpam.com>**

**<https://www.tocquevillefinance.fr>**

**La Banque Postale Asset Management (LBP AM, effective 1 July 2023)**

*Société Anonyme à directoire et conseil de surveillance* with authorised capital of  
6,096,204.80 euros

Registered office: 36, quai Henri IV 75004 Paris, France

Entered into the Paris Registry of Trade and Companies under n° 879 553 857 RCS Paris

Certified as a portfolio management company by the French Financial Markets Authority

(AMF) under n° GP-20000031 (APE code: 6630Z)

EU VAT N°: FR 71 879 553 857

**Tocqueville Finance**

*Société Anonyme* with authorised capital of  
2,520,547,80 euros

Registered office: 36, quai Henri IV 75004 Paris, France

Entered into the Paris Registry of Trade and Companies under n° 381 652 072 RCS Paris

Certified as a portfolio management company by the French Financial Markets Authority (AMF) under n° GP-91012