

CLUSTER BOMBS AND ANTI-PERSONNEL MINES SECTOR POLICY

Natixis Asset Management

Introduction

As part of its Corporate Social Responsibility policy, Natixis Asset defines sector policies with the aim of:

- complying with national and international regulation,
- complying with Natixis' commitments,
- meeting the goals and pledges outlined by Natixis Asset Management to comply with its Responsible Asset Management strategy.

Sector policies identify and recommend the exclusion of issuers from Natixis Asset Management's investment scope based on their operations, geographical locations, the way they work, their reputation, breach of international standards, etc.

The list of issuers outlined in our sector policy is confirmed by the Executive Committee and updated each year.

Find out more about Natixis Asset Management's CSR initiatives at <http://www.nam.natixis.com/en-INT>

Background and challenges

The Ottawa Treaty (1999) and the Oslo Accords (2010) prohibit the use, stockpiling, production and transfer of anti-personnel mines and cluster bombs.

These arms can affect those not involved in conflict:

- anti-personnel mines are triggered by the presence, proximity or contact of a person and are designed to incapacitate, injure or kill one or several people,
- cluster bombs are designed to scatter or let off explosive cluster munitions in all directions.

Financing can be viewed as an incentive to produce this type of weapon, and interpretation of the scope of prohibition may vary from one country to another. In France "any informed decision to provide direct or indirect financial support for the production or sale of cluster bombs would be considered as assistance, encouragement or incentive punishable under criminal law".

Principle

Natixis AM excludes from all its investment portfolios any issuer involved in the use, stockpiling, production and transfer of anti-personnel mines

(APM) and cluster munitions (CM), in accordance with the Ottawa Treaty and the Oslo Accords, signed by many countries, including France.

Identifying issuers outlined in the Cluster bombs and Anti-personnel mines policy

Natixis Asset Management relies on a team of analysts devoted to non-financial research¹, that is responsible for monitoring and updating the list of issuers identified by our sector and exclusion policies. This team also works with a non-financial ratings agency specialized in analyzing controversial weapons. Support from an external service provider enables us to share expertise on the issue of arms and provides additional information alongside companies' official communications.

Scope and criteria for application of the policy

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A. Issuers

All companies, listed or unlisted, which:

- are proven to be involved in the use, stockpiling, production and transfer of anti-personnel mines or cluster bombs.
- are proven to hold 50% or more of a company involved in the activities mentioned above.

Proof of involvement requires a key proportion of the company's operations to be devoted to the production of anti-personnel mines and/or cluster bombs.

B. Portfolios

Investment restrictions on issuers involved in cluster bomb and anti-personnel mine activities apply to all funds for which Natixis Asset Management is the investment manager, whether main or delegated manager.

¹ Mirova's non-financial research team, Natixis Asset Management's Responsible Investment subsidiary [Responsible investing | Mirova - Natixis AM](#)

Policy communication and monitoring

All parties involved are informed of the contents of the policy via various media:

- General information on sector and exclusion policies is published on the Natixis Asset Management website
- Natixis Asset Management's exclusion policies are distributed by client services to clients of dedicated funds and mandates to confirm their application to these funds.

Natixis Asset Management updates and monitors the list of issuers outlined in this policy. The Natixis Asset Management Executive Committee reviews the list of issuers at least once a year, based on the various analyses available and the results of our engagement initiatives with issuers. The list may also be reviewed during the year in the event of a major incident on the issuer.

Text completed on December 1, 2017.

This policy may be reviewed at any time without prior notice. It is available on the Natixis Asset Management website at the following address: <http://www.nam.natixis.com/en-INT>

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This document may be updated at any time by Natixis Asset Management. A detailed version of this document is available on request from Natixis Asset Management, 43, avenue Pierre Mendès-France, 75013 Paris - 75648 Paris cedex 13 – FRANCE

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