

# 2023 ENGAGEMENT POLICY

POLICY

JUNE 2023

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## PREAMBLE

LBP AM and its subsidiary Tocqueville Finance SA (TFSA) – together known as **the LBP AM Group** – **have made the strategic choice to be actively involved with companies** that we support financially through our investment decisions, **in order to encourage them to make continuous 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 asset 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 usual procedures of conducting engagements are formalised in this comprehensive shareholder engagement policy, supplemented by our SRI thematic policies, which specify and define the technical expectations for specific issues and sectors. This policy is intended to apply independently to each of the LBP AM Group's two asset management companies – LBP AM and TFSA – and uniformly to all funds within their respective perimeters.

**In order to report to our customers and stakeholders on the dialogue and engagement actions carried out, as well as the application of our voting rights, we report on the implementation of this policy through the annual publication of an engagement report for the LBP AM Group.**

### **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, LBP AM Group 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.*

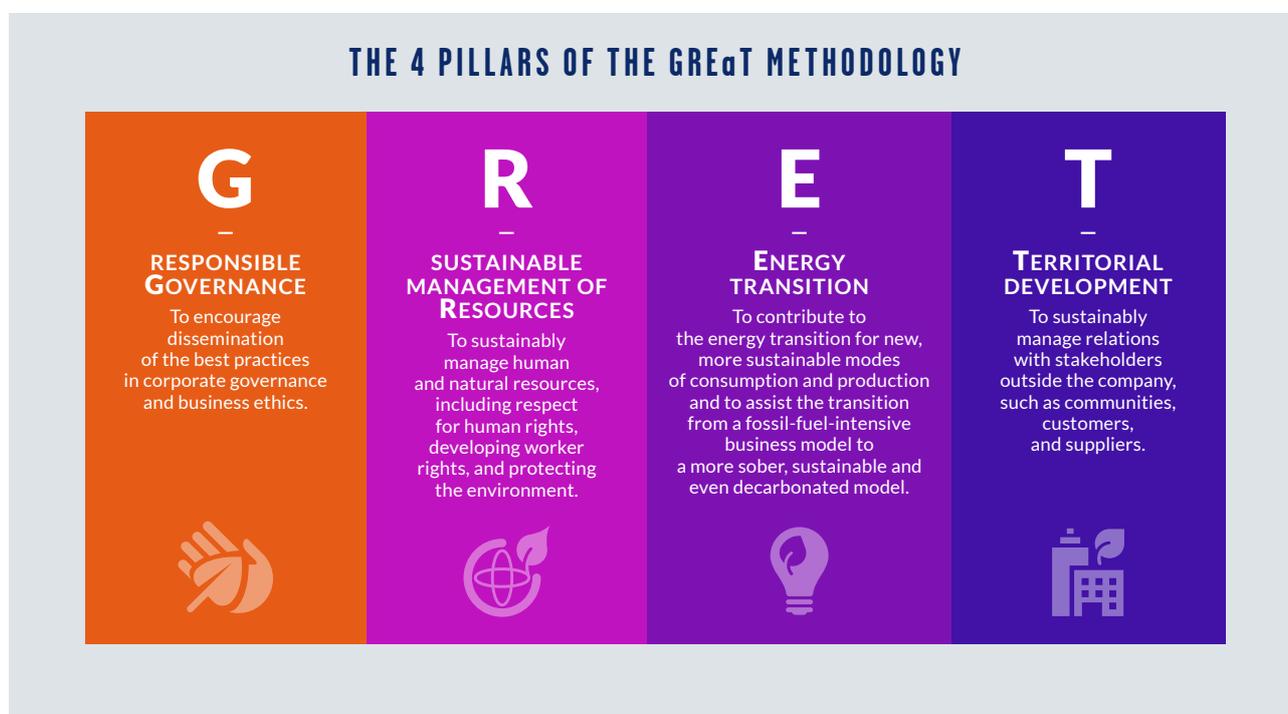


# ENGAGEMENT, A PILLAR OF THE LBP AM GROUP RESPONSIBLE INVESTMENT APPROACH

# 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) topics**, by carrying on a dialogue with them to understand their practices and challenges and to formulating recommendations 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.



**This engagement policy** describes the procedures for identifying companies to be engaged with, the usual procedures for conducting these engagements, the escalation strategy in the absence of result, 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 more details 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

The LBP AM Group 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 encourage companies to constantly improve their policies and practices to place them on a sustainable path. We define sustainability as being part of a **double 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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The LBP AM Group engagement policy is conducted at the asset managers level. Accordingly, all invested companies in the LBP AM Group's portfolios may be engaged on ESG issues. **All engagement initiatives are conducted in the LBP AM Group'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 the LBP AM Group, 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 from **collaborative initiatives**.

Concerning transferable securities, our policy can be applied for all our portfolio holdings as we engage companies in our role of **shareholders and bondholders**.

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

In order to carry engagement and dialogue, the Fundamental and Sustainable Research and SRI Solutions teams, as well as the portfolio managers, regularly discuss with the management and CSR specialised teams of companies in which the LBP AM Group invests.

These discussions 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. The LBP AM Group may request meetings with companies to discuss specific issues in application of our SRI policies. Our teams may also be spontaneously solicited by companies to provide feedback on themes defined by companies themselves, e.g. in order to prepare general meetings of shareholders. We are using this opportunity to present our expectations in terms of good governance practices;

**Collaborative engagement** with other investors on a shared issue. The LBP AM Group participate in joint initiatives when they are in line with their SRI thematic policies. These can usefully complement the approach initiated at bilateral level, by pooling research elements, by providing companies with coherent signals regarding the expectations of responsible investors, and in exerting a more significant influence on companies. When the LBP AM Group is involved in collaborative engagements, campaigns are selected to meet SRI policies of LBP AM/TFSA. The level of involvement of LBP AM may vary from support to co-lead or lead role.

## ENGAGEMENT, A PILLAR OF THE LBP AM GROUP RESPONSIBLE INVESTMENT APPROACH

These discussions may be notably carried either in the context of general meetings or as part of the controversy management process:



**General meeting discussion**

**General meetings discussions:** discussion may be conducted on the initiative of companies that wish to gauge their shareholders' view before their general meetings, or on the initiative of the LBP AM Group, in order to encourage the companies to align themselves with the best ESG practices. General meetings are an opportunity for shareholders to express their SRI convictions by exercising their voting rights actively in order to advance practices in areas such as remuneration, board membership or employee involvement in governance. This is done either by exercising voting rights, by filing shareholder resolutions or ask questions to companies;



**Controversies management discussions**

**Controversy management discussions:** the LBP AM Group may discuss with companies following a controversy. It does so in order to investigate the quality of its policies and procedures on a particular issue. Where appropriate the LBP AM Group formulate proposals intended to end, and prevent the recurrence of negative impacts of the company's practices, for the society and the company's own performance. This dialogue differs from regular dialogue, in the extend that it focuses on the development of the company's strategy or practices on a given subject, for example the implementation of risk remediation and control measures in response to a controversy.

**The LBP AM Group engagement approach is long-term oriented.** The LBP AM Group seeks to assess changes in companies' practices over time, while being aware that the progress is often observed over time, and may have different drivers (regulatory pressure, internal request, mobilisation of civil society, investor engagement, etc.). This monitoring is undertaken in particular for targeted engagement actions, to follow up on controversies or thematics that are priorities for the LBP AM Group.

Discussions may take the form:

- of live meetings;
- and/or letters/emails formalising the LBP AM Group feedback, questions and recommendations.

## 5. A comprehensive escalation strategy

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





**A TRANSVERSAL *MODUS OPERANDI*,  
FULLY ARTICULATED  
WITH THE OTHER STAGES OF  
THE INVESTMENT 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. The LBP AM Group 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, in particular, to the internal processes and teams organization designed to encourage transversality of perspectives and articulation of levers, via:

- **The integration of financial and sustainable development perspectives** within the fundamental and sustainable research team;
- **The possibility of modifying** ESG ratings of a security, subject to a strictly defined procedure and rationale, in order to integrate more recent or more complete information obtained during a discussion with a company;
- **The integrated strategic, financial and SRI dialogue** conducted by the LBP AM Group portfolio managers;
- **The organised and systematic soliciting of portfolio manager opinions** for the LBP AM Group's most significant votes and engagements;
- **The participation of portfolios managers and fundamental analysts** in updating the LBP AM Group's voting and engagement policies, approved respectively by the Sustainable Finance Committee and the Governance Committee;
- **The creation of transversal committees** to apply and monitor the engagement policy.



## A TRANSVERSAL MODUS OPERANDI, FULLY ARTICULATED WITH THE OTHER STAGES OF THE INVESTMENT 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 LBP PAM Group'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 escalation method for the most significant engagements for the LBP AM Group, monitors companies on its watchlists (and norms-based and ESG materiality controversies), and deliberates on the participation in new engagement initiatives.
- ▶ **Deliberations** required to implement 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



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. Articulation of our engagement, exclusion and controversy management activities

The LBP AM Group 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 the high-impact sectors (agro-food, beverages and tobacco, utilities and infrastructures), exclusion of companies having the most negative impact and 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 the LBP AM Group 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.



The LBP AM Group may thus decide to exclude companies for which there exists an unacceptable risk that they will cause, or contribute to, serious violations of the LBP AM Group'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, might be more appropriate to reduce the risk of further violations of standards. To this end, **the GREaT Committee decides whether to exclude, freeze, reassess and/or engage the company.** Its decision is based on:

- ▶ an evaluation of the severity 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 company and the violation;
- ▶ the LBP AM Group's potential leverage and capacity for effective engagement with the company concerned.

## A TRANSVERSAL MODUS OPERANDI, FULLY ARTICULATED WITH THE OTHER STAGES OF THE INVESTMENT 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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Shareholding entitles the holder to take part in the general meetings of companies issuing those shares. LBP AM and its subsidiary Tocqueville Finance SA (TFSA) – together known as the LBP AM Group – 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 the LBP AM Group’s engagement strategy and may constitute a lever in formalising the expression of shareholder expectations.**

The LBP AM Group may support resolution non-approved by the board of director if it believes that their implementation are likely to help improve ESG (Environmental, Social or Governance) practices within the company, including by participating in their inclusion on the agenda of the AGM.

**Exercising our voting rights at AGMs is an opportunity to engage a dialogue with companies** in which the LBP AM Group invests on behalf of managed funds, without nevertheless exercising any significant influence over the management of these companies.

Since 2008, LBP AM has formalised **a voting policy** that presents 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 with regard to specific local applications.

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. The LBP AM Group will then apply its voting policy, unless stipulated differently.



#### Organisation of the exercise of voting rights

Voting is coordinated by LBP AM’s SRI Solutions team, which reports to the Investment Management department. It relies on:

- recommendations drawn up by Institutional Shareholder Services (ISS) and Proxinvest, two recognised proxy advisor, which provide analyses dedicated analyses to LBP AM in application of its own voting policy;
- the recommendations of the French Asset Management Association (AFG).

An enhanced qualitative analysis is carried out with managers and analysts for certain types of ESG resolutions, as well as for the AGMs of companies considered to be priorities.

Several departments, such as Compliance and Internal Control, are also involved in implementing the policy’s conflict-of-interest management system.

## Voting perimeter at general meetings

In 2023, the LBP AM Group pledged to exercise voting rights for companies in all location:

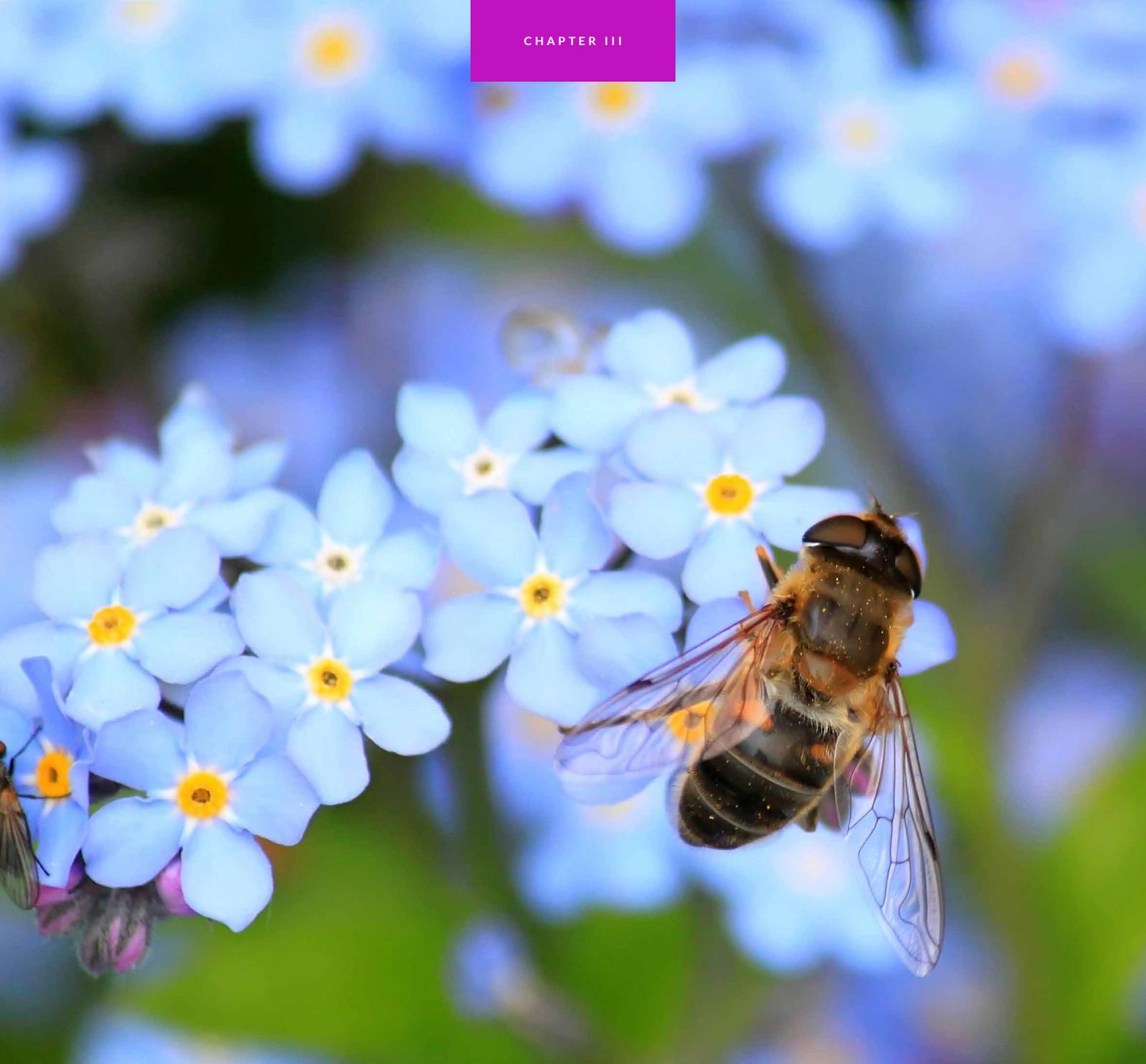
- ▶ Based on the amount in absolute amount invested in the companies, so that votes are exercised covering **at least 98% of the total amount invested in equities\***;
- ▶ As well as for companies in which the LBP AM Group's UCIs together hold **at least 0.2% of the capital**.

The LBP AM Group considers that this level is both significant in term of representativeness of assets under management and appropriate with our capacity of analysis and dialogue. However, given that the exercising of voting rights is an essential lever of its shareholder engagement strategy, the LBP AM Group has decided to increase its level of participation in AGMs on an annual basis in order to fully exercise its exercisable voting rights by 2025.



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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 is defined as a system 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 of corporate governance practices are developed in **our voting policy** and focus mainly on the following themes:

- ▶ **Income allocation and value sharing:** the LBP AM Group pays particular attention to value sharing. 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.
- ▶ **Capital transactions:** the highest standards of transparency are expected on the conditions and motivations of capital increase resolutions, in particular when they provide for the cancellation of pre-emptive rights. Precautions are necessary, as shareholders are likely to see their holdings diluted.
- ▶ **Structure of the board of directors or supervisory board:** the balance of powers is one of the fundamental principles of good governance. The LBP AM Group encourages companies to set up competent and independent counter-power to ensure effective management control and to create conditions for long-term performance. We therefore pay particular attention to the composition of board committees, the skills of directors, the diversity of directors sitting on the board, and the ethics and environmental and social responsibility of directors.
- ▶ **Remuneration of executives and non-executive directors:** the LBP AM Group expects executive directors remuneration to be transparent, balanced, and linked to value creation – financial and ESG – over the long term and that fosters social cohesion. The LBP AM Group favours compensation moderation by applying a benchmark ceiling 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 indicate the difference between executive remuneration and employees.
- ▶ **Shareholder rights:** the LBP AM Group favours long-term shareholdings as a source of stability and development for companies. We therefore support the creation of additional rights for long-term shareholders through the payment of a loyalty dividend or double voting rights. However, when multiple voting rights are not meant to foster shareholders retention, the LBP AM Group expects one vote to be granted per share held, so that shareholder voting rights are directly proportional to their financial stake.
- ▶ **Related-party agreements:** a related-party agreement tying the company to one stakeholder having significant influence (e.g., an executive director, a member of the board of directors or supervisory board, or a significant shareholder). Given the inherent conflicts of interests, related party agreements are subject to enhanced control.
- ▶ **Statutory auditors:** statutory auditors are responsible for verifying the fairness and accuracy of the annual financial statements, in the interests of shareholders. We encourage companies to prevent any conflict of interests in selecting external auditors by organising a regular rotation of auditors and refraining from assigning them non-audit assignments.

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

- ▶ **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 as part of our analysis of company 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 area listed above**, for example by explaining the motivations of our "no" votes or intentions to vote "no". Discussions prior to general meetings may be initiated by companies wishing to present resolutions on the agenda or on the LBP AM Group's initiative.

In exercising voting rights at AGMs, the LBP AM Group **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 filing 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 major governance controversies.**

Each year, the LBP AM Group determines a list of "priority" companies for which we systematically communicate the reasons of our oppositions to resolutions **with the aim of supporting and spreading good governance practices.**

The LBP AM Group also participates in the **Club 30**, a French collaborative engagement initiative created in November 2020 in order to promote gender diversity on the governing bodies of SBF 120 companies. The LBP AM Group is a founding member of the French chapter of this initiative which aims to encourage companies to promote the inclusion of women in positions of responsibilities. We expect companies to be transparent about the procedures used to identify and appoint new members of the management team, and to explain how this process ensures diversity within management teams. We also ask companies to disclose information on how diversity is materialized at all levels of 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, the LBP AM Group aims to make its investments compatible with low-carbon development that is resilient to climate change (Art. 2.1). **In January 2021, the LBP AM Group joined the Net-Zero Asset Manager Initiative, thereby committing** to define a decarbonization trajectory of its portfolios with a first milestone at 2030, until achieving **carbon neutrality** for its investments by 2050. In May 2022, the LBP AM Group set a target of **80% alignment of its eligible assets by 2030**. Shareholder engagement with companies is an important lever for achieving this objective, as we want to help companies to improve their environmental practices in order to contribute to the transformation of the real economy.

**To achieve its objectives, the LBP AM Group encourages companies:**

- ▶ **to formalise robust transition plans** enabling them to deploy a transparent and credible transition strategy, in order to align over time their activities and practices with a scenario that limits global warming to 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 express their views 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 according to the selection criteria mentioned under point 1.3, with particular attention and priority given to “high-stakes” sectors. They are articulated in two sector policies: **oil & gas and coal**.

### The LBP AM Group’s oil & gas policy

Our sectoral policy for investing in companies and project-companies 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 asset management companies to align their sector allocation in the oil & gas sector by 2023 with their 2050 carbon neutrality objective. It is mainly based on an active shareholder engagement with companies in the sector, asking companies **to establish and disclose a clear and credible strategy for the energy transition to carbon neutrality in line with climate and energy scenarios that would limit global warming to 1.5°C**, with priority given to permanent means that are the most quickly available and the least costly.

This strategy covers all emissions scopes and should include the 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

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



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.

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

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

### The LBP AM Group's coal policy

The LBP AM Group'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

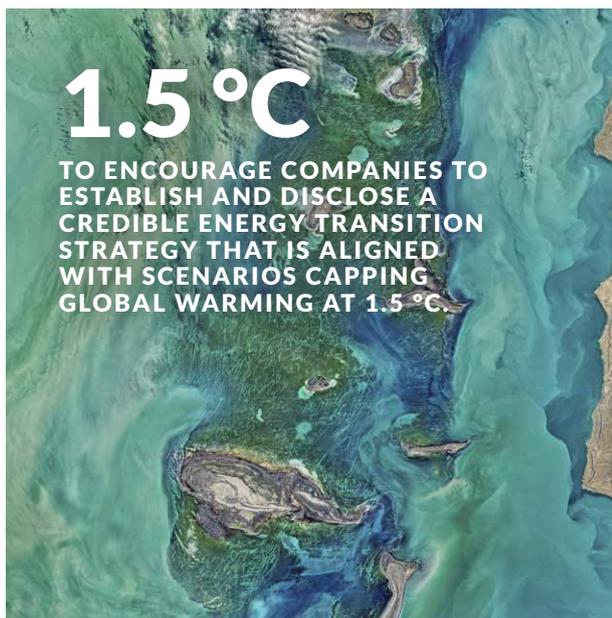
## OUR ENGAGEMENT THEMATICS: AN ENGAGEMENT POLICY STRUCTURED AROUND OUR SRI THEMATIC POLICIES

The LBP AM Group 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.

As an example, we participate 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, the LBP AM Group:
  - may support **shareholder resolutions and may participate in the filing of 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 in favour of introducing a regular vote 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, the LBP AM Group does its utmost to contractually incentivise companies and project-companies to adopt a transition strategy aligned with the above mentioned requirements.



The LBP AM Group 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, the LBP AM Group work to encourage the energy transition through its investments.

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

### 3. Biodiversity engagements



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

Accordingly, the LBP AM Group undertakes a **dialogue with companies in order to enhance its understanding of the issues involved and the challenges of meeting its expectations in term of biodiversity management, adapted to the challenges of the sector and the company's own challenges**. A sector is selected for

a period of two to three years, during which discussions are organised with certain companies on a regular basis through either bilateral or collaborative engagements.

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

- ▶ The deployment of TNFD framework reporting and compliance with the future CSRD standards;
- ▶ The deployment of commitments and objectives set by the Global Biodiversity Framework of the Convention on Biological Diversity;
- ▶ The recommendations of the Finance for Biodiversity Pledge working groups on the commitment;
- ▶ The Science Based Targets for Nature framework, and in particular 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, to set up circularity and reduction plans for single-use plastic.
- ▶ to adopt the Science Based Targets for Nature approach to help achieve the objectives of the Convention on Biological Diversity's Global Biodiversity Framework.

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

As **deforestation** is a crucial challenge in combating the loss of biodiversity, the LBP AM Group 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

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

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

- ▶ **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. The LBP AM Group 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; the LBP AM Group 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. The LBP AM Group uses these data as part of its analyses 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 to conduct dialogue with the various players in the industry's value chain.
- ▶ In the coming months, the LBP AM Group will also be joining the engagement coalition 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	  
FAIRR	Sustainable proteins	  
	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 articulated with our voting policy. Under its voting policy, the LBP AM Group:

- ▶ may support shareholder resolutions and participate in filing resolutions that help meet its biodiversity expectations;
- ▶ may oppose certain resolutions submitted by management in the event of serious environmental controversies;
- ▶ is in favour of introducing a regular vote 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

The LBP AM Group is committed 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 order to implement this commitment, we strive to apply the standards of responsible business conduct with regard to human rights as described in the above-mentioned guidelines. This commitment is also a requirement for our business relationships, first and foremost with the companies in which we invest. We are therefore committed to respect human rights through an active shareholder engagement to encourage investee companies to **identify, assess, mitigate and remedy their impact on people and to monitor and report on those impacts**.

The LBP AM Group expresses its shareholder expectations regarding human rights through a regular and consistent bilateral or collaborative dialogue with investee companies.

The LBP AM Group also participate in bilateral or collaborative engagement initiatives that promote human rights due diligence in companies, thus allowing them to identify their salient risk 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 survey of 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 (RHSF):** 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, the companies involved are evaluated on the basis of an analysis grid jointly developed by the participating investors and RHSF. The aim is to highlight areas where companies can strengthen their position in these two areas, and to support them in implementing best practices.

\* Human rights are defined as all inalienable rights of treatment to which all people are entitled, regardless of their sex, national or ethnic origin, colour, 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 particular 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, the LBP AM Group 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 program 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 companies and encourage them to improve 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 the LBP AM Group's fundamental ethical standards are subject to action by the LBP AM Group 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 the **LBP AM Group Exclusion Policy**.



These engagements are articulated with our voting policy. Under its voting policies, the LBP AM Group:

- ▶ may support shareholder resolutions submitted at general meetings and participate in filing resolutions insofar as they contribute to its human rights objective;
- ▶ may oppose certain resolutions submitted by management in the event of serious human rights controversies.



# OUR POLITICAL ENGAGEMENT AND PARTNERSHIPS WITH MARKET PLAYERS

## OUR POLITICAL ENGAGEMENT AND PARTNERSHIPS WITH MARKET PLAYERS

In accordance with its commitment to the Six Principles for Responsible Investment (PRI), the LBP AM Group 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 THE LBP AM GROUP TAKES PART

ESG/SRI THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND ITS IMPLICATIONS FOR THE LBP AM GROUP	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. The LBP AM Group is a member of the Responsible Investment and Corporate Governance committees. Other LBP AM Group 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> the LBP AM Group is member of the climate and sustainable finance consulting committee, which began a new term at the end of 2022. On that occasion, the LBP AM Group 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 organisation that encourages dialogue between investors and companies in order to act on sustainability issues. The LBP AM Group 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, the LBP AM Group 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. The LBP AM Group 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

 Climate

 Biodiversity

 Impact investment

 Human rights

 Plan transition

 Net Zero

OUR POLITICAL ENGAGEMENT AND PARTNERSHIPS WITH MARKET PLAYERS

FINANCIAL SECTOR INITIATIVES (CONT.)

ESG/SRI THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND ITS IMPLICATIONS FOR THE LBP AM GROUP	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. The LBP AM Group 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, the LBP AM Group 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. The LBP AM Group 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 the LBP AM Group 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, the LBP AM Group 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>

 Responsible investment

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OUR POLITICAL ENGAGEMENT AND PARTNERSHIPS WITH MARKET PLAYERS

FINANCIAL SECTOR INITIATIVES (CONT.)

ESG/SRI THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND ITS IMPLICATIONS FOR THE LBP AM GROUP	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. The LBP AM Group 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. The LBP AM Group 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. The LBP AM Group 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. The LBP AM Group 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. The LBP AM Group 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, the LBP AM Group 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>

Responsible investment

Governance

Climate

Biodiversity

Impact investment

Human rights

Plan transition

Net Zero



# MANAGING CONFLICTS OF INTEREST

The LBP AM Group's asset manager 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, the LBP AM Group, 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 **LBP AM Group voting policy**.

# ENGAGEMENT TRANSPARENCY

The LBP AM Group's asset manager publishes 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"

In order to ensure transparency for all our stakeholders, details on votes for each open-ended fund for which the LBP AM Group votes are published online seven days after each general meeting via the following link:

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

The LBP AM Group reserves the right to pre-declare some of its votes, after analyzing on a case-by-case basis the appropriateness of this decision in the conduct of an engagement.

**LBPAM** 

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 **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 (code APE 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