



LA FINANCIÈRE
DE L'ÉCHIQUIER

LBPAM

ENGAGEMENT POLICY 2024 LBP AM GROUP

POLICY

AVRIL 2024

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PREAMBLE

The LBP AM Group's development strategy has been strengthened since July 2023 by the acquisition of La Financière de l'Échiquier (LFDE), one of France's leading entrepreneurial asset management companies. The merger of Tocqueville Finance (TFSA, a wholly-owned subsidiary of LBP AM since 2018) into LFDE took effect on 1 April 2024. The new entity stands out for its benchmark expertise in sustainable finance, based on complementary tools and methodological approaches. The offering includes a wide range of responsible investment products, providing tailor-made solutions to clients' specific ESG needs.

We, LBP AM and La Financière de l'Échiquier (LFDE) - i.e. the LBP AM Group¹ - have made the strategic choice to become actively involved with our stakeholders, in order to encourage them to adopt an approach of continuous progress in the management of sustainable development issues.

In particular, this dialogue is a vehicle for improving the climate performance of our portfolios and a lever for implementing our ambition to make our portfolios carbon neutral.

Over and above our internal conviction, our customers, both individuals and institutions, 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 the companies in our portfolios to support improvements in their environmental, social and governance practices.**

The main objectives, the scope and the usual procedures for conducting engagement procedures are formalised in this engagement policy, which is supplemented by our ESG thematic policies, which specify and set out the technical expectations for specific issues and sectors.

The principles of this policy are intended to apply to each of the two management companies in the LBP AM Group (i.e. LBP AM and LFDE).²

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

Information :

In accordance with the provisions of articles R. 533-16, point 4° of III of article D.533-16-1 of the Monetary and Financial Code and the requirements relating to The engagement strategy of decree n° 2021-663 of 27 May 2021 taken in application of article L. 533-22-1 of the Monetary and Financial Code, the LBP AM Group has set up its own shareholder engagement system. This policy also meets the requirements of Decree no. 2019-1235 of 27 November 2019 transposing Directive (EU) 2017/828 with a view to promoting long-term shareholder engagement.

1 LFDE's voting and engagement activities are not included in this report. In this report, "LBP AM Group" refers to LBP AM and its subsidiary TFSA.

2 The LFDE scope includes funds historically managed by TFSA and those historically managed by LFDE.

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

1. A committed policy based on our GREaT philosophy

Engagement is the practice of encouraging companies to improve their sustainability policies and practices (i.e. on ESG: Environmental, Social and Governance issues), by engaging with them to understand their practices and challenges, and by suggesting areas for improvement.

The LBP AM Group's engagement actions are carried out **with various stakeholders: invested companies, public authorities, financial regulators or professional organizations, suppliers of extra-financial data, and asset managers** in the context of fund selection.

Chapters 1, 2 and 3 of this policy cover engagement with the companies invested in the LBP AM Group's portfolios. Chapter 4 covers engagement with other stakeholders.

COMMITMENT ACTIONS CARRIED OUT BY THE LBP AM GROUP, WITH:

Invested companies
(chapters 1, 2 and 3)

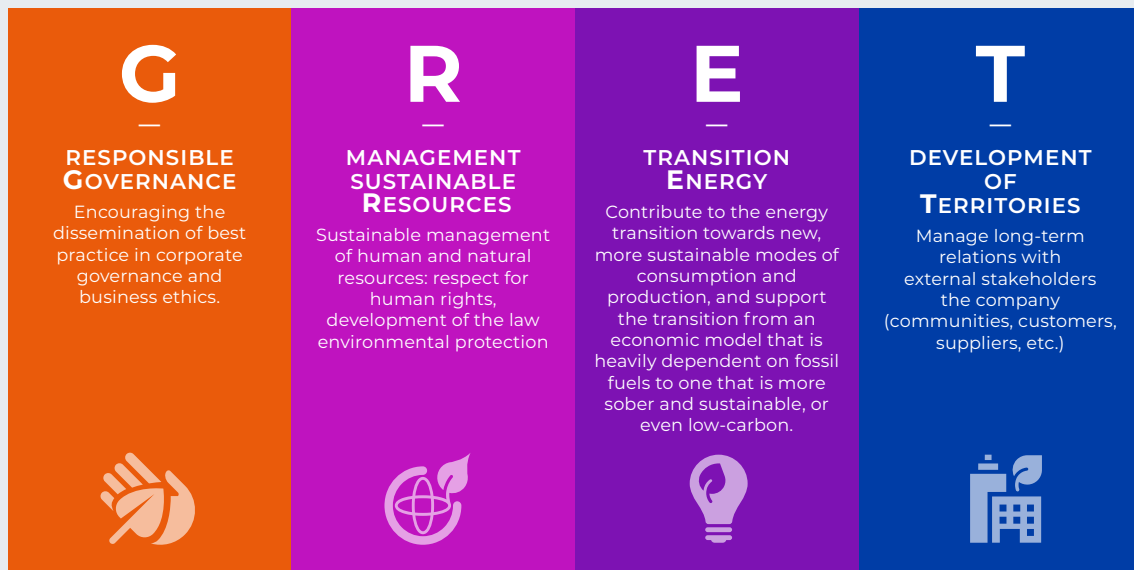
Other stakeholders: **data providers, management companies, regulators, professional organisations** (chapter 4)

Engagement is a key pillar of our responsible investment strategy. In order to establish the key ESG themes for dialogue and engagement with invested companies and to meet the sustainability objectives of the funds, our engagement policy is based, like our other SRI levers (which are selection and exclusion), on the four pillars of our proprietary ESG analysis method: GREaT.

EXCLUSION	SELECTION	ENGAGEMENT
Regulatory, normative and sectorial exclusions such as coal, tobacco, gambling...	Select the most advanced companies (with a good ESG score)	Engagement and dialogue with companies to encourage sustainable best practices

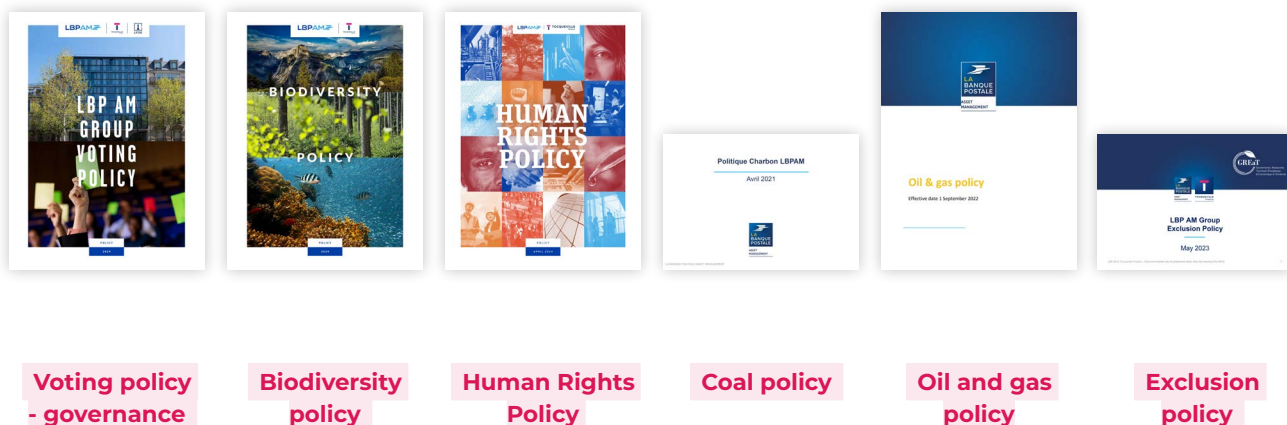
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THE 4 PILLARS OF THE GREAT METHODOLOGY



This engagement policy describes the procedures for identifying **companies to be engaged, the usual procedures for carrying out these engagements, the possible escalation strategy** in the absence of results, and the **ESG themes** for engagement.

In line with the sustainability objectives of our funds, **our engagement policy is also structured around our ESG thematic policies**, which describe in more detail our objectives, principles, methods of action, priorities and expectations on different themes³:



³ LFDE's teams are working with LBP AM's teams to develop these engagement practices to ensure convergence with the LBP AM Group's ESG thematic policies.

2. Our objectives, our convictions

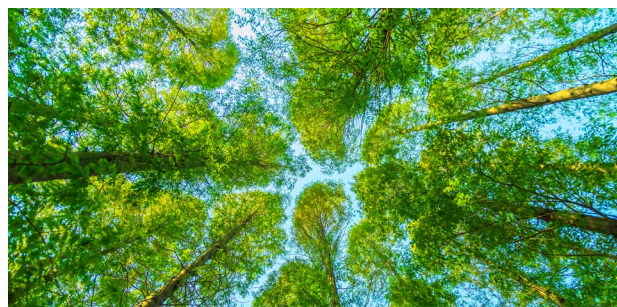
The LBP AM Group is convinced that, alongside other stakeholders (employees, trade unions, civil society, NGOs, etc.), responsible investors have a role to play in helping companies move towards sustainable practices.

The dialogue that we engage in with companies, particularly shareholder dialogue, has a twofold objective:



VIA ESG DIALOGUE

We seek to **better understand companies' policies and practices** in order to strengthen the analyses carried out by our teams. This dialogue with issuers aims to gather additional information or refine our understanding of published sustainability data.



VIA ESG COMMITMENT

We seek to **encourage the integration of sustainable development issues into corporate strategy**, the formalisation of robust policies contributing to the prevention of ESG risks, their implementation in companies' operational practices, and the strengthening of companies' transparency with regard to ESG policies, objectives and results.

This engagement takes the form of **progress targets on ESG issues** defined by the LBP AM Group in application of our engagement themes. We want the shared objectives to be realistic, measurable and controllable. **A timeframe is predefined, at the end of which an assessment is formalised and escalation actions decided according to their criticality.**

These areas for improvement are formalised in writing and generally passed on to the company.

The aim is not to interfere in corporate strategy or to seek a seat on the board of directors, but rather, as an external stakeholder, to encourage companies to continually improve their policies and practices so that they are part of a sustainable trajectory. **We define sustainability from a dual perspective, taking into account the risks and opportunities** posed by the company's activities on environmental and social issues, and the way in which the management of these issues influences the company's long-term economic and financial performance.

In line with its sustainable finance policy, **the LBP AM Group's engagement policy aims to mitigate the source of environmental, social and governance sustainability risks** in its portfolios through proactive action to encourage invested companies to improve their own management of environmental, social and governance risks. **The engagement policy may also aim to contribute to transforming the practices of invested companies in order to increase their contribution to a positive societal impact.**

3. Identification of companies to be engaged

The LBP AM Group's engagement and voting policy is implemented by the LBP AM and LFDE management companies for all assets held by the Group. This means that all the companies invested in the LBP AM Group's portfolios are likely to be involved in ESG issues on behalf of its retail and professional clients.

1. Asset class:

► **Securities:**

Regarding corporate securities, engagements are made in respect of both holdings in equities and bonds, for all funds.

Identifying which companies to be engaged with considers a number of factors:

- **Our stake in the company's capital**, which partly determines our power of influence;
- **The weight that our investment** in the company represents for the LBP AM Group, which determines our level of exposure to risk;
- The degree of importance and **materiality of an ESG controversy** (cf. normative policy)
- The importance of the **topic of engagement in relation** to the company's sector of activity (concept of sector at risk/risk in relation to an issue);
- **Opportunities to get involved** through collaborative initiatives.

► **Real and private assets:**

The engagement policy may also cover real and private assets, tailored to take account of the specific characteristics of these asset classes. **The private debt management teams (corporate, infrastructure and real estate) talk to counterparties during the due diligence phase** to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues. These engagements are then included in the financial documentation and oblige the counterparties to provide annual information.

2. Funds with specific engagement strategies:

Specific engagement strategies apply to certain types of funds:

- **Impact funds (listed companies) of LFDE:** Engagement is a key element of additionality, an essential criterion for impact funds. In fact, additionality is seen as the investor's specific and direct action or contribution enabling the invested company or financed project to increase the net positive impact generated by its activities. This is why LFDE is strengthening its engagement to companies with regard to their impacts and the measurement of their impacts. To encourage these actions, the variable remuneration of the managers of LFDE's impact funds is partly directly linked to success criteria for impact-related engagements, the achievement of which is measured over a 3-year period.
- **SRI-labelled funds:** In line with the requirements of the latest specifications for the **French government's SRI label**, from January 2025, engagements will be made to SRI-labelled funds for the following issuers:
 - Issuers in the portfolio that **do not publish one or more performance indicators** selected by the fund and for which the LBP AM Group considers that they are material in view of the ESG issues identified;
 - Portfolio issuers with a transition strategy in line with the Paris Agreement as defined by the SRI label **and whose observed results are not in line with the defined objectives;**

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- **In the case of funds with a rating improvement approach**, the issuers in the portfolio are among the worst 30% of the initial investment universe in terms of ESG rating. These issuers are systematically subject to an ESG engagement whose maximum duration may not exceed 3 years (including potential escalations). The issuer may not be retained in the portfolio if no improvement is observed at the end of this period.
- **Funds with the Toward Sustainability label:** Engagements are made specifically for companies belonging to sectors presenting high risks of significant harm to sustainability factors according to the **Belgian SRI label** framework, namely:
 - Manufacture and wholesale of textiles,
 - Agriculture/fishing and wholesale,
 - Extraction of mineral resources, manufacture and wholesale of basic products,
 - Sectors involved in activities subject to restrictions (Arms, Tobacco, Coal, Oil & Gas, Power generation) (See 3.)
 - Other carbon-intensive sectors with high emissions (e.g. cement).

4. How we work

To implement engagement and dialogue practices, portfolio managers and analysts from LBP AM's «Fundamental and Sustainable Analysis» and «SRI Solutions» teams, as well as LFDE's «Responsible Investment Research» team, hold regular discussions with the management and/or specialist teams of the companies in which LBP AM Group invests.

These exchanges take place in two ways, sometimes combined:



**BILATERAL DIALOGUE
AND ENGAGEMENT**

**ESG
EXCHANGES**



**COLLABORATIVE
ENGAGEMENT**

Bilateral dialogue and engagement with the management of invested companies: the LBP AM Group may request meetings with companies to discuss specific issues, in application of our ESG thematic policies. Our teams may also be spontaneously asked by companies to provide feedback on issues defined by the latter, for example in preparation for general meetings. We take advantage of these requests to present our expectations in terms of good practice.

Collaborative engagement is conducted with other investors on a shared issue. The LBP AM Group participates in collaborative initiatives when they fall within the scope of its ESG thematic policies. These initiatives can usefully complement the approach initiated at bilateral level, by pooling research elements, providing companies with coherent signals regarding the expectations of responsible investors, and exerting a more significant influence on companies. The LBP AM Group may become involved in supporting or steering these initiatives.

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These exchanges can take place within the specific framework of **general meetings** on the one hand, and a **controversy management** process on the other:



GENERAL
MEETINGS

Discussions at General Meetings: discussions can take place at the initiative of companies wishing to hear the views of their shareholders ahead of their GM, or at the initiative of the LBP AM Group in order to encourage companies to align themselves with ESG best practice. **General meetings provide an opportunity for shareholders to express their ESG convictions to companies**, for example in terms of remuneration, board composition or employee involvement in governance, **through the formal exercise of voting rights** but also **through questions addressed to the company's management**.



CONTROVERSY
MANAGEMENT

Discussions as part of the assessment and management of controversies: the LBP AM Group may exchange views with companies when it identifies that they are the subject of a controversy, in order to investigate the quality of the policies and procedures put in place by the company on a particular issue and, where appropriate, **formulate proposals designed to put an end to and prevent the recurrence of negative impacts** of the company's practices, for society and for its own performance. This dialogue differs from the regular dialogue on the holistic development of companies, insofar as it is aimed, where appropriate, at changing the company's policy or practices on a specific subject on which the LBP AM Group identifies a cluster of indicators testifying to a particular negative impact, for example by **suggesting the implementation of risk remediation and control measures on this issue**.

The LBP AM Group's engagement is long-term oriented. The LBP AM Group wishes to assess changes in companies' practices over time, while being aware that the progress observed is often made over time, and may have different motivations (regulatory pressure, internal demand, mobilisation of civil society, investor engagement, etc.). This monitoring is carried out more specifically for targeted engagement actions, in response to controversies or on priority issues for the LBP AM Group.

Exchanges can take the form of:

- **live discussion and/or;**
- **letters/emails** formalising feedback, queries and recommendations from the LBP AM Group.

5. A global escalation strategy

When dialogue does not bear fruit, the LBP AM Group can use additional escalation tools. Our escalation levers fall into three categories: enhanced dialogue, public actions at general meetings, and actions relating to management practices.



Engagement failure leading to divestment

The LBP AM Group favors engagement with companies to bring about changes in practices within the real economy, in accordance with a clear and transparent framework of expectations applied to all assets under management. Nevertheless, if companies fail to change their practices following engagement actions by the LBP AM Group, the latter may decide to exclude the issuer. **A specific divestment timetable is put in place in the following cases:**

- ▶ **If the companies belong to high-stakes sectors and their practices are not sufficiently aligned with our ESG thematic policies:**
 - **Coal:** total phase-out of coal in the LBP AM Group's open-ended funds by 2030 in OECD countries and 2040 for the rest of the world.
 - **Oil & Gas:** by 2030, the sector allocation will be 100% aligned with an energy transition trajectory that will enable us to achieve Net Zero by 2050. The LBP AM Group expects the approval of the development of new oil and gas fields to be halted quickly, and the development of new oil and gas production and distribution capacity to be justified in terms of its climate compatibility with the sectoral trajectories established by the IPCC or the IEA in order to limit global warming to 1.5° by the end of the century.
- ▶ **From 2025, to meet the requirements of the label, the following companies invested in SRI-labelled funds will be excluded:**
 - issuers in portfolios undergoing **rating improvement who are in the worst 30%** will be excluded after 3 years if no improvement is observed at the end of this period
 - issuers subject to enhanced scrutiny as defined by the label and who have not published a credible transition plan by 1er January 2026

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1. A cross-functionality governance

The engagement and dialogue initiatives are carried out by portfolio managers, as well as analysts from LBP AM's Fundamental and Sustainable Analysis and SRI Solutions teams and LFDE's Responsible Investment Research team. The LBP AM Group has made the strategic choice not to outsource its shareholder engagement approach.

Our ESG and fundamental analyses, our shareholder messages, our voting practices at general meetings and our stock selection are closely interlinked.

This is due in particular to **an organisation of investment processes** and teams **designed to encourage cross-functional perspectives** and the articulation of levers, via:

- **The integration of financial and sustainability perspectives**

within the Fundamental and Sustainability Analysis team;

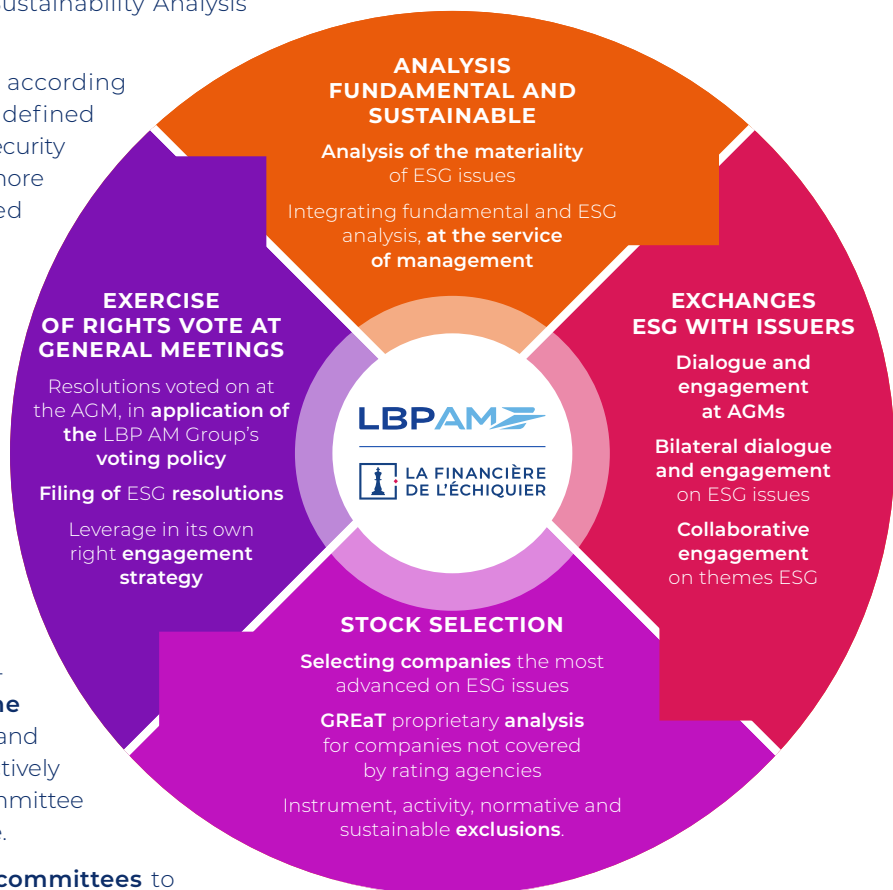
- **The possibility of modifying**, according to a procedure and for strictly defined reasons, **the GREaT scores** of a security to incorporate more recent or more complete information obtained during this dialogue;

- The integrated **management of strategic, financial and ESG** by the LBP AM Group's portfolio managers;

- Organised and systematic solicitation of **the management opinion for the most significant votes and engagements** of the LBP AM Group;

- **Involvement of portfolio managers** and analysts fundamental to the **updating of the LBP AM Group's engagement** and voting policies, approved respectively by the Sustainable Finance Committee and the Governance Committee.

- **Creation of cross-functional committees** to promote the monitoring and application of the engagement policy



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Engagement campaigns are monitored during the weekly ESG committees and, where appropriate, the GREaT committees.

The GREaT Committee is responsible for monitoring and steering the cross-functional deployment of the LBP AM Group's engagement and exclusion policies, as defined by its Sustainable Finance Committee. In particular, it ensures:

- ▶ **Regular progress updates** on cross-functional engagement campaigns, deliberates on the selection of the most- significant engagements for the LBP AM Group, monitors companies on watch lists (normative and ESG materiality controversies), and deliberates on participation in new engagement initiatives.
- ▶ **The deliberations required to implement the exclusion policy.** The normative and materiality monitoring lists are communicated to the Committee. The draft exclusion lists drawn up in a qualitative manner (biodiversity policy, normative and specific exclusion policy) are presented to the Committee for deliberation.

DECISION-MAKING AND DUE DILIGENCE BODIES



In order to promote the cross-functional nature of the engagements made by the various LBP AM Group teams, a **engagement module (entitled Phoenix)** historically developed by LFDE is currently being rolled out to all LBP AM Group entities, thereby facilitating:

- ▶ Implementing the principles of this policy;
- ▶ Coordination and traceability of the preparation and monitoring of engagements; Production of reports (engagement and mandate reports, responses to invitations to tender, shareholder reports and market surveys).

2.

Articulation of our engagement, exclusion and controversy management activities

The LBP AM Group has put in place a common exclusion base that covers instrumental, normative, sustainability and activity exclusions.⁴

SUMMARY OF EXCLUSIONS

EXCLUSIONS ACTIVITIES

Companies whose products or services, or the way in which these activities are managed, present **risks of serious human rights or environmental abuse and/or are not aligned with the LBP AM Group's ESG performance objectives**, in the following areas:



- Gambling
- Tobacco
- Thermal coal
- Oil and gas
- Pesticide
- Controversial weapons
- Deforestation (within key sectors)
- Biodiversity (within key sectors)

INSTRUMENT EXCLUSIONS



Speculative instruments on agricultural commodities

NORMATIVE EXCLUSIONS



Companies for which there is an unacceptable risk that they cause, contribute to or are linked to particularly serious breaches of the LBP AM Group's fundamental ethical standards, and for which exclusion is the most effective lever for reducing the risk of continued and future breaches of the standards.



Companies excluded on the basis of regulatory provisions relating to the fight against money laundering and the financing of terrorism.

EXCLUSIONS DURABILITY



Companies whose practices, particularly in terms of social and environmental responsibility and good governance, present a **risk of severe material financial impact** for the company, from a sustainability risk management perspective.

⁴ The Biodiversity and Deforestation exclusions have not yet been applied to the scope of funds managed and launched by LFDE under the «Echiquier» brand before 31/03/2024, but will be by the end of 2024.

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ENGAGEMENTS

The LBP AM Group implements an engagement policy with companies, in order to develop practices within the real economy, according to a framework of clear and transparent expectations, applied to all assets under management.

EXCLUSIONS

Nevertheless, exclusions are established in order to limit the LBP AM Group's exposure to issuers whose activities, policies or practices:

- are not compatible with our vision responsible economy,
- and which we believe are unlikely to change.

The LBP AM Group may exclude companies for which there is an unacceptable risk that they cause, contribute to or are linked to **particularly serious breaches of LBP AM's fundamental ethical standards** and for which exclusion is the most effective means of reducing the risk of continued breach of those standards.

The GREaT Committee bases its decisions on an assessment of:

- **The severity of the impact** or risk of impact on people, the environment or the principles of good governance, taking into account the seriousness, scale and remediability of these actual or potential impacts.
- **The link between the impact** or risk of impact and society (cause, contribution, direct link).
- **Measures implemented by the company** to prevent, eliminate and remediate risks and impacts.
- **The likelihood of future breaches of the standards by the company**, by examining the due diligence carried out by the company and its compliance with the expectations 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 (UNGPs), **before the GREaT Committee takes a decision to exclude a company, it must consider whether other measures, such as shareholder engagement, might be more appropriate** to reduce the risk of continued violations of the standards.

The final decision adopted by the GREaT Committee must aim, as far as possible, to reduce and mitigate the risks of future breaches of the standards. The GREaT Committee may therefore vote on the following measures:

- ▶ Engagement
- ▶ Vote
- ▶ Downgrading of GREaT ratings
- ▶ Enhanced surveillance
- ▶ Gel or suspension on purchase
- ▶ Exclusion

A TRANSVERSAL MODUS OPERANDI, FULLY ARTICULATED WITH
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These analyses are carried out according to the following process:

IMPLEMENTATION OF THE NORMATIVE EXCLUSION POLICY



IDENTIFICATION OF ISSUERS

1. Identification of a controversy or risk of serious impact on human rights, the environment or good governance.

Quantitative analysis, via specialist data providers (ISS, Moody's, MSCI, etc.) **and qualitative analysis**, by SRI experts or management teams, based on external sources of data and information (Business & Human Rights Resource Centre, NGOs, universities, research centres, press, etc.).

2. Inclusion of the issuer on the normative watchlist for processing
3. Presentation of the issuer, controversy or risk to the ESG Committee, which prioritises and organises in-depth due diligence.



REINFORCED DILIGENCE

1. Analysis by a multi-stakeholder team (SRI teams, Fundamental Research, Asset Management) of:

- **The severity and extent of the breach** or risk identified, and the remedial action taken by the company
- **The likelihood of future breaches** of standards
- **Due diligence** implemented within the company
- **The LBP AM Group's leverage effect** on the company

2. Drafting of a Recommendation for deliberation by the GREaT Committee.



DELIBERATION OF THE GREaT COMMITTEE

The GREaT Committee, based on the results of the enhanced due diligence on the issuer and the recommendation of the working group, decides on the application of the following measures:

- **Enhanced surveillance:** issuer placed under surveillance, without exclusion. Monitoring is carried out by the Committee.
- **Downgrading the issuer's GREaT score:** downgrading allows the results of enhanced due diligence to be taken into account and investment decisions to be adapted accordingly.
- **Bilateral or collective engagement with the issuer**
- **Suspension on purchase:** issuer placed on watch list, without exclusion. Follow-up by the Committee
- **Exclusion :** prohibition on holding; securities to be sold within one month (three months if special exemption)

The GREaT Committee reviews the normative exclusion list and may appoint a working group to review an issuer.

3.

Exercising our voting rights at general meetings

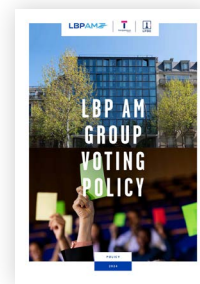
Holding shares gives the holder the right to take part in general meetings organised by the companies issuing the shares. LBP AM and its subsidiary La Financière de l'Echiquier (LFDE) ie. LBP AM Group consider that voting at general meetings is an integral part of the management process, and exercise their voting rights in accordance with the principles set out in their voting policy. The exercise of voting rights is fully in line with the LBP AM Group's engagement strategy and can be a lever for formalising the expression of its shareholder expectations.

The LBP AM Group may support resolutions that have not been approved by the Board and whose implementation it believes is likely to contribute to an improvement in ESG (Environmental, Social or Governance) practices within the company, including by participating in their inclusion on the agenda.

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

Since 2008, LBP AM has formalised **a voting policy** that sets out the scope and procedure for voting at general meetings of shareholders, as well as the criteria for approving or rejecting resolutions submitted to a shareholder vote. An internal voting guide details the technical rules for applying the policy, particularly with regard to specific local applications.

The voting policy is implemented by LBP AM for LBP AM and its subsidiary LFDE. It is applied in the same way for all UCIs (FCPs and SICAVs) open to the public, as well as for dedicated funds and mandates for which the client has made a request. LBP AM will then apply its voting policy, unless otherwise stipulated.



Organisation of the exercise of voting rights

Voting is coordinated by LBP AM's SRI Solutions team, which reports to the Investment Management Department. Solution ISR uses the analyses of the proxy voting agency **Institutional Shareholder Services (ISS) and Proxinvest** to identify the resolutions at stake. ISS also provides custom voting recommendations based on the LBP AM Group's voting policy. **The LBP AM Group retains autonomy in relation to the voting recommendations of the advisory agencies.** For French companies, LBP AM also consults the recommendations of the Association Française de la Gestion Financière (AFG) before voting.

Solutions ISR also relies on the Investment teams and/or the analysis teams of LFDE's IR Research and LBP AM's Fundamental and Sustainable Analysis teams for the analysis of certain types of ESG resolutions, as well as for the GMs of companies considered to be priorities. Several functions, such as Compliance and Internal Control, are also involved in implementing the policy's conflict of interest management system.

Voting rights at general meetings

In 2024, the LBP AM Group has undertaken to exercise voting rights as follows:

- ▶ **For funds managed by LFDE:** LBP AM systematically exercises its voting rights at General Meetings of invested companies.
- ▶ **For funds managed by LBP AM:** LBP AM exercises its voting rights for companies, regardless of their region, in accordance with the following conditions:

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- Based on the absolute amount invested in companies, so that at least **98% of the LBP AM Group's total equity assets** are voted⁵;
- As well as for companies in which all of the LBP AM Group's UCIs hold at least **0.2% of the capital**.

The LBP AM Group considers that this level is both significant in terms of the representativeness of assets under management and relevant in terms of our capacity for analysis and dialogue. However, considering that the exercise of voting rights is an essential lever in its shareholder engagement strategy, the LBP AM Group has decided to increase its level of participation in GMs **each year in order to fully exercise its exercisable voting rights by 2025**. This engagement will enable us to meet the specifications of the French government's SRI label⁶.



⁵ For practical reasons, and to take account of movements in UCIs, holdings are calculated at the beginning of each month.

⁶ From 01/01/2025, labelled funds will exercise voting rights on (i) 90% of the AGMs of French companies and (ii) 70% of the AGMs of non-French companies.

OUR ENGAGEMENT THEMES: A COMMITTED POLICY STRUCTURED AROUND OUR ESG THEMATIC POLICIES



1. Corporate governance engagements

Corporate governance is defined as a system deployed with the aim of directing and controlling the company in the most optimal way, while protecting the interests of stakeholders, including shareholders, in a balanced distribution of power.

Our expectations in terms of the governance of the companies we invest in are set out in [our voting policy](#) and relate mainly to the following issues:

- Allocation of profits and value sharing
- Capital transactions
- Composition of the Board of Directors or Supervisory Board
- Remuneration of executives and non-executive directors
- Shareholders' rights
- Regulated party agreements
- Auditors
- Involving employees in the governance and capital of companies
- Taking account of environmental and social issues in corporate governance

Most engagement initiatives relating to corporate governance are conducted in the context of Annual General Meetings. **The aim of this dialogue and/or engagement process is:**

- ▶ **improve the analysis of resolutions** put to the vote of shareholders at AGMs, by enabling companies to provide additional information,
- ▶ **to improve corporate governance practices in one or more of the areas mentioned above**, for example by explaining the reasons for our negative votes or intentions to vote negatively. Pre-meeting discussions may be held at the initiative of companies wishing to present resolutions on the agenda, or at the initiative of the LBP AM Group.

When exercising its voting rights at General Meetings, the LBP AM Group applies the principles of corporate governance detailed in the Group's policy, and may thus:

- ▶ supports shareholder resolutions filled at general meetings and may participate in the filling of resolutions that it believes would have a positive impact on corporate governance;
- ▶ to oppose certain resolutions filled by the management, in particular in the event of major corporate governance controversies;

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

2. Climate engagements

In line with the Paris Climate 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 defining a decarbonisation trajectory for its portfolios with an initial milestone at 2030, until it achieves 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 2030⁷.

Shareholder engagement with companies is an important lever for achieving this objective, as we want to help them develop their ecological planning practices to contribute to the transformation of the real economy.

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

- ▶ **Formulate robust transition plans**, enabling the deployment of a transparent and credible transition strategy, in order to align their activities and practices over the long term with a scenario that limits warming to 1.5°C.
- ▶ **Assess, reduce** - through measures to adapt and increase resilience to climate change - and report its exposure to physical and transitional climate risks, in particular by applying the TCFD reporting framework.

These expectations, which apply to all sectors, are deployed according to the selection criteria mentioned in point 1.3, with particular attention and priority given to the so-called 'high-stakes' sectors. They are **set out in two thematic ESG policies: oil and gas, and coal**.

The LBP AM Group expresses its climate-related expectations through regular and consistent **bilateral or collaborative dialogue with the companies it invests in**. This dialogue is also linked to our voting policy. As part of the latter, **the LBP AM Group**:

- **may support shareholder resolutions** and may participate in the filling of resolutions addressing all or some of these three climate objectives;
- **may oppose certain resolutions filled by management** in the event of major environmental controversies;
- **is in favor of the introduction of a regular vote** at General Meetings on companies' holistic environmental strategy and energy transition objectives, as well as on a report detailing the implementation of this strategy via resolutions commonly known as «say-on-climate» resolutions. These allow shareholders to vote specifically on a company's energy transition strategy and objectives, and on its implementation over the course of a financial year.

The following paragraphs present the LBPAM Group's expectations regarding:

- Oil and gas (LBP AM policy)
- Coal (LBP AM Group policy)
- Real estate
- Adaptation to climate change and resilience to physical risks

⁷ At the beginning of 2024, LFDE has a different target from LBP AM (50% reduction in carbon intensity for 50% of its assets), but convergence on targets is expected by the end of 2024.

OUR ENGAGEMENT THEMES: A COMMITTED POLICY STRUCTURED AROUND OUR ESG THEMATIC POLICIES

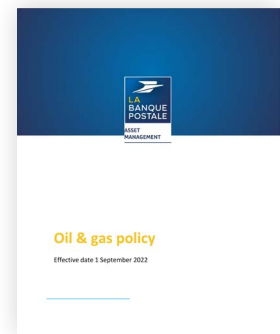
LBP AM's oil and gas policy

Our sector policy on investments in companies and project companies operating in the **oil and gas sector** (exploration, exploitation, processing, transport, refining, or products or services associated with these activities, directly or as a partner or shareholder) aims to define the principles applicable by management companies to **align their sector allocation in the oil and gas sector by 2030 with their objective of carbon neutrality by 2050**. In particular, it is based on a demanding shareholder engagement with companies in the sector, asking them to draw up and make public a clear, credible strategy for the transition to carbon neutrality, in line with climate and energy scenarios that will make it possible to cap global warming at 1.5°C, using as a priority permanent resources that are the most rapidly available and the least costly.

This strategy covers all emission scopes and should include adapting the way these companies manage their investments (capex, M&A) to the challenge of concentrating investments in existing fields with the lowest emissions. The aim is to avoid accentuating the lock-in effects of regional economies and companies invested in fossil fuels, and where appropriate, depending on the operating cost of assets and positioning in the value chain, to avoid increasing the risk of silted-up assets or the decline of emission-intensive commercial activities that would result from a successful energy transition, as recommended by the IPCC.

It should also enable them to manage the physical risks associated with climate change, the risks to biodiversity associated with their operations and the social risks associated with their strategy.

The LBP AM Group's expectations regarding transition plans are developed further in the third chapter of **our oil and gas policy**.



LBP AM Group coal policy

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

Our analysis is therefore based on the IPCC's recommendations, which state that electricity producers and mining groups should eliminate thermal coal from their activities by 2030 in the following countries emissions in OECD countries, and by 2040 in the rest of the world. LBP AM is **analysing the quality and credibility of these companies' coal exit plans**, in particular the quality of governance, the robustness of the company's exit trajectory and climate engagements, the absence of lobbying in favor of thermal coal, and the presence of minimum fair transition guarantees.

These companies are classified into **three categories**:

- ▶ **Maintain (favourable opinion):** If the plan is deemed credible, the company waives the exclusion for the current year and is monitored annually to ensure that the strategy is being properly executed with the Climate Analytics calendar.
- ▶ **To be engagement (neutral opinion):** If the plan does not allow a factual ruling to be made as to its credibility, the company is engaged to clarify the plan and rule by 31/12 of the current year at the latest on the exemption or exclusion.
- ▶ **Divestment (unfavourable opinion):** If the plan reveals poor practices or that the engagement did not allow for a factual and timely determination of its credibility, then the company is excluded

Real Estate sector

The LBP AM Group gives priority to new investments in real estate companies that have a policy of aligning their assets to 1.5°C, by verifying the presence of an emissions reduction target for the assets (in absolute terms or in terms of intensity) of the real estate company aligned to 1.5°C (at least for emissions linked to operating energy consumption for all uses), if possible audited by a third party such as SBTi. It will **gradually commit existing holdings to their 1.5°C alignment trajectory so that 100% of French real estate holdings in the portfolio are committed to their 1.5°C alignment policy by 2026**.



Adapting to climate change and resilience to physical risks

The LBPAM Group expects companies to **assess, reduce** - through measures to adapt and increase resilience to climate change - **and report their exposure to physical and transition climate risks**, in particular by applying the TCFD reporting framework.

Specifically on adaptation and resilience to the physical risks of climate change, the LBP AM Group encourages companies to understand their risks, reduce them (adaptation measures and increasing resilience to climate change) and manage them over time. More specifically, **the Group encourages companies to:**

1. Identify and prioritise future risks, based on at least one pessimistic climate scenario (IPCC SSP5/RCP 8.5), along the supply chain, on sites and on products and services. This identification must be carried out at different levels

- Territorial studies to identify assets that are geographically most at risk from climatic events (coastal, mountain, etc.);
- Sectoral studies analysing the interdependence of networks, with each sector being more or less dependent on climate change (water stress in the supply chain, for example);
- On the asset itself, to determine its level of vulnerability and the most strategic assets.

LBP AM also recommends that companies publish :

- the material impacts and related financial losses of metrological or physical events linked to climate change over the last three years;
 - data on the location of its assets and facilities, as well as those of its suppliers, or the geographical origin of its supplies, by function and by share of contribution to the business model (in terms of sales)
- 2. Implement an adaptation plan using ADEME's «flexible pathway» method.** The LBP AM Group encourages invested companies to define short-, medium- and long-term adaptation trajectories. ADEME's recommendations seem to be a relevant starting point for developing such a strategy. The recommendations are as follows:
- Defining long-term adaptation objectives;
 - Identify lists of adaptation actions of different types and levels of ambition;
 - Select adaptation measures in order to combine and order the actions in several trajectories that correspond to different possible paths for achieving the set adaptation objective;
 - Determine the thresholds above which the next adaptation action for the trajectory or another trajectory should be activated.

It is also recommended to avoid maladaptations that increase the risk of negative effects of climate change and vulnerability or reduce social well-being. Nature-based adaptation solutions (SafN) are strongly recommended.

3. Establishing effective governance to steer the action plan

- The LBP AM Group expects the companies it invests in to have a governance system that monitors the management (objectives, indicators and measurement of results) over time of climate risks and adaptation.
- Effective governance requires risk management and adaptation to be integrated into their key functions, including the Board of Directors. Monitoring the subject also requires obvious internal skills. Board members must have the necessary skills to implement an adaptation plan.
- In addition, the action plan must be consistent with public policy, i.e. aligned with local, regional, national and international plans and efforts.
- It must also ensure that it applies the DNSH principle. The company must ensure that no significant damage is caused to climate change mitigation, biodiversity, health, pollution, resource depletion, etc.

Implementing the LBP AM Group's engagement policy involves identifying the companies most at risk from climate change. To prioritise the companies with which to engage with, the LBP AM Group relies on the risk management tool developed by the Risk Department. This identifies the companies most at risk from climate change by targeting issuers according to a specific risk (i.e. physical or transitional). In a second stage, a qualitative analysis of the adaptation processes put in place by companies at risk, and a dialogue with the issuer to complete this analysis, could be carried out.

3. Engagements sur la biodiversité

The LBP AM Group is committed the protection of biodiversity, as stated in its **biodiversity policy**. This policy is based on an active engagement to encourage invested companies in high-stakes sectors to control their impact on biodiversity and their dependence on natural capital.

The LBP AM Group's expectations regarding biodiversity are set out in **the LBP AM Group's biodiversity policy** and cover the following areas:

- Governance and reporting practices on biodiversity;
- The company's biodiversity policies, objectives and actions;
- Deforestation;
- Pesticides;
- Water; and
- The circular economy.

The LBP AM Group thus engages a dialogue with companies that aims at strengthening their understanding of the issues and the deployment of its expectations in terms of biodiversity management, **adapted to the challenges of the sector and the company's own challenges. A sector is selected for a period of 2 to 3 years**, during which regular exchanges are organized with certain companies, **through bilateral or collaborative engagements.**

The LBP AM Group regularly calculates the natural capital dependencies of the companies it invests in using **the ENCORE tool**, which assesses the main dependencies on natural capital and ecosystem services in each business sector. The calculation of these dependencies is used to inform risk management measures, to guide the prioritisation of shareholder engagement themes.

Furthermore, to assess the maturity of companies' biodiversity policies and engagements, particularly those belonging to high-stakes sectors, the LBP AM Group can rely on detailed analyses based on **proprietary methodologies**:

1. **«Climate & Biodiversity Maturity»** is a proprietary methodology for analysing the maturity of companies on climate and biodiversity issues, based on 3 or 4 pillars (governance, climate and/or biodiversity engagements, just transition) depending on the company's impact on biodiversity, to which can be added a malus linked to environmental controversies.
2. **«BIRD (Biodiversity Impact Reduction Disclosure)»** aims to give a rating to companies' biodiversity policies, engagements and practices. The information it contains comes from 4 data providers and is divided into 3 pillars: «Policies and Commitments», «Practices» and «Biodiversity Footprint».

This dialogue is also reflected in our voting policy. As part of this policy, the LBP AM Group :

- ▶ may support shareholder resolutions and participate in resolution filings that contribute to the achievement of its biodiversity expectations;
- ▶ may oppose certain resolutions filled by management in the event of major environmental controversies;
- ▶ is in favor of introducing a regular vote on companies' holistic environmental strategy, specifying the associated biodiversity objectives, as well as on a report detailing the implementation of this strategy via «say-on-nature» resolutions.

4. Human rights engagements

In early 2024, the LBP AM Group published its **Human Rights policy**, reinforcing the Group's engagements.

The LBP AM Group is committed to respecting internationally recognised human rights (Human Rights) in all of its investment activities, in accordance with the **OECD Guidelines** for Multinational Enterprises («the Guidelines»), the **United Nations Guiding Principles** on Business and Human Rights («the UNGPs») and the **ten Principles of the United Nations Global Compact** («the UNGC»).

To prevent, mitigate and remedy potential negative impacts on human rights linked to its investment activities, the LBP AM Group undertakes to actively engage with invested companies to encourage and support them in implementing human rights due diligence and controlling their impacts on people.

The LBP AM Group engages in regular and consistent **bilateral or collaborative dialogue** with companies. **It aims in particular to strengthen understanding of human rights issues, to alert companies to systemic risks they may face and to promote compliance with the UNGC, the UNGP and the OECD Guidelines** for Multinational Enterprises.

As the LBP AM Group invests in thousands of companies, they cannot commit to all companies that are controversial or present risks of serious impacts on human rights. They have therefore defined a human rights engagement strategy to prioritise dialogue. **This engagement strategy is structured around three main areas:**

- **The implementation of due diligence** in accordance with the UNGP and the OECD Guidelines;
- **Controlling the main risks** identified at LBP Group level;
- **Cessation and remediation of impacts** on human rights in the event of a major controversy.

To identify the companies that should be given priority, the LBP AM Group has mapped the main human rights risks associated with its investment activities, based on the recommendations of the OECD and the United Nations on the application of the UNGP and the OECD Guidelines.

The companies involved in the above three areas, as well as **the objectives of these engagements and the expectations of the LBP AM Group, are set out in the LBP AM Group's Human Rights policy.**

These engagements are in line with our voting policy. As part of this policy, the LBP AM Group:

- ▶ may support shareholder resolutions filled at general meetings and may participate in the filling of resolutions insofar as they contribute to its human rights objectives;
- ▶ may oppose certain resolutions filled by management in the event of major human rights controversies.

OUR ADVOCACY ACTIONS











In line with its commitment to the UN PRI's 6 Principles for Responsible Investment and convinced that all stakeholders in our ecosystem have a role to play in the development of responsible finance, **the LBP AM Group is extending its engagement to stakeholders other than the companies it invests in, in order to convey its vision of responsible investment to the market.** Commitments can be made with:

- **Public authorities, financial regulators and professional organisations** on sustainable issues, in particular by responding to consultations prior to the publication of new regulations, participating in working groups and lobbying.
- **Suppliers of extra-financial data (Carbon4 Finance, MSCI ESG Research, ISS, etc.)** to help them improve the quality of their service and the data they distribute, and to develop their analysis methodologies and offerings.
- **Asset manager on their responsible investment approach;** this involves in-depth discussions with asset manager on their approach to sustainable finance in the context of our fund selection.

PARTNERSHIP WITH MARKETPLAYERS

The table below summarizes all the initiatives in which the LBP AM Group is involved. These may be financial/ISR organisations, collaborative engagement initiatives, etc. The nature of the LBP AM Group's involvement is specified for each initiative.

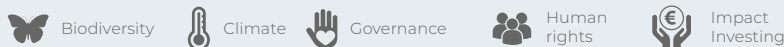
MARKET INITIATIVES IN WHICH THE LBP AM GROUP IS INVOLVED

ESG THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND THE INVOLVEMENT OF THE LBP AM GROUP	NATURE OF ITS COMMITMENT
		AFG : Emmanuelle Mourey (Chairman of LBP AM's Management Board) has been a member of the Strategic Committee since December 2019. The LBP AM Group is a member of the Responsible Investment (RI) committees and Corporate Governance. Other LBP AM Group employees also participate in other AFG Commissions.	<ul style="list-style-type: none"> ● Membership to a marketplace organisation ● Sits on committees
		AMF : Helena Charrier (directrice de Solutions ISR) is a member of the Climate and Sustainable finance Advisory Commission, which began a new term fin 2022. In this capacity, she has played an active role in developing the commission's position on <i>say-on-climate</i> , and the guide to implementing <i>ESRS EI Transition Plans</i> .	<ul style="list-style-type: none"> ● Sits on committees
		Ceres is an American organisation whose mission is to encourage dialogue between investors and companies in order to take action on sustainability issues. The LBP AM Group participates in the following collaborative engagement campaigns organised by CERES: «Land use and Climate», «Deforestation», «Biodiversity, Valuing Water Initiative».	<ul style="list-style-type: none"> ● Membership to a marketplace organisation ● Participation collaborative engagement campaigns
		The Sustainable Finance and Responsible Investment Chair (FDIR) aims to promote collaboration between asset management professionals and researchers, whose work contributes to the international influence of the Paris financial centre on this essential theme. Since 2016, the LBP AM Group has held the Chair.	<ul style="list-style-type: none"> ● Support academic research
		Eurosif is the pan-European association promoting sustainable finance at European level - encompassing the EU, the enlarged European Economic Area (EEA) and the United Kingdom. Eurosif's activities include contributing to public policy and conducting research to improve understanding of responsible investment and the barriers faced by sustainability-minded investors. The LBP AM Group participates in the following groups working group on the classification of financial products.	<ul style="list-style-type: none"> ● Membership to a marketplace organisation ● Participation in working groups

















INITIATIVES (CONTINUED)

ESG THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND THE INVOLVEMENT OF THE LBP AM GROUP	NATURE DE SON ENGAGEMENT
		The Foundation is an international network of investors whose aim is to encourage the pharmaceutical industry to develop access to medicines for people in low-income countries. Every two years, it publishes a ranking of the twenty largest pharmaceutical companies on this subject . The LBP AM Group also participates in collaborative engagement campaigns.	<ul style="list-style-type: none"> ● Membership to a marketplace organisation ● Participation in collaborative engagement campaigns
		The Global Impact Investing Network is a marketplace initiative on impact investing led by investors committed to generating social and environmental impact as well as financial returns. LFDE is a member of this initiative.	<ul style="list-style-type: none"> ● Membership to a marketplace organisation
		The CDP encourages greater disclosure of the environmental impact of investors, companies and government. The LBP AM Group has also participated in collaborative engagement campaigns organised by the CDP.	<ul style="list-style-type: none"> ● Participation in collaborative engagement campaigns
		The Climate Action 100+ initiative, led by the PRI and the IIGCC, aims to encourage the world's major greenhouse gas emitters to reduce their emissions in line with the objectives of the Paris Agreement. By signing the initiative's charter, the LBP AM Group is committed to working to encourage the energy transition through the investments of its funds.	<ul style="list-style-type: none"> ● Participation in collaborative engagement campaigns
		LBP AM is a founding member of the French Club 30 initiative, which was set up in November 2020 to promote gender diversity within the executive bodies of the SBF 120. The aim is to have at least 30% women in management teams by 2025.	<ul style="list-style-type: none"> ● Participation in collaborative engagement campaigns
		The Investor Engagement in Conflict-Affected and High-Risk Areas initiative, organised by PeaceNexus, the Investor Alliance for Human Rights and the Heartland Initiative, aims to engage selected information technology and renewable energy companies to challenge and encourage them to adopt a set of measures and procedures to effectively reduce the risk of negative impacts on human rights and conflict dynamics associated with their operations in these areas.	<ul style="list-style-type: none"> ● Participation in collaborative engagement campaigns















INITIATIVES (CONTINUED)

ESG THEMES	ORGANISATION	DESCRIPTION OF THE INITIATIVE AND THE INVOLVEMENT OF THE LBP AM GROUP	NATURE DE SON ENGAGEMENT
		The TCFD makes recommendations on the climate-related information that companies should share to help investors make the right financial decisions. The LBP AM Group is committed to communicating and reporting on climate risks in line with TCFD standards.	<ul style="list-style-type: none"> ● Signatory of a pledge
		Launched in 2018, this is the first international treaty to reduce the impact of tobacco on the global economy. Signatories to the initiative commit to a strict tobacco exclusion policy in their investments.	<ul style="list-style-type: none"> ● Signatory of a pledge
		The LBP AM Group is participating in a collaborative engagement campaign to promote greater consideration of social risks and human rights in the care sector (particularly retirement homes). In 2022, LBP AM became a signatory to the Investor Statement on Expectations for the Retirement Home Sector, a document formalising the coalition's objectives.	<ul style="list-style-type: none"> ● Participation in collaborative engagement campaigns ● Signatory of a pledge
		This is a voluntary initiative led by its members, coordinated by the Investor Leaders Group teams and with the support of researchers at Cambridge University. It seeks to encourage investments that prioritise economic, social and environmental responsibility. CISL is an influential global institute that develops leadership and solutions for a sustainable economy.	<ul style="list-style-type: none"> ● Support for academic research
		Working group on the introduction and deployment of a standardised exchange file containing information on the extra-financial characteristics of investment products (EET)	<ul style="list-style-type: none"> ● Participation of working groups
		CDC Biodiversité finances the Nature 2050 project to protect biodiversity and adapt natural environments to climate change. Part of the management fees generated by LBPAM's Private Debt activity contributes to financing the preservation and restoration of nature.	<ul style="list-style-type: none"> ● Sponsor
		Farm Animal Investment Risk and Return (FAIRR) is an initiative that aims to bring about change in the animal farming sector. The LBP AM Group participates in the following working groups and engagement campaigns sustainable aquaculture, sustainable proteins, biodiversity and pollution, resilience, etc. to antimicrobials and antibiotics.	<ul style="list-style-type: none"> ● Membership of a marketplace organisation ● Participation collaborative engagement campaigns ● Participation in working groups



INITIATIVES DE PLACE (SUITE)

THÈMES ESG/ISR	ORGANISATION	DESCRIPTION DE L'INITIATIVE ET DE L'IMPLICATION DU GROUPE LBP AM	NATURE DE SON ENGAGEMENT
		<p>Finance for Biodiversity Foundation: since 2022, The LBP AM Group is a signatory of the Finance for Biodiversity Pledge and participates in the following working groups: Biodiversity impact measurement, shareholder engagement, fixation of biodiversity targets, advocacy and political engagement on biodiversity.</p>	<ul style="list-style-type: none"> ● Membership of a marketplace organisation ● Participation collaborative engagement campaigns ● Signatory a pledge
   		<p>The Forum for Responsible Investment (FIR) was created in 2001 afin to promote SRI. The LBP AM Group joined the FIR in 2014. Helena Charrier (Head of SRI Solutions at LBP AM) and Nicholas Vantreesse (Head of CSR at La Banque Postale) were re-elected to the board of the Forum for Responsible Investment in 2022, of which Helena is one of the vice-presidents. The LBP AM Group participates in collaborative engagement campaigns on <i>say-on-climate</i>, the circular economy, forced labour and child labour.</p>	<ul style="list-style-type: none"> ● Membership of a marketplace organisation ● Board seat management ● Participation collaborative engagement campaigns ● Participation in working groups
		<p>France Invest is a professional organisation bringing together more than 400 French private equity and private debt management companies, and of which LBP AM is a member of the Sustainability Commission. The association and its members are committed to supporting unlisted start-ups, SMEs and ETIs in their transformation towards responsible practices and models.</p>	<ul style="list-style-type: none"> ● Membership of a marketplace organisation ● Participation in working groups ● Sits on a committee
 		<p>GFANZ is a global coalition of leading financial institutions committed to accelerating decarbonising the economy. The alliance aims to broaden, deepen and raise the ambitions of carbon neutrality across the financial system and to demonstrate the collective engagement of businesses to help companies and countries to achieve the objectives of the Paris Agreement. As part of this alliance, LBP AM has played a very active role in working groups on the development of a voluntary international standard for transition plans, for the real economy via Real Economy Pathways, and for financial institutions within the framework of the European Commission. work on Portfolio Alignment.</p>	<ul style="list-style-type: none"> ● Participation in working groups



INITIATIVES DE PLACE (SUITE)

THÈMES ESG/ISR	ORGANISATION	DESCRIPTION DE L'INITIATIVE ET DE L'IMPLICATION DU GROUPE LBP AM	NATURE DE SON ENGAGEMENT
		The Institutional Investors Group on Climate Change is a network of investors on climate change, collaborating on the development of market guides and engagement actions. Members of the Group LBP AM participates in consultations and working groups.	<ul style="list-style-type: none"> Membership to a marketplace organisation Participation in working groups
		The International Corporate Governance Network is a network of professionals dedicated to promoting standards of good governance. LBP AM joined the network at the beginning of 2023.	<ul style="list-style-type: none"> Membership to a marketplace organisation
 		The Institut de la Finance Durable (IFD) (formerly Finance for Tomorrow) is an initiative of Paris Europlace to promote sustainable finance in France and internationally. The aim is to redirect the flux financiers towards a low-carbon and inclusive economy, in line with the Paris Agreement and the Sustainable Development Goals. The Group's LBP AM is a member of the board of the initiative, the Policy Commission and the Impact, Just Transition and Biodiversity & Deforestation working groups.	<ul style="list-style-type: none"> Membership to a local organisation Participation in working groups Participation collaborative engagement campaigns
		The Investor Alliance For Human Rights is dedicated to mobilise responsible investors to respect fundamental human rights. The Group's LBP AM participates in the Corporate Human Rights Benchmark and Digital Rights Rating working groups.	<ul style="list-style-type: none"> Membership to a marketplace organisation Participation in working groups Participation in collaborative engagement campaigns
 		The Net Zero Asset Managers Initiative (NZAMI) is an initiative aimed at reinforcing actions taken in favour of the climate with the objective of achieving carbon neutrality by 2050. The LBP AM Group is committed to make its portfolios carbon neutral through its engagement to this alliance.	<ul style="list-style-type: none"> Membership to a marketplace organisation
 		The Principles for Responsible Investment (UN PRI) were launched by the United Nations in 2006. This is a voluntary engagement aimed at the financial sector, encouraging investors to integrate ESG issues into the management of their portfolios. LBP AM participates in working groups and collaborative engagement initiatives on the following themes: fiscal responsibility, responsible raw materials production, human rights and plastics.	<ul style="list-style-type: none"> Membership to a marketplace organisation Participation collaborative engagement campaigns Participation in working groups



MANAGING CONFLICTS OF INTEREST



The asset manager entities of the LBP AM Group make available on their website a document called « **Conflicts of interest management policy** », which describes the system put in place to identify, prevent and manage conflicts of interest that may arise between, on the one hand, the LBP AM Group, persons placed under its authority or acting on its behalf or any other person directly or indirectly linked by a control relationship and, on the other hand, its clients, or between two clients, when providing any investment service or any related service or a combination of these services.

As regards the management of conflicts of interest in connection with voting at general meetings, further details are provided in chapter V of the **LBP AM Group's voting policy.**

TRANSPARENCY ON OUR ENGAGEMENT ACTIVITY

Each year, the LBP AM Group publishes a joint engagement report for its asset managers - LBP AM and LFDE - reporting on the application of this engagement policy. This report is available on the website of:

- ▶ LBP AM in the «News» category - «Publications & Reports LFDE in
- ▶ the «Responsible Investment» category - «Further information», «Voting and Commitment».

This report will include appendices setting out the engagement made for each fund and will be published on the relevant fund page.

In the interests of transparency vis-à-vis all our stakeholders, **details of the votes cast for each open-ended fund for which the LBP AM Group votes are made available online 7 days after each general meeting** at the following link:

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

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

LBPAM



LA FINANCIÈRE DE L'ÉCHIQUIER

<https://www.lbpam.com>

<https://www.lfde.fr>

LBP AM

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

Immatriculée sous le n° 879 553 857 RCS Paris

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

LFDE

La Financière de l'Échiquier société anonyme (limited liability company) with
share capital of 10 047 500 euros

Registered office 53, avenue d'Iéna, 75116 Paris.

La Financière de l'Echiquier, registered under no. 352 045 454 in the Paris Trade and Companies

Register is authorised as a portfolio management company by the AMF

(Autorité des Marchés Financiers) under no. GP 91-004.