



COMMITMENT

LONG TERM

ENVIRONMENT

LA MIE DE PAIN

ASSET MANAGEMENT SOCIAL

PROMOTE GOVERNANCE

STRATEGIC SUPPORT

ACTION

TRANSPARENCY

SOLIDARITY

SUSTAINABLE DEVELOPMENT SOCIAL SOCIETY DISABILITIES

PERFORMANCE DIVERSITY

ENVIRONMENT
LEADERSHIP

AMBITION

PEOPLE

RESPONSIBLE

LOYALTY

INNOVATION

PHILANTHROPY

COMMITMENT

KNOWLEDGE

CSR

LOYALTY

PARTICIPATORY APPROACH

ESG INTEGRATION

AMBITION
EXCELLENCE

ACTION

SUSTAINABILITY

SOLIDARITY INTEGRITY

PEOPLE



CORPORATE SOCIAL RESPONSIBILITY REPORT 2014

A message from **CEO Pascal Voisin**



At a time when issues of sustainable development are attracting considerable attention and prompting collective action, we are very proud to bring you the following compilation presenting our second annual Corporate Social Responsibility Report.

Following May's "Climate Week,"¹ held in Paris, economic and financial leaders have committed to undertaking concrete action to fight climate change and contribute to meeting the objective of limiting the century's global temperature rise to 2°C.

Climate Finance Day² was also an opportunity to highlight the central role investors have to play in enabling the shift toward a low-carbon economy, a role brought to the fore a year earlier by France's adoption, on May 26th 2014, of a law on green growth and the energy transition, which established new ESG reporting obligations for investors, particularly as concerns carbon accounting.³

This active focus on environmental and social issues should continue apace, and indeed amplify, as the Paris Climate Conference (COP21) scheduled for December approaches, as does the much anticipated unveiling of revised Millennium Development Goals.⁴

Natixis Asset Management has been addressing these very issues for over 30 years. Very early, we chose to design funds to achieve positive impact, first on the social level via our "*fonds solidaires*," and then later more globally in terms of environmental, social and governance benefits through a diverse range of SRI products.

The creation, in 2014, of our subsidiary dedicated to Responsible Investment, Mirova, is a testament to our abiding commitment in supporting the contributions of finance to sustainable development. We are now in the process of broadening this approach, with the ambition of making it central to our core business through a policy of responsible asset management.

We are pleased to announce that our efforts to date in this area have been rewarded with the highest ratings in results from the last reporting and evaluation cycle conducted by the UN-PRI (2013-2014).⁵

I am also extremely proud of the place occupied by corporate social responsibility in the day-to-day operation of our firm. The company's CSR policy calls for contributions on the part of executives and employees alike. These common efforts are what have made possible the realization of measurable steps forward, like the action plan "BeeNAM," which takes on the task of improving workplace quality of life, or the success of our participation plan "*Engagés*." No less than 75 volunteers participate in the latter, devoting time each day to keep the initiative vibrant, provide new ideas and bring CSR actions to fruition. Their achievements are described here, in the second edition of this annual publication, which we are pleased and honored to share with you.

Pascal Voisin
Chief Executive Officer
Natixis Asset Management

¹ The Climate Group's Climate Week to support the struggle against global warming took place in Paris for the first time from May 18th through the 24th 2015.

² On May 22nd 2015, Climate Finance Day brought together close to a thousand financial service and insurance companies with banks and other investors to discuss the issue of climate change.

³ Articles 48 of France's "Loi Royal" requires that institutional investors report their actions and policies incorporating criteria in line with social and environmental goals as well as quality governance objectives, in addition to efforts to further the energy and ecological transition. Institutionals will be required to calculate the carbon footprint of their assets, as well as the proportion of their investments allocated to CO₂ reduction.

⁴ The new list of post-2015 Millennium Development Goals will be adopted during the Special Summit of the United Nations on sustainable development to be held in New York in September 2015.

⁵ Natixis AM garnered A ratings for all applicable sections in the latest round of in-depth evaluations conducted by the United Nations Principles for Responsible Investment (UN-PRI).

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About...

Natixis Asset Management

648
employees

313.3
billion euros

in assets under management

6
primary areas
of expertise

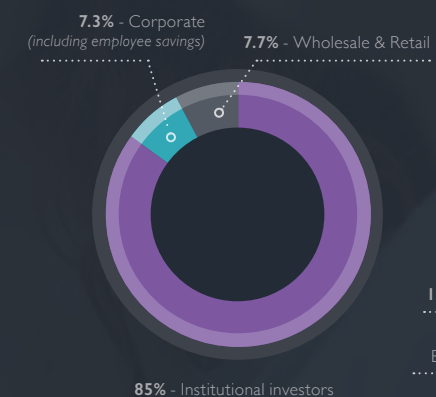
With 313.3 billion euros under management and 648 employees, **Natixis Asset Management** is one of the top asset managers in Europe.

Natixis Asset Management offers its clientele of institutional investors, businesses, private banks, commercial and retail banking networks custom solutions that combine innovation and performance across six areas of expertise: fixed-income, European equities, Investment and client solutions, structured products and volatility hedges (via Seeyond),¹ global emerging equities, and Responsible Investment (via Mirova).²

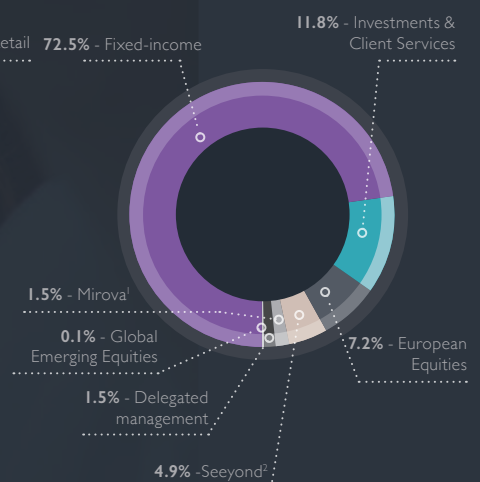
Natixis Asset Management's offerings are primarily commercialized through the international distribution platform of Natixis Global Asset Management, which provides access to over twenty asset management companies located in the United States, Asia and European Union.

More at : www.nam.natixis.com

AuM by type of client



AuM by area of expertise



Source: Natixis Asset Management – 31/12/2014 - ¹ Seeyond is a brand belonging to Natixis Asset Management. ² Mirova is a wholly owned subsidiary of Natixis Asset Management.



Catching up with...

Jean-François Baralon

Deputy CEO, Director of Finance and Operations
CSR Committee President - Natixis Asset Management

BY CREATING MEANING, A SOCIALLY RESPONSIBLE APPROACH HELPS US DIRECT OUR ACTIONS TOWARD EXCELLENCE IN EVERY ASPECT OF PROFESSIONAL LIFE.

Why did you decide to implement a Corporate Social Responsibility policy at Natixis AM?

Today we are facing new social and environmental issues that are impossible to ignore. Each and every economic actor needs to participate in addressing these challenges by exerting pressure on the levers accessible in their particular ecosystem. The many regulatory developments we have seen recently are one reminder of this, another being the expectations of our various stakeholders.

Does that mean you are broadening your CSR activities because it's become fashionable to be responsible these days?

As an asset management company, we certainly have a duty to set an example for the whole of the financial ecosystem, and especially vis-a-vis the issuers whose securities we hold in our portfolios. It would be absurd for us to evaluate companies on the basis of extra-financial considerations, which we do as part of our Responsible Asset Management policy, if we paid no mind to our own social environmental or governance behavior. And beyond the issue of self-respect, we believe a company cannot maintain performance levels if it fails to take into account growing social aspirations, especially in a world whose environmental capital is limited. Granted, different issues are more or less relevant depending on a firm's type of activity, but it is important to recognize them and focus on key areas. For us, managing our human capital, for instance, is of the utmost importance. If we don't succeed in attracting and retaining talented individuals by enhancing the expertise of our employees and offering them a rewarding work environment, then we cannot hope to achieve excellence in our core business of managing funds. I don't believe there is a trade-off to

be made between performance and responsibility. In fact, I would even say that the former follows from the latter: we have a responsibility to performance, and to consistently achieve this over a sustained period calls for responsible practices.

So, would you say you feel that the concepts of performance and responsibility are related?

Absolutely! The market turmoil we have experienced in the past few years has exposed the limits of financial performance alone. To quote Albert Einstein, "Not everything that counts can be counted, and not everything that can be counted counts." By creating meaning, a socially responsible approach helps us direct our actions toward excellence in every aspect of professional life. It is by combining expertise with wisdom that truly solid and enduring performance becomes attainable. We are convinced that the key lies in accepting and meeting this twofold standard at the highest level.

You mentioned stakeholders at the beginning of this discussion. Are your clients really interested in the concept of societal responsibility?

We are definitely seeing our clients become increasingly concerned, although their questions are more often about our responsible asset management approach than our own internal practices. It's quite logical, if you look at the rapid pace at which norms on the topic are generated. The United Nations' Principles for Responsible Investment now have over 1300 signatories, among whom 300 are institutional investors who, as a result, encourage their asset managers to better incorporate extra-financial issues in their investment decisions. It's great that clients

are feeling implicated—it is when we all start looking toward the same horizon that responsible asset management can become pervasive and make a sustainable economic and financial system a reality. Combining our efforts is crucial if we hope to return finance to its original role of financing the economy.

Would it be accurate to say that your CSR policy aims to help the company adapt to shifts in the market?

Because we manage assets on behalf of third parties, we do, of course, adjust our offerings to the needs of our clients. But independent of market trends, CSR is an integral part of our corporate culture. We made responsibility a linchpin of our identity long before the recent wave of enthusiasm for topics related to sustainable development. We are part of Groupe BPCE, a cooperative banking endeavor historically associated with social and environmental objectives, and our first social solidarity fund was created close to thirty years ago. Today, we propose one of the most complete palettes of SRI offerings on the market. A few years ago, convinced of the importance of channeling savings towards industries that generate solutions to ESG issues, we created Mirova, a subsidiary entirely dedicated to responsible investment. I believe the rich legacy we enjoy in terms of identity and our head start in terms of positioning clearly indicate a depth of commitment that well exceeds mere adaptation to market conditions. We have actively participated in building the market for responsible investments, and we are proud of this contribution. Today, we are continuing our efforts by applying these responsible principles to all our investment processes via a Responsible Asset Management policy, and by incorporating them throughout our own practices according to a transverse CSR strategy.

CSR Strategy... Responsible Asset Management policy... You've mentioned several distinct initiatives. How do these all fit together in practice?

In its broad lines, our CSR strategy encompasses both control of our direct impact, thanks to improvements to our practices, and reductions to our indirect impact via a Responsible Asset Management policy. The latter is simply the business-practices component of our overall CSR strategy. In practical terms, the CSR strategy is overseen and monitored by an ad hoc committee convened monthly, on which I serve as president. Our approach is very pragmatic, and seeks to move forward as efficiently as possible. We start by analyzing the company and all its activities in terms of CSR. For each area (responsible management, human resources, governance...), we prepare an

overview which is then evaluated in terms of existing recommendations issued by professional bodies and prevailing best practices in the industry. The CSR Committee puts together an action plan based on these inputs; once approved, the plan is implemented by each of the business processes involved.

These decisions are made by the CSR Committee but implemented by employees?

Yes, but there is rather more to it than that. One of the things that makes our CSR policy special is its participatory character. Employee volunteers are organized into "Engagés" working groups that actively contribute to the deliberations of the CSR Committee on specific topics. These include fair treatment of disabled employees, environmental issues, gender equality, philanthropy and a supportive work environment. Currently, over 10% of employees dedicate their time to improving our CSR as part of the "Engagés" initiative. We are very proud of these collective contributions, and make a point of ensuring that our CSR strategy is carried out and promoted by everyone. And, so far, we appear to be on the right track! A survey conducted last year found that 82% of our teams are interested in the topic, and 98% consider that a company ought to take its societal responsibilities seriously.

What are your CSR projects for 2015?

We are on the cusp of fully integrating CSR across the full spectrum of our internal processes. Our initiative is actively supported by the leadership of our various areas of activity through the CSR Committee, and by employees via the participatory framework "Engagés". One of our objectives is to reach an ever broader audience with our CSR strategy, so that all our employees are involved in defining, implementing and sharing our actions for progress. Our second goal for 2015 is to continue expanding our participation in professional bodies to promote the adoption of CSR within the asset management industry.

If you had to boil down your CSR ambitions to just a few words, what would you say?

Our ambition is very clear: we seek to position CSR at the heart of our business activities, as an asset management company, an employer and a participant in civil society. To this end, we are incorporating CSR in every one of our business processes and encouraging all members of Natixis AM to contribute to this area of tremendous strategic importance.

Our CSR approach...

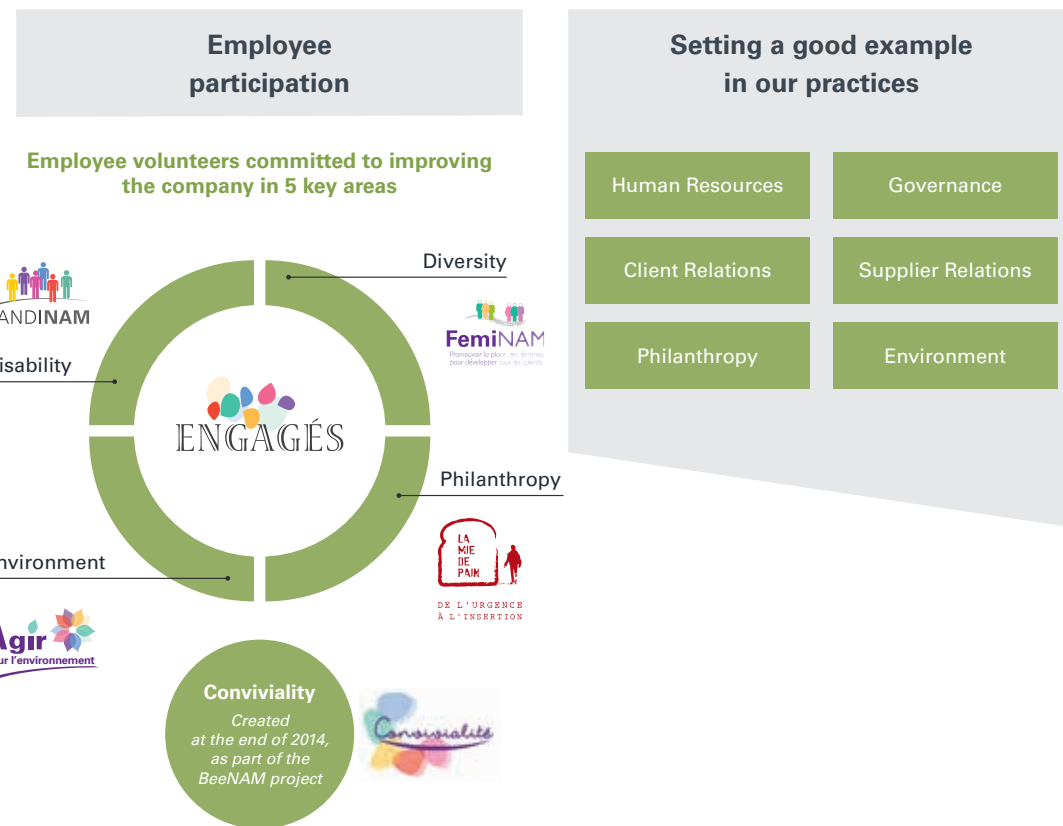
at Natixis AM and its subsidiaries

The CSR policy can be divided into **two main areas**:

- ▶ **Responsible Asset Management**, whose aim is to integrate sustainable development issues in Natixis AM's core business;
- ▶ **Responsible Business**, which consists of taking these same issues into account within internal processes and practices.



OUR RESPONSIBILITY



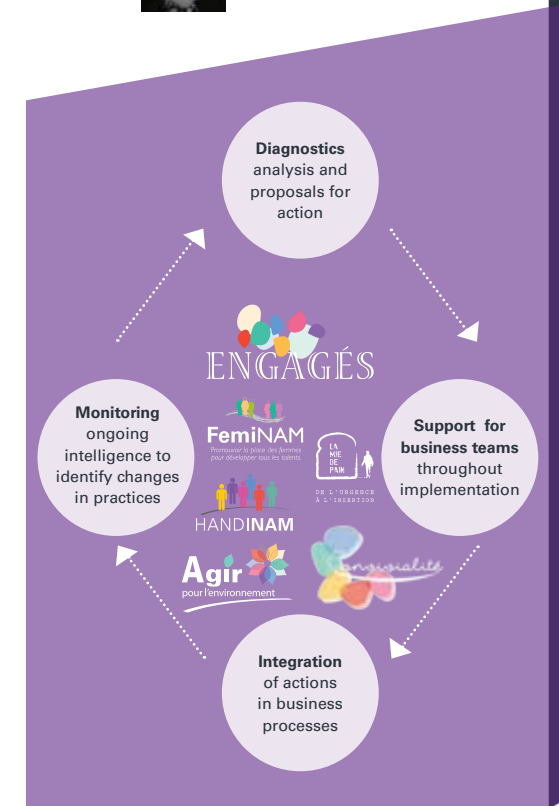
The CSR policy is guided and coordinated by the **CSR Committee**, which, each month, convenes department heads from Natixis AM alongside representatives from each of its main subsidiaries, including Mirova,¹ the entity dedicated to Responsible Investment. This broadly representative arrangement makes it possible to garner input from every line of business, and to ensure the initiative is propagated throughout the organization to reinforce the role of CSR.

Membership of the CSR Committee for Natixis AM

 Emmanuel Bourdeix Co-Chief Investment Officer in charge of Seeyond	 Frédéric Lenoir Head of Communications
 Sophie Cheysson Director of Human Resources	 Yves Maillot Director of European Equities
 Jean-François Baralon Deputy Chief Executive Officer Director of Finance & Operations CSR Committee President	 Hervé Guez Head of Responsible Investment Research, <i>Mirova</i>
 Amandine Capra Business Projects Leader, CSR Officer	 Olivier Houix Chief Executive Officer, <i>Natixis Asset Management Finance</i>
 Ibrahima Kobar Co-Chief Investment Officer in charge of Fixed-income	 Xavier Marmin Chief Compliance Officer
 Christine Lacoste Director of Network Distribution and Support Functions	 Jean-Christophe Morandeau Director of Legal, Monitoring and Risk Management
 Franck Nicolas Director of Investment and Client Solutions	 Audrey Rabaud Head of Strategic Projects

In shaping the policy, the CSR Committee relies especially on:

- ▶ The **"Engagés"** initiative, consisting of 75 employees arranged into 5 distinct work groups focused on key themes: disability, gender equality, the environment, philanthropy, and workplace well-being report to a bimonthly steering committee.² This participatory mechanism allows employees to voice their contributions to the civil proceedings of Natixis AM and its subsidiaries and is an integral feature of the company designed to promote CSR at the heart of corporate strategy and culture.
- ▶ **ESG Integration Committees** specialized in each area of expertise that contribute to enriching and implementing the Responsible Investment Policy.³



¹ For more about Mirova, see pages 20-21.
² The purpose and activities of these work groups are described in chapter 2, "Our Responsibility: setting a good example in practice," pages 22-61.
³ For more about ESG Integration Committees, please refer to chapter 1, "Our Commitment: Developing and implementing responsible management," pages 8-21.

01/ Our Commitment

Developing and implementing responsible asset management

Core areas of the Natixis Asset Management Responsible Investment policy



Source: Natixis Asset Management, data as at 31 December 2014.
¹ Teams under the aegis of Mirova, a wholly owned Natixis AM subsidiary dedicated to Responsible Investing (RI) which advises its parent company on ESG/RI as part of Natixis AM's Responsible Asset Management Policy.
² Responsible Investment.
³ 162 ongoing engagements, 25 collaborative actions.

ESG ratings coverage that includes
98% of the MSCI WORLD Index &
94% of the
 BARCLAYS EURO CORPORATE

ESG ratings made available to asset managers via Front Office tools for a broad array of more than
3,000 issuers

An **in-house team**¹
 of **11** RI² analysts

1 ESG Integration Committee for each area of expertise

1 ESG exclusion policy, applied universally to all directly managed portfolios

Voting rights exercised for
99.5% of the **eligible universe**

Engagement actions carried out vis-a-vis
187 issuers³ in 2014

Active participation in
11 Professional bodies for RI

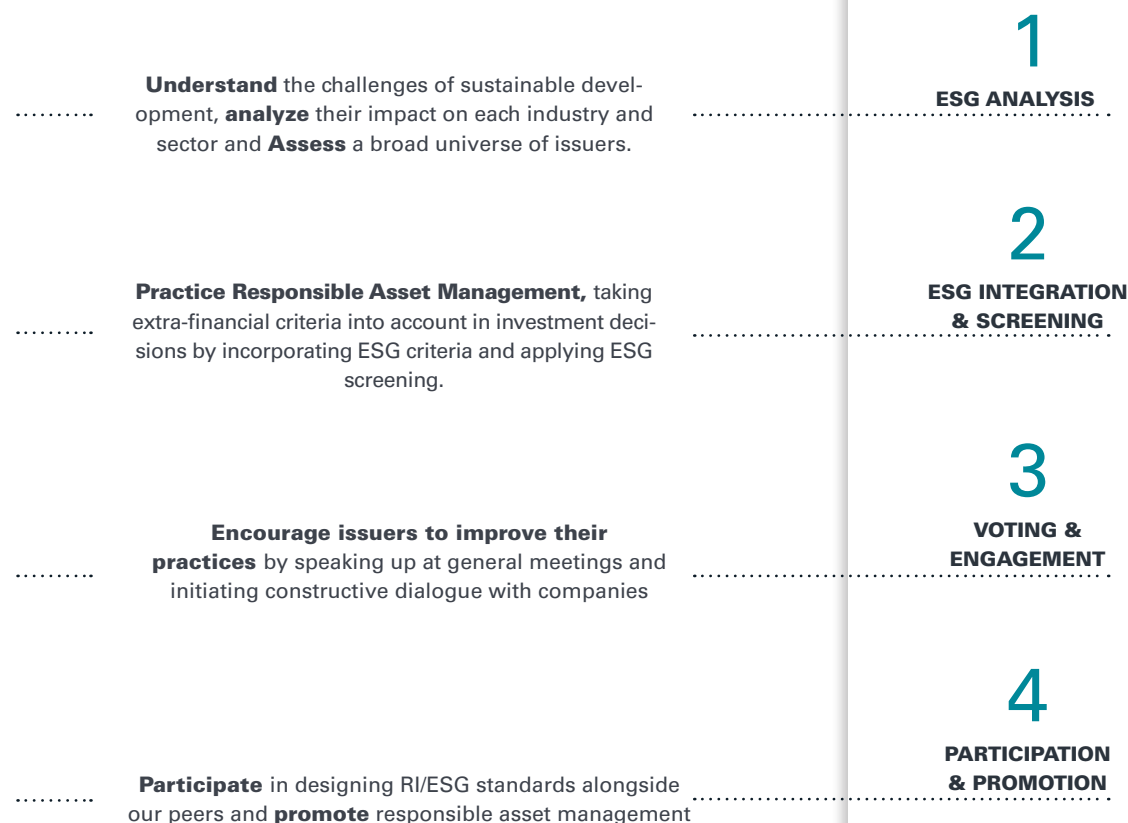
Our Commitment

Developing and implementing responsible asset management...

THE CHARTER FOR RESPONSIBLE ASSET MANAGEMENT AT NATIXIS AM

While Natixis AM has been involved in issues of sustainable development and Socially Responsible Investing (SRI) for close to 30 years,¹ the company decided a few years ago to take the next step by designing a framework for responsible asset management for application to the entirety of its investment processes. The goal of this initiative is to encourage greater attention to extra-financial criteria in the process of making investment decisions across the board, in keeping with the recommendations of widely recognized international standards such as the United Nations' Principles for Responsible Investment, of which Natixis AM has been a signatory since 2008.

Following a period of in-depth analysis and development carried out over several years, this framework for responsible asset management rests on four core areas, each comprising and expressed through a large number of focused actions.² These core commitments are to :



¹ The first socially responsible fund offered by Natixis Asset Management, Natixis Impact Nord Sud Développement, was launched in 1985. A broad spectrum of SRI and social solidarity funds has since been developed.
² These initiatives are described in more detail herein, please see pages 11-19.

... through ESG analysis

UNDERSTANDING SUSTAINABLE DEVELOPMENT CHALLENGES, ANALYZING THEIR IMPACT ON DIFFERENT INDUSTRIES AND ASSESSING A BROAD RANGE OF ISSUERS

The foundation of our approach lies in the thorough investigation of major challenges facing the 21st century that threaten the future sustainability of our economic and financial system. Sustainable Development issues are both diverse and complex, and as such can directly affect the business activities of issuers, either negatively, as new risks arise, or positively, as new opportunities emerge. **In order to best serve our management teams, and thus our clients, we are committed to analyzing these concerns and determining whether issuers take them sufficiently into account.** To this end, we rely on **the cutting-edge extra-financial research methodology** developed by **Mirova**, our subsidiary dedicated to Responsible Investment (RI).³ This is a proprietary ESG methodology, **designed and applied by a team of 11 expert RI analysts** from a broad spectrum of relevant backgrounds.

The **extra-financial research powerhouse** built into Mirova **continuously strives to improve responsible investment through its 3 primary activities:**

- ▶ **Inform** all investment teams at Natixis AM and Mirova regarding issues of sustainable development and their impact on investments, and providing detailed empirical analysis of sustainability themes, sector-specific ESG issues, and reports on how issuers address these in their business processes and policies.
- ▶ **Assess** a broad and global universe of issuers according to ESG criteria, making sure to address both risks and opportunities.
- ▶ **Vote on resolutions and conduct engagement** with companies that are strongly represented in our equity portfolios.

The team gathers input from a **wide variety of sources** in the course of assessing and rating a large number of issuers from an ESG perspective. RI analysts directly contact corporate management to complement published data, and employ information furnished by extra-financial ratings agencies or secured from brokerage firms engaged for the quality of their ESG research. Further inputs come from reports by major NGOs and academic research, including a special research partnership with the University of Cambridge Institute for Sustainable Leadership (CISL).

³ For more about Mirova, please see pages 20 - 21.
⁴ Analysis of Environmental, Social, and Governance criteria.

NEW SOURCES OF RISK AND/OR OPPORTUNITY ARISING FROM ESG ISSUES

INFORM

ASSESS

VOTE AND ENGAGE

MULTIPLE ESG SOURCES



Our Commitment

Developing and implementing responsible asset management by **integrating ESG criteria and applying ESG screening**

MANAGING ASSETS RESPONSIBLY BY TAKING EXTRA-FINANCIAL CRITERIA INTO ACCOUNT

Leaving aside for a moment the broader issue of sustainable development, certain ESG concerns can directly affect the economic performance of issuers in the form of either new risks or new opportunities. Consequently, extra-financial criteria can have an impact on portfolios holding securities exposed to these externalities, and are therefore pertinent, even in strictly conventional management processes. **Thus, whether from the standpoint of fiduciary duty or that of social responsibility, Natixis AM encourages all members of its management teams to take ESG factors into account in their investment processes, primarily by integrating ESG criteria and applying ESG filters to exclude issuers whose practices fail to respect the fundamental principles of responsibility.**

ESG integration is being progressively extended to all investment processes

To foster the incorporation of ESG factors across the whole range of investment processes, Natixis AM has adopted a disciplined approach to ensure coverage, analysis and access to information. **A broad universe of over 3,000 issuers is submitted to extra-financial assessment,¹ and ESG ratings are accessible within Front Office tools and via an internal information platform** available to all investment teams. In this way, ESG data are part of each and every phase of asset management. In addition to these traditional mechanisms for ESG integration, Natixis AM has launched an innovative approach, developed in 2013, which is designed to take into account the specificities of different asset classes. **A CSR Committee has thus been established for each area of expertise within asset management.** The mission of these bi-quarterly committees, which bring together the heads of the main investment processes and a representative from Mirova, is to suggest research priorities and create mechanisms for integrating ESG criteria pertinent to the investment process for each asset class.

These committees made significant headway in several key areas of the investment process during 2014:

- ▶ **A new combined credit and ESG analysis:** systematic integration of extra-financial criteria liable to significantly affect the credit profile of an issuer.²
- ▶ **ESG criteria that are fully integrated throughout several of our equity investment processes:** asset managers from the *Core Equities* division regularly discuss Governance criteria relevant to Large Cap stocks (fit between companies' executive compensation and strategic plan, sustainability of dividends, etc.) with Mirova's RI analysts. Similar integration mechanisms, primarily concerning corporate governance aspects, have been established for other equity investment processes (Value, Small Cap, Global Emerging etc.).

A training program to help members of investment teams develop the necessary expertise in extra-financial analysis has also been implemented. As of December 31, 2014, 80 of our analysts and asset managers had received training.

A BROAD SPECTRUM OF ESG DATA SOURCES

ESG INTEGRATION PRINCIPLES TAILORED TO THE SPECIFICITIES OF DIFFERENT INVESTMENT PROCESSES

80

MANAGERS AND ANALYSTS TRAINED IN INTERPRETING EXTRA-FINANCIAL DATA

Catching up with...

Ibrahima Kobar

Co-Chief Investment Officer, Natixis Asset Management, in charge of Fixed-Income Investment



Can you explain how ESG criteria are integrated within the credit analysis process ?

When the Credit team analyzes a private issuer, members now systematically consult the extra-financial ratings produced by our RI subsidiary, Mirova. Where an extra-financial issue has the potential to significantly affect an issuer's profile—whether positively or negatively—it is taken into account in the credit rating assigned to the issuer.

What exactly constitutes a significant impact ?

Some of the criteria we describe as extra-financial can actually have very real repercussions for the financial profile of a security. For instance, if an industrial issuer fails to effectively control for environmental externalities, the company runs a serious risk of being fined or otherwise sanctioned, to say nothing of possible accidents with severe consequences (such as oil spills), that can significantly modify its risk profile and even solvency. Conversely, a player with strong R&D and positioned on innovative environmental technologies may enjoy real opportunities allowing it to take advantage of various current incentives, especially as relates to the energy transition. For my part, I am convinced we should not ignore this type of extra-financial criterion.

Is it appropriate to call this a systematic integration of ESG criteria within the Credit department ?

A review of all available information on ESG matters is systematic for

the analysis of private issuers. Our credit research notes actually have a section reserved for the extra-financial assessment. However, the choice of whether extra-financial criteria are reflected in ratings is made by each credit analyst on a case by case basis, according to the degree of impact ESG issues are expected to have on the credit profile of a particular issuer. As I explained before, any time the impact is deemed significant, we systematically take it into account.

What investment universe does this process apply to at the moment ?

Integration of ESG criteria is systematic for all new coverage of issuers and updates to credit analyses. We set ourselves the goal of achieving full coverage of all private issuers held in Natixis AM portfolios using the new combined extra-financial and credit analysis framework by the end of 2015.

Isn't it restrictive for you to adhere to such exacting requirements ?

We don't particularly see ESG integration as a constraint. We respond to specific demands on the part of our clients, and there are, of course, normative requirements we all have to conform to. But above and beyond these basics, taking into account extra-financial criteria completes and enriches our credit analysis of private issuers. We have everything to gain by including these precious sources of additional information. Because of this conviction, we are driven, not by a desire to comply with regulations or norms, but by the persuasive concerns of efficiency.

TAKING INTO ACCOUNT EXTRA-FINANCIAL CRITERIA COMPLETES AND ENRICHES OUR CREDIT ANALYSIS OF PRIVATE ISSUERS. WE HAVE EVERYTHING TO GAIN BY INCLUDING THESE PRECIOUS SOURCES OF ADDITIONAL INFORMATION AND ARE THUS DRIVEN, NOT BY A DESIRE TO COMPLY WITH REGULATIONS OR NORMS, BUT BY THE PERSUASIVE CONCERNS OF EFFICIENCY.

¹ Conducted by the research team at Mirova, the Natixis AM subsidiary dedicated to RI.
² To learn more, please see the interview with Ibrahima Kobar, page 13.

ESG exclusionary filters that apply to the totality of directly managed portfolios

One facet of Natixis AM's commitment to responsibility consists in refusing to support certain activities or practices deemed contrary to the fundamental principles of responsible behavior. This essential requirement cannot be limited to specific portfolios, and applies to the whole of Natixis AM's direct investment perimeter.

Consequently, economic actors¹ implicated in the use, production, storage, transport or distribution of **Anti-Personnel Mines (AMP) and Cluster Munitions (CM) are systematically excluded from all portfolios**, in accordance with the Ottawa Treaty and the Oslo Accords, to both of which France, like many other countries, has signed. This policy applies to Natixis AM's own corporate financing activities, and to activities conducted on behalf of third parties where portfolios are directly managed by Natixis AM.² With support from an extra-financial agency specializing in arms and armament, Mirova's Responsible Investment research teams regularly compile an updated list comprising all companies, listed or unlisted, whose implication in the use, development, production, sale, distribution, storage or transport of AMP or CM is confirmed.³ This list is then submitted to the Executive Committee.

As of 2014, Natixis Asset Management also conducts a normative screening that prohibits investments in the equity or bonds of private issuers that fail to respect the most fundamental tenets of responsibility. Such issuers are identified by Mirova's research team, based on the analysis of data from three main sources of input:

- ▶ Serious controversies associated with violations of the **United Nations Global Compact** which are reported by a specialized ESG service provider;
- ▶ Cases investigated by OECD national contact points for non-compliance with the **OECD Guidelines for Multinational Enterprises**;
- ▶ **Lists of excluded companies published by major institutional investors** that are established in keeping with the principles above.

Once issuers of potential concern are identified, Mirova's RI analysts check to ensure that reports are reliably confirmed and establish constructive dialogue with the companies in question to **encourage corrective action**. In such cases as the Chief Investment Officers of Natixis AM judges the corrective measures implemented or the potential for engagement to be inadequate, the issuer is placed on the official exclusion list, which is then confirmed by the Executive Committee.

¹ Private issuers.
² The moratorium on investing in companies associated with AMP and CM armaments applies to all funds for which Natixis is the asset management company, parent company, or proxy.
³ To learn more about this process, please refer to the Natixis Asset Management Exclusion Policy, available at <http://www.nam.natixis.com/en-UK/p/Commitments-AD/Our-exclusion-policy>



OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES



Our Commitment

Developing and implementing responsible asset management through **shareholder voting and engagement**

ENCOURAGING ISSUERS TO IMPROVE THEIR PRACTICES BY SPEAKING UP AT GENERAL MEETINGS AND BY INITIATING CONSTRUCTIVE DIALOGUE WITH COMPANIES

Natixis AM's commitment to responsibility is by no means limited to incorporating extra-financial criteria into investment processes. Shareholder power is also employed as a lever for progress. Convinced that responsible business practices can contribute to the performance of a company in the long term to the benefit of all stakeholders, Natixis AM has developed a framework that integrates ESG analysis, voting and engagement for the purpose of supporting businesses on the path to responsible behavior.

As a responsible asset management company, Natixis AM is committed to using its power to effect positive change and to encourage issuers to improve their environmental, social/societal and governance (ESG) practices.

Two primary levers are available for inducing positive change⁴:

- ▶ **The exercise of shareholder voting rights** at general meetings for all holdings⁵ according to an active policy that sets exacting standards extending to social and environmental issues.
- ▶ **An engagement process** that involves sustained dialogue with issuers in order to better understand their practices and support their adoption of higher ESG standards.

⁴ Conducted by Mirova, the Natixis AM subsidiary dedicated to RI.
⁵ In 2014, Natixis AM exercised voting rights for 99.5% of eligible assets. Natixis AM was unable to vote at 10 general meetings for technical reasons.

EXERCISE OF VOTING RIGHTS FOR ALL HOLDINGS

CONSTRUCTIVE EXCHANGES WITH MAIN ISSUERS ON VOTING POSITIONS

An active policy upholding the highest standards and incorporating social and environmental issues

Exercising voting rights is a **central pillar of our responsible management policy**. This time-honored practice is, for an asset manager, the most formal and direct manner available for expressing disagreement with the managerial decisions of companies held in portfolios. Natixis AM exercises voting rights according to a policy¹ that is active, upholds the highest standards, and incorporates social and environmental issues, in keeping with the company's responsible asset management policy and approach to social responsibility. Thanks to continuous monitoring of regulatory changes and comparison with an evolving benchmark of good corporate governance practices, key areas of the voting policy, which is tailored to recognize significant features such

as company size and geographic location, are updated annually. The goal is to ensure that the principles on which Natixis AM bases its votes reflect the highest achievable standards in order to foster responsible corporate governance. Natixis AM applies its voting policy comprehensively, to the entire range of securities it is eligible to vote on. **In 2014, this constituted a universe of 1,189 securities, all geographic regions combined.**² **The application of stringent voting criteria led Natixis AM to oppose 30% of all resolutions.**³ In parallel, constructive dialogue is undertaken with businesses that represent significant holdings in portfolios. Via these exchanges, company management is apprised of Natixis AM's position on resolutions prior to the voting process.

In addition to fully exercising voting rights, Natixis AM is committed to being an active and involved shareholder, particularly through the mechanism of constructive dialogue. For core investments,⁴ an in-house RI team⁵ regularly conducts exchanges with issuers in view to achieving progress, whether to improve ESG analysis, exercise voting rights, or as part of collaborative engagements.

¹ The Natixis AM voting policy is available Online at Natixis Asset Management's website: http://www.nam.natixis.com/Content/Documents/NAM/A_propos_de_NAM/Engagements/EN/Voting%20and%20Engagement%20policy_2015.pdf
² As at 31 December 2014: http://www.nam.natixis.com/Content/Documents/NAM/A_propos_de_NAM/Engagements/EN/Reporting%20des%20droits%20de%20vote%202014%20NAM%20_%20EN.pdf
³ 29% votes opposing resolutions and 1% abstentions.
⁴ This core represents approximately 80% of securities under management within the equities department.
⁵ Teams belonging to Mirova, the Natixis AM subsidiary dedicated to RI.



On-going engagement

These exchanges, which take place in the course of exercising voting rights and conducting ESG research, are anchored in the detailed analysis of a company's practices, focusing on the key issues in its sector and primary levers for improvement. The goal of this dialogue is to draw issuers' attention to possible sources of ESG risk that might not be taken into account, and to encourage progress by sharing the benchmark standards for good ESG practice in their respective industries. As part of this process, the avenues for improvement identified by analysts are formally communicated to the issuer, both orally and in writing. Changes are monitored over time in order to assess headway toward specific goals and **adjust the ESG rating of issuers accordingly. In 2014, sustained engagement was conducted for 162 issuers.**

Focused engagement

The goal of this intensive dialogue process is to achieve concrete progress on the part of issuers within a predetermined time frame. These collaborative actions each concern a specific topic, and target issuers exposed to significant issues or risks. For the most part, Natixis AM conducts focused engagement via the engagement platform maintained by its subsidiary, Mirova, in order to pool the voices of investors who share a vision of responsible asset management for more effective dialogue. So as to achieve meaningful change, the scope of these exchanges is purposefully restricted, both in terms of the companies concerned and the ESG issues addressed. The themes of focused engagement actions are determined by research activities of the in-house RI analyst team and refined in the course of discussions among investors participating in the platform.

Natixis AM conducted two such focused engagement campaigns during 2014, alongside 21 other investors. The first of these concerned labor conditions in the textile industry, while the second addressed risks inherent to oil extraction in the Arctic circle.

Natixis AM also participates in collaborative dialogue processes initiated by professional bodies of which it is a member, such as the actions launched by the **CorDial platform of the Forum de L'Investissement Responsable (FIR)** or those coordinated by the United Nations Principles for Responsible Investment (UN-PRI). **In 2014, Natixis AM took an active role at the head of several UN-PRI steering committees** dedicated to diverse topics. These included human rights in the extractive sector, board member nomination processes, anti-corruption measures and hydraulic fracturing ("Fracking"), among other subjects.

ON-GOING DIALOGUE IN THE COURSE OF VOTING AND ESG ANALYSIS

162

ISSUERS IMPLICATED IN 2014

COLLABORATIVE DIALOGUE UNDERTAKEN ON PRECISE TOPICS WITHIN ESG THEMES

25 ISSUERS ADDRESSED THROUGH COLLABORATIVE ENGAGEMENT ACTIONS

2 MAIN THEMES FOR 2014:

OIL DRILLING IN THE ARCTIC CIRCLE AND SUPPLY CHAIN LABOR CONDITIONS IN THE TEXTILE INDUSTRY

PARTICIPATION IN COLLABORATIVE ACTIONS BY PROFESSIONAL BODIES

Our Commitment

Developing and implementing responsible asset management **by co-designing and promoting ESG standards**

CO-DESIGNING RI/ESG STANDARDS WITH OUR PEERS AND PROMOTING RESPONSIBLE ASSET MANAGEMENT THROUGH VOCAL ENGAGEMENT AS A MEMBER OF CIVIL SOCIETY

As a leader in the Responsible Investment market, and more broadly speaking, within the asset management industry, Natixis AM has a responsibility to help to establish high standards for responsible asset management. Because there remains a significant amount of work to be done in terms of creating and harmonizing professional standards for responsible investing, **Natixis AM places great importance on civil society initiatives, and contributes to the strategic process of structuring Responsible Investment**, in particular through active participation¹ in the main professional bodies of relevance for this area. The company's commitment is manifest in its scrupulous attendance as part of working groups, meaningful contributions to debates, and central role within a number of organizations, including the chairmanship of multiple commissions and committees.

¹ Natixis Asset Management is generally represented in such organizations by its subsidiary dedicated to RI, Mirova.

Natixis AM is also a signatory to several engagement statements written by international organizations and/or investor groups whose aim is to draw attention to particular issues and offer policy recommendations for regulators. Natixis AM has supported the "Global Investor Statement on Climate Change," the "IOSCO² Investor Statement Letter," the "Investor Statement on Green/Climate Bonds" and the "ICCR's³ Statement of Principles and Recommended Corporate Practices to Promote Global Health," as well as the "Extractive Industries Transparency Initiative" published by the EITI⁴ to promote greater transparency in mining and extraction activities.

Natixis AM's contribution to professionalizing and developing responsible asset management also involves:

- ▶ **Supporting academic research**, notably by sponsoring the FIR-PRI Prize for European Research in Finance and Sustainable Development. Natixis AM also signed a three-year partnership with the University of Cambridge with the ambition of co-producing nine research studies on topics related to sustainable development and responsible investment.
- ▶ **Regular lobbying activities** to recommend good ESG practices to national and international regulators. In 2014, this took the form of participation in the EFAMA and EUROSIF working groups that produced position papers on the European Directive on "Shareholder Rights."

² International Organization of Securities Commissions - ³ Interfaith Center on Corporate Responsibility - ⁴ Extractive Industries Transparency Initiative

FRANCE



President of the SRI Commission
Active member of the Governance Commission and "Green Bonds" working group



Member of the Board of Directors
Active participant in all 5 permanent commissions. Since 2014, Natixis AM has been responsible for coordinating a collaborative engagement on the topic of Pay Ratios initiated via the CorDial platform of the Issuers Commission



Member of the SRI-CSR Commission
in charge of proposing mechanisms for promoting CSR and SRI throughout the financial industry

INTERNATIONAL



Active member of the "Business Ethics" working group



Signatory since 2008
Participant in various collaborative engagement actions and active member of several steering committees



Member of working groups on: "Responsible Investment" and "Corporate Governance"



President of the Investment Leaders Group (ILG)



Member of the organization
Participant in the effort to define the different SRI strategies in preparation for upcoming studies



Member of the Board of Directors "Green Bond Principles"

More about

mirova

Responsible Investing

Convinced that sustainable development challenges can harbor a wealth of opportunities, Natixis Asset Management created Mirova, which, on January 1, 2014, became a subsidiary entirely dedicated to Responsible Investment (RI).

Mirova has placed issues and challenges of establishing a sustainable economy at the very core of how it makes investment decisions. The company develops a full range of innovative financial products, all of which integrate ESG criteria within the heart of generating investment ideas.

Mirova brings together 50 multidisciplinary experts, including thematic asset management specialists, engineers, financial and ESG analysis, project finance professionals and experts in social finance, to offer investors solutions for creating long-term value that is simultaneously financial, environmental and social.

A pioneer of SRI in France, Mirova has 4.8 billion euros of assets under management in responsible investments. In 2012, the in-house RI research department at Mirova signed a unique partnership with the University of Cambridge to co-produce studies on topics of importance to sustainable development and investment.

Mirova was named **Best at SRI management for 2014** by **Thomson Reuters** and the UK Sustainable Investment and Finance Association.¹

Source: Mirova, as at December 31, 2014

¹ The 2014 survey polled 360 investment professionals from 27 countries between March 24 and May 7, 2014, making it the most comprehensive survey of responsible investment practices in Europe. Results reflect input from 179 buy-side companies and 14 brokerage houses. See www.uksif.org for more information. Any reference to ratings, prizes, or rankings obtained by a UCIT are informational only, and are in no respect a guarantee of future performance.

² Experience garnered as part of Natixis AM until 2013, then as Mirova beginning in 2014.

Mirova supports the ecological and energy transition

* Well-prepared for the COP21 Conference in Paris, Mirova is a committed member of the struggle against climate change:

- ▶ Signatory of the **Montreal Carbon Pledge** and a member of the **Portfolio Decarbonization Coalition** and **Green Growth Group**
- ▶ On track to implement and publish a carbon footprint measure for portfolios by September 2015

* Evaluating companies' contribution to the energy transition

- ▶ Innovative methodology developed by Mirova in partnership with Carbone 4

* Financing sustainable energy

- ▶ 3 funds dedicated to financing renewable energy projects: FIDEME, EUROFIDEME 2, EUROFIDEME 3

* Supporting the development of Green Bonds

- ▶ A focus on expertise in Green Bonds
- ▶ 20% of the Fixed-income strategies at Mirova are comprised of Green Bond securities

Mirova supports socially and environmentally responsible growth

- ▶ N°1 in France³ and Europe⁴ for social solidarity asset management
- ▶ N°1 in France⁵ for the management of solidarity employee savings funds
- ▶ Management of the *Insertion Emplois* range, created in 1994, in partnership with the investment firm France Active: close to 360 million euros under management as at end 2014
- ▶ A Specialized Professional Investment Fund,⁶ *Natixis Solidaire*
- ▶ An innovative investment vehicle designed for solidarity employee investment totaling 101 million euros in assets as at end 2014. This mechanism makes it possible to invest in a large number of social solidarity companies across a diversified range of industries, and to achieve tangible social impact

³ Finansol "Zoom sur la finance solidaire" based on AuM of financial solidarity employee savings at end December 2013 including employee savings schemes. ⁴ Feri Lipper - 09/2014. ⁵ Association française de la gestion financière - as at 30/06/2014. ⁶ In French, an FPS, see: http://www.amf-france.org/en_US/Acteurs-et-produits/Produits-et-SICAV/FIA/Fonds-professionnels-specialises.html?langSwitch=true



Listed Equities

Investing in sustainable business models that create long-term value



Bonds

Applying a combination of responsibility and conviction-based management to the bond and money markets by integrating ESG criteria



5 key areas of expertise



Infrastructure

Financing infrastructure projects that address sustainable development challenges and generate stable, long-term cash flows



Voting and Engagement

Accompanying institutional investors and asset managers in the process of exercising their voting rights and undertaking engagement actions in order to create long term value for all stakeholders



Impact Investing

Investing a portion of assets in unlisted companies and organizations that generate meaningful social or environmental benefits

N°1
ASSET MANAGEMENT
COMPANY IN THE
SRI/ESG CATEGORY
FOR 2014¹

30 years

EXPERIENCE IN
RESPONSIBLE
INVESTMENT²

47

MULTIDISCIPLINARY
RI EXPERTS

4.8

BILLION EUROS
IN ASSETS MANAGED

42.9

BILLION EUROS
UNDER ADVISORY FOR
VOTING/ENGAGEMENT

Our Responsibility

Setting a good example
in practice

Key Components of the "Responsible Enterprise" approach at Natixis Asset Management



1 major project launched on the theme of Workplace well-being: **BeeNAM**

75 employee volunteers engaged in the participative endeavor "*Engagés*" representing **10%** of all personnel

4 key themes addressed by dedicated "*Engagés*" working groups in 2014: gender balance, disabilities, philanthropy, the environment

1 new "*Engagés*" working group launched at year's end on workplace well-being

Setting a good example in practice

through the responsible management of our human capital

BEING AN EMPLOYER OF CHOICE, THANKS TO AN INNOVATIVE AND COMMITTED APPROACH

As an asset management company, Natixis AM's business activities rest essentially on the quality of the firm's human capital. From the performance of our funds and the strength of our growth to the robustness of our controls, be these risk management, compliance, or ethics, as well as our capacity to innovate, none of our processes can flourish without the thoughtful and efficient management of our human resources.

Beyond the way in which this central issue touches on the core business of Natixis AM, the company is convinced that creating wealth can only be meaningful if it is matched by social progress and workplace well-being. Natixis AM therefore seeks to **attract, foster and retain a variety of talents**, so that all our employees have opportunities to fully develop their capacities within the organization and to express their potential throughout their professional lives.

Attracting talent and diversity

Excellence, diversity and complementarity are the watchwords of our recruiting policy and our career management process at Natixis AM.

In order to attract the brightest talent and thus ensure the best asset management for our clients, we have diversified our recruitment channels, in particular so as to better identify experts in specialized fields.

Professional opportunities at Natixis AM are widely and transparently disseminated. This communications effort extends to information about the company, its business lines and its recruitment process.

Natixis AM is certain, however, that the technical skills of employees are by no means the only factor contributing to the quality of its teams, and that ensuring a variety of profiles is essential. The company believes that diversity not only offers a **contribution to social progress** by providing equal opportunities, and enriching human relations, but also **contributes to the company's success** by providing an enormous pool of complementary skills on which to draw.

In keeping with the commitments of its parent company Natixis, which has been a signatory of the *Charte de la Diversité* (French Diversity Charter) since 2009, **Natixis AM has put in place an action plan with three main objectives:**

- ▶ **A balanced age pyramid, focusing on jobs for youth and seniors,**
- ▶ **Professional equality between men and women,**
- ▶ **Employment opportunities for persons with disabilities.**

This concern for diversity is an integral part of Natixis AM's corporate culture, as clearly illustrated by the strong participation rate among employees.

Of the five employee working groups that make up the participatory framework, "*Engagés*" two are devoted to these topics, HandiNAM et FemiNAM.¹ These forums for exchange enrich the considerations of Human Resources leadership and are frequently the source of new initiatives.

¹ For more information, please see pages 28-29 and 32-33.

Supporting employment of youth and seniors

Addressing age distribution in the workforce is a key component of the strategic management of jobs and skills (*gestion prévisionnelle des emplois et des compétences*, or GPEC) at Natixis AM, which places considerable stress on **ensuring a balanced workforce, by making jobs with the company accessible to recent graduates, while at the same time preserving the employability of senior workers.**

An umbrella employment and hiring policy² (2015 -2017) addresses the need for an age balance and fixes specific objectives:

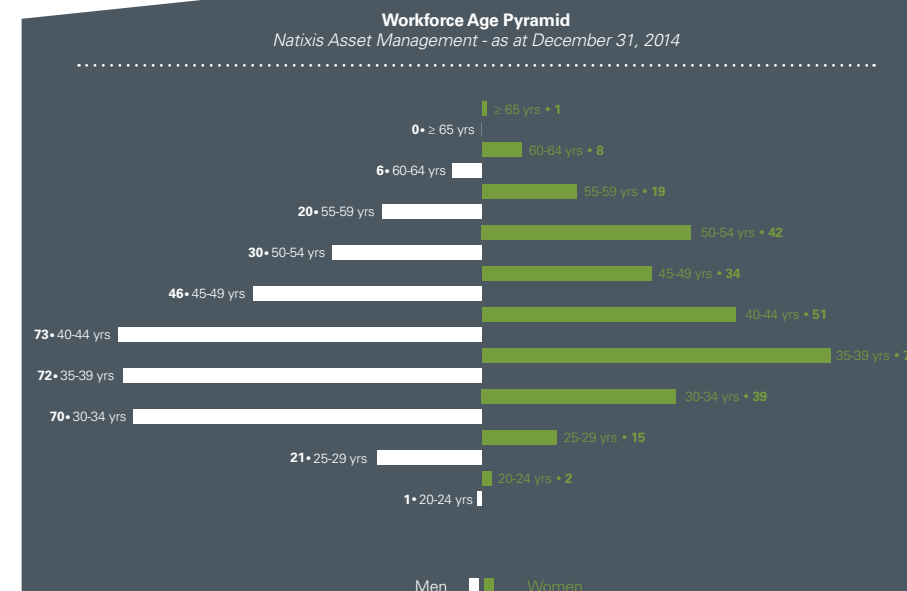
- ▶ 42% of positions recruiting externally are to be aimed at recent graduates under the age of 30;
- ▶ At least 3% of externally advertised positions are limited to experienced professionals over 45 years of age.

Youth employment is also fostered by employing work/study trainees. Every year, Natixis AM welcomes more young workers who are pursuing work/study degrees. In 2014, these positions represented **5.5% of the workforce.**³

Senior employees qualify for specially selected training programs and career counseling:

- ▶ Skills analysis and career advice, mid-career review...
- ▶ Special arrangements to facilitate the transition to retirement, as, for instance, part-time working arrangements or placement as a volunteer expert with a non-profit organization as a means of easing the shift out of the workforce for employees over 58 years old.

² Employment agreement for Natixis Intégrée - ³ As at December 31, 2014.



TRANSPARENCY AND DIVERSITY CENTRAL TO THE RECRUITMENT PROCESS

AN AMBITIOUS ACTION PLAN TO FOSTER DIVERSITY

42% OF EXTERNAL HIRING EARMARKED FOR YOUTH AND 3% FOR SENIORS

5.5% WORK/STUDY TRAINEES

15 EMPLOYEE VOLUNTEERS INVOLVED IN THE FEMINAM WORKING GROUP



Ensuring gender balance and equality

Gender balance is something we constantly strive for in our approach to recruitment, which employs a process founded on entirely objective criteria such as competence, experience, and guaranteeing complementary skill sets within any given team.

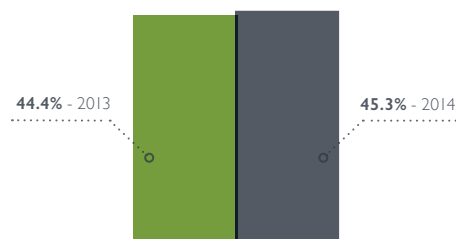
A number of initiatives have been introduced whose aim is to ensure gender balance in every phase of life at the company.¹

In particular, Natixis AM has signed an **agreement dedicated to ensuring workplace equality between men and women**. This agreement includes an annual review compiled by an ad hoc committee that is submitted to the Workers' Committee, and has made it possible to enact measures to **accommodate parenthood, improve the gender balance at all levels of responsibility and help close the pay gap**.

Training programs designed for women "*Accompagner les carrières au féminin*" have been established, along with a budget specially earmarked for reducing compensation inequalities.

¹ To learn more, please see pages 32-33.

Women in the workforce



Nathalie GRAND HOMME
Legal department,
Coordinator for
the FemiNAM working group

“**LETS MOVE FORWARD TOGETHER IN OUR COMMITMENT TO ABANDONING OUR PRECONCEPTIONS IN FAVOR OF OUR COMPETENCIES**”

DIVERSITY IS A LEVER FOR ACHIEVING PERFORMANCE AT NATIXIS AM”

Facilitating the sustainable professional integration of employees with disabilities

In 2014, Natixis AM continued its active commitment to facilitating the professional integration of individuals with disabilities.

This ambition was brought to the fore as early as 2011, in the form of a **signed framing agreement on the topic**.²

Renewed for 2014 and approved by the DIRECCTE³, this agreement formalizes a quantitative objective. **By 2016, 3% of positions within the company are to be held by persons with disabilities. To this end, 5 areas for improvement have been identified:**

- ▶ **Developing the recruitment and hiring of persons with disabilities**, including work/study hires and internships to promote entry-level inclusion through immersion in the company. To this end, Natixis AM has partnered with specialized associations and organizations, such as Tremplin, Sciences Po Accessible and ADAPT. In 2014, these partnerships took the form of dedicated forums, a mentoring program and corporate presentations for students at Sciences Po. Natixis AM is also deeply committed to the civil society initiative led by the French Association of Asset Managers, *HandiFormaFinance*,⁴ which promotes hiring of the disabled.
- ▶ **Improving retention of employees with disabilities:** measures to ensure accommodation of special needs have been established. These include much-needed supplementary training and technical support to ensure a welcoming work environment (handicap-accessible conference rooms, overall accessibility review of buildings, workspace ergonomics etc.) and personalized follow-ups for employees with disabilities by an occupational physician or the company's Disability Advisor.
- ▶ **Working more closely in partnership with the protected worker sector:** the rate of recourse to providers in this category is monitored via a reporting process, and the company conducts awareness training that encourages business teams to select such companies.
- ▶ **Informing and updating:** actions to promote awareness are conducted regularly to promote positive change in the perception of disabled employees by the workforce, erase negative assumptions and contribute to the placement of workers with disabilities under optimal working conditions.
- ▶ **Establishing mechanisms for accompanying children with special needs:** among other measures, employees to whom this applies receive a monthly stipend.

Within Natixis AM, these avenues for improvement are pursued through concrete measures that are designed and implemented by employees according to a participatory approach coordinated by the HandiNAM working group.⁵

² Signed framing agreement covering the entirety of Natixis Intégrée, including Natixis AM.

³ Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi.

⁴ For more information, see the panel devoted to "Handiformafinance" on page 29.

⁵ HandiNAM's activities are described on pages 28-29.



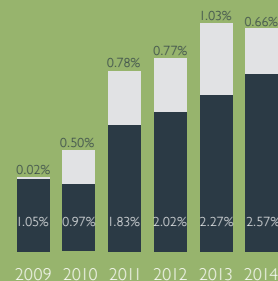
Amandine CAPRA
Business Projects Leader, CSR officer
Coordinator for the
HandiNAM working group

“**AS A RESPONSIBLE COMPANY, NATIXIS AM IS COMMITTED TO FACILITATING THE PROFESSIONAL INTEGRATION OF WORKERS WITH DISABILITIES AND ACCOMMODATING THEIR NEEDS. OUR GOAL IS FOR EVERY EMPLOYEE TO REALIZE HIS OR HER FULL POTENTIAL AT THE FIRM.**”

Our employees take action as corporate citizens

The HandiNAM working group consists of **14 employee volunteers** working closely with the Human Resources department and dedicated services to make a permanent place for the disabled within the company. In 2014, actions to raise awareness were conducted throughout the year in order to inform employees and overturn preconceived notions about disabilities and the people who live with them.

Employees with disabilities as a % of workforce 2009-2013



02 DEVELOPING INDIRECT EMPLOYMENT

- Monitoring procurement from *Entreprises Adaptées* (EA)*
- Raising awareness among in-house teams
- Coordination with Natixis to reinforce procurement from EA/ESAT**

* An *Entreprise Adaptée* is a French government regulated status for companies employing 80% or more disabled workers.
 ** ESAT (*établissement et service d'aide par le travail*) are companies that welcome those unable to meet conditions for working at EA.

01 DEVELOPING DIRECT EMPLOYMENT

- Positive improvement in the rate of direct employment: from 0.97% in 2010 to 2.57% in 2014
Objective: 3% by 2016
- Launch of the HandiFormaFinance academic training program: 3 work/study trainees welcomed at Natixis AM so far
- Working partnerships: Tremplin, l'Adapt, SciencesPo Accessibles

Handi Forma FINANCE

HANDIFORMAFINANCE: A COMMITMENT THAT REACHES BEYOND THE COMPANY

At the urging of Natixis AM, fifteen asset management companies, custodian banks and fund administrators came together in July, 2011, under the aegis of the AFG, to design and implement a plan known as "HandiformaFinance."

This working group, headed by Jean-François Baralon, Deputy CEO and CFO/COO of Natixis AM, is dedicated to facilitating the professional integration of persons with disabilities by providing specialized training in asset management and securities-related activities. In practical terms, the project has resulted in the creation of a special platform allowing those with disabilities to enroll in preparatory instruction which feeds into the License-granting program in "Back and middle office financial asset management" at the Université Paris Ouest Nanterre la Défense. Since the initiative was first launched, 14 students have participated in this program. Natixis AM welcomed 2 of these in 2014. The current goal is to ensure a stable future for the platform by attracting sponsorship from more companies, and to extend the effort to additional areas of study as a means of diversifying job possibilities.

03 BEING READY AND WELCOMING

- Audits evaluating the accessibility of facilities
- A disability-friendly conference room
- A review of internal communications to determine appropriateness
- Dedicated amenities for bespoke workstations
- A mentoring program to accompany students and in 2014, a day-long workshop welcoming 12 students for an opportunity to discover the corporate world

04 STAYING INFORMED, AWARE AND UPDATED

- A large number of awareness initiatives: a week celebrating disabled employees, events scheduled at the *Théâtre à la carte*, etc.
- Specialized training available
- A range of information available on the Human Resources website

Supporting career development and fostering advanced skills among employees

In order to guide and support employees' career development effectively, Natixis AM builds on its framework for **active management of human resources at a local level**. The twelve-person Human Resources department makes this happen on a day to day basis and closely follows the cursus of each employee. **Each line of business has a dedicated HR representative responsible for supporting the team, whose members are frequently invited to exchange thoughts about their career path with HR staff.**

Encouraging in-house career mobility

Internal mobility and promotions occupy a central role, so as to ensure employees have real opportunities for career development that allow them to evolve toward positions in which they can grow and develop over time, while taking advantage of their experience and knowledge of the institution. Available positions are broadcast internally via the Employment Exchange and/or internal mailings, so as to keep employees apprised of opportunities for advancement. Natixis AM has also launched an annual "Mobility Day," during which employees are invited to discover the various lines of business and associated jobs, as well as obtain advice on preparing to change career tracks should they decide to do so.

Providing training to support employability and efficiency

The active acquisition of professional skills is a crucial component of career development. It is essential that employees continually enrich their knowledge and skill set in order to remain employable in a rapidly evolving environment and to progress successfully along a career path, just as it is for the company to ensure its teams are equipped with the latest tools and the knowledge to use them effectively to implement strategic corporate objectives in a dynamic environment. The Human Resources department at Natixis AM has therefore devised an ambitious training policy focused on four key areas:

► **A concerted effort to identify subjects where training is needed:** team members are invited to express their areas of interest to managers during annual employee reviews. Based on this information, as well as strategic needs identified at the level of the corporation and the individual's career path, a personal road map is established and confirmed both by HR and managers.

► **Adjustable, multifaceted training:** Custom in-house training programs, including modules prepared for a particular team are specially designed to better meet the professional development needs of employees on specific topics by precisely shaping the program in collaboration with operations managers. Internal knowledge transfer is also fostered through thematic training modules conducted by relevant teams and aimed at employees seeking to increase their expertise in a subject area. This format is conducive to peer bonding, thereby improving transverse communication between teams and propagating internal expertise throughout the organization. By way of example, 80 asset managers and financial analysts have been trained in extra-financial issues by the RI Research team at Mirova,¹ as part of Natixis AM's policy of responsible asset



management.

► **Multi-disciplinary training:** Both overviews and technical sessions are organized on a rolling basis to optimize performance and support changes in the organization. For instance, language instruction is widely provided due to the continued international development of Natixis AM. Specific platforms are also in place to assist managers in discharging their responsibilities, and those heading up teams are systematically enrolled in training when first appointed as well as coming together each year for "Management Days," which celebrate managerial values and skills needed to best handle evolutions in the corporation and its environment.²

► **Training to promote awareness of sustainable development challenges:** a vital partner in promoting and implementing CSR within the company, the HR team regularly organizes training on this topic, including sessions on diversity (disabilities, women in leadership positions etc.) as well as the role of CSR in Natixis AM's core business activities (ESG integration in asset management, anti-corruption, anti-money-laundering efforts etc.). These are all also integral components of the corporate culture that is shared with employees, both as part of their orientation process, and as part of daily life at the company, especially the information sessions that are frequently held for employees and/or executives.

¹ Mirova is the subsidiary of Natixis Asset Management dedicated to Responsible Investment (RI). Number of analysts trained from 2012 to 2014. - ² For more information, please see the interview with Natixis AM's Head of Human Resources, pages 38-39.

REGULAR FOLLOW-UP INTERVIEWS

AN EMPLOYMENT BOARD, MAILINGS AND A "MOBILITY DAY" TO ENCOURAGE CAREER MOBILITY

DEVELOPING KNOWLEDGE AND WISDOM

Our employees take action as corporate citizens

FémiNAM, one of the working groups in the “Engagés” participatory framework is comprised of **15 employee volunteers**, and drives the implementation of concrete mechanisms for improving gender equality within the corporation and foster a healthy balance between personal life and career for employees.



02

ENCOURAGING WOMEN'S LEADERSHIP

- Support for the initiative to provide **2 sessions** of video training yearly on “succeeding professionally as a woman”
- “Osez”: opportunity awareness coaching for female employees built into the annual career assessment process
- Call for new ideas during the renegotiation phase of the Gender Equality Agreement

01

FOSTERING A HEALTHY WORK-LIFE BALANCE

- **Concierge service** established in 2014, used by 112 individual employees each month
- **1st Family Day** for 23 employees with 30 children welcomed in July 2014
- Support for the Workers Committee to sponsor membership in the **Babilou network** of daycare centers
- **Active contribution** to the development of certain areas within the in-house well-being project “BeeNAM”

03

MEASURING THE PROGRESS OF GENDER EQUALITY

- Tracking and broadcasting of gender balance indicators in the form of a “**météo FémiNAM**” report
- **Frequent and close collaboration** with senior management and HR to encourage ever greater progress on gender equality

04

STAYING INFORMED, AWARE AND UPDATED

- **Communication:** interview series “looking at gender balance,” and articles about the actions undertaken by FémiNAM published on the company’s intranet
- **Events:** a conference was organized in 2014 on the theme of “The importance of networks at the individual and company level”

Retaining our employees

While attracting bright individuals and developing employees' skills are key for the company, its true wealth lies in retaining this wide variety of talent, and Natixis AM seeks to achieve this by ensuring our employees enjoy a rewarding workplace.

Retaining talent at Natixis AM is founded on three **complimentary sources of satisfaction**:

- ▶ **A motivating financial package;**
- ▶ **A quality workplace environment;**
- ▶ **Participation in life of the company through dialogue.**

A compensation policy that offers attractive, equitable and transparent remuneration

Compensation is a major contributor to employees' motivation and to how invested individuals are in the company. In order to attract and retain its teams for the long term, **Natixis AM has established an attractive remuneration policy that aims to keep employees implicated in the success of the enterprise.** Gross compensation is constantly rising and employee benefits include an advantageous savings plan and stock options. Natixis AM's overall compensation policy is regularly reviewed in light of prevailing market practices to keep it competitive. Compensation is determined according to equitable criteria that reward individual contributions while recognizing the importance of each professional activity to the business.

Overall balance and equity of compensation is made possible via:

- ▶ **A strong commitment to transparency**, which is manifest in the form of regular communications on the subject both internally and vis-a-vis external stakeholders. The compensation policy and related quantitative indicators are submitted to the Workers Committee, and are made public annually, notably in the CSR Report and Social Review.
- ▶ **A decision-making process involving multiple approvals at various levels**, from each operational business unit to the Board of Directors via the CEO and Human Resources Director.
- ▶ **Careful monitoring of wage differentials**, tracking the ratio between the highest and lowest salaries in order to avoid excessive differences within the firm.
- ▶ **Progressive closing of the gender wage gap**, thanks to a special fund earmarked for "catching up" that represents 0.2% of gross wages.

Financial remuneration is a strong incentive, but also carries significant risks that need to be carefully monitored, thus the compensation policy requires attentive oversight, particularly where certain business areas are concerned. For this reason, **Natixis AM's compensation policy is regularly vetted to ensure compliance with all regulations applicable to the financial sector, and specifically the new European AIFM Directive.**

¹ These indicators may be consulted in the Social Review, pages 64-65.
² This ratio is presented in graphic form at right and is also mentioned in the Social Review.

ATTRACTIVE AND COMPETITIVE COMPENSATION

HIGH STANDARDS FOR DISCLOSURE AND EQUITY

A POLICY IN FULL COMPLIANCE WITH REGULATORY OBLIGATIONS



Workplace quality of life

Beyond providing attractive financial rewards, Natixis AM makes an effort to offer its employees working conditions that are agreeable and motivating. The company's goal, as a responsible enterprise, is to offer every member of its community opportunities for professional fulfillment, while also respecting the private life of each one.

This is a constant preoccupation that recently gave rise to "BeeNAM," a transverse company-wide project launched in 2014 by the Human Resources department and dedicated to the theme of well-being and life-work balance.³ A tremendous number of initiatives to foster a healthy equilibrium between personal and professional activities have also been organized by the "Engagés" collaborative employee working groups, particularly "FémiNAM." These coordinated efforts are designed to ensure that employees enjoy a peaceful and welcoming workplace.

In order to **promote a balance between professional life and personal accomplishment**, Natixis AM has kept to its schedule for rolling out telecommuting, a project begun in 2013 by its parent company Natixis. Six of Natixis AM's business teams have taken part in the initial pilot phase created to test the technological and administrative framework and identify its day-to-day impact. Strongly positive feedback from both the first telecommuters and their managers, as much in terms of well-being as optimized work efficiency, has led the company to probe this option further and open negotiations in view to an official Agreement on this subject.

Alongside the telecommuting project, **consideration is given to the question of parenthood and, more broadly, services that can simplify the daily lives of our employees.**

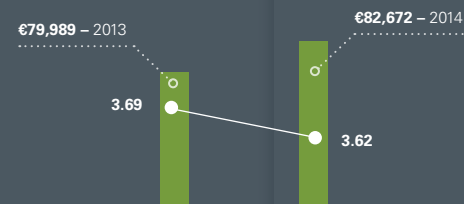
INITIATIVES JOINTLY SUPPORTED BY THE COMPANY AND EMPLOYEES

TELECOMMUTING IS BEING IMPLEMENTED

MANY VARIED SERVICES TO IMPROVE EMPLOYEES' DAY-TO-DAY LIVES

2013-2014 Compensation Comparison

Natixis Asset Management – as at December 31, 2014



• Ratio of highest 10% of salaries to lowest 10% (based gross monthly full-time wages)

■ Average gross compensation for each year

³ To learn more, please refer to our interview with Human Resources Director Sophie Cheysson, pages 38-39.

A concierge service was established in 2014 that offers convenient amenities such as dry-cleaning, shoeshine/repair, and fruit or vegetable baskets, all available within the building.

The Workers Committee, supported by the FémiNAM working group, also established membership with the network of Babilou corporate daycare centers.

To ensure the physical well-being of employees, Natixis AM also takes great care in the design of its workplace :

- **To promote a friendly environment:** break rooms with coffee machines and snacks are available on each floor, as well as a café space at ground level, and access to BPCE and Natixis cafeterias and sports facilities nearby, etc.
- **To ensure workstation comfort:** optimal use of space through layout design, ergonomic workstations, carefully selected furniture, balanced lighting, temperature control, etc.



Mitigation of psychosocial risks is another area of importance in managing human resources, particularly in fields connected to financial markets, such as asset management. Mechanisms are in place to prevent, identify, and address such risks should they arise. Managers are invited to participate in training on this topic, and have access to a free telephone support hot-line. In addition to regular assessments by the occupational physician, employees are monitored by a full-time in-house nurse located in the building. Preventative care is regularly provided, including conferences on the topics of addiction, sleep management as well as diabetes and cholesterol testing. Lastly, the CHSCT¹ is responsible for ensuring that all hygiene and security regulations governing the workplace and working conditions are respected for all salaried workers.

Placing dialogue at the heart of the company

Meaningful exchanges and consultation are essential components of success for any business. In order to feel genuinely fulfilled within the company and to effectively contribute to its growth, employees need to have a say in decisions. Dialogue, which is a source of both strong ties and value, takes two basic forms at Natixis AM:

- **Social dialogue**, which is conducted with Natixis Intégrée France² and the *Unité Economique et Sociale* (UES),³ successfully produced **ten collective bargaining agreements and/or amendments in 2014**,⁴ primarily in areas such as the hiring and retention of workers with disabilities, working hours, compensation, employee savings plans and social benefits.
- **A participatory framework**, that consists in consulting employees directly and inviting them to actively contribute to key undertakings within the company. This approach relies on a number of mechanisms for the exchange of

views, including **surveys and ratings**, conducted on various topics (Overall opinion, Workplace satisfaction, Financi'Elles, CSR, etc.), and **collaborative platforms open to all**, such as "Engagés,"⁵ where workers participate in a process of consultation and CSR efforts. This collaborative endeavor is also enriched by **innovative mechanisms such as the "Cafés sans filtre"** which provide an opportunity for direct, informal exchanges between employees and company management, or the **collaborative project "Write for Efficiency"**, sponsored by the Financial and Operations department, whose ambition was to co-create shared methods and avenues of communication to streamline internal communications and support cordial relations among employees.

By placing dialogue and consultation at the heart of its corporate procedures, Natixis AM ensures that each employee has a role to play in the company's success.

Close-up on the collaborative project "Write for Efficiency" sponsored by the Finance and Operations department



¹ The comité d'hygiène, de sécurité et des conditions de travail (or CHSCT, for committee on hygiene, security and working conditions) is also an entity common to all UES structures. ² Representative Personnel Organizations (ORP) also exist specifically for Natixis Intégrée France, in order to provide a context for macro-level social dialogue and guarantee that all workers are represented. An agreement on the right to unionize and collective bargaining at Natixis Intégrée France, signed in 2010 by Management and the majority of labor unions, established union representatives who act as spokespersons vis-à-vis management in the process of social dialogue and support a time-honored tradition of collective bargaining. This is consistent with the social policies of Groupe BPCE, and enables the negotiation of collective agreements on matters of common interest where solutions can be applied systematically for all French employees. The Natixis Intégrée Committee, by bringing together elected members of the Workers Committees of the constitutive companies comprising Natixis, makes it possible for Management to keep social partners abreast of company strategy and results. ³ The UES is comprised of: Natixis AM, Natixis Global AM, NMM, NGAI, NEF and NEF Gestion. This pooling of resources enables the establishment of shared representative bodies for workers (CE, DP, CHSCT) and a single interlocutor for unions. ⁴ Some of these are part of Natixis Intégrée, including Natixis AM. ⁵ To learn more about the "Engagés" working groups, please refer to the section presenting our CSR approach, pages 6-7.

PRESERVING PHYSICAL AND EMOTIONAL HEALTH

NAM INSIDE: UNDERSTANDING AND DISCOVERY

ACTIVE & FRUITFUL EXCHANGES WITH ORPs

OUR APPROACH: GROWING ALONGSIDE OUR EMPLOYEES



Catching up with...

Sophie Cheysson

Human Resources Director - Natixis Asset Management

Market positioning and compensation are no longer enough on their own to attract or, more important, retain talent in today's competitive environment. We need to offer people advantages that distinguish us and have real impact on employees' daily lives. This is precisely what dictates our efforts and guides our strategy of responsible Human Resources: being a sought after employer in our market thanks to an innovative and engaged approach.

According to you, what is the most important responsibility involved in managing human resources?

I am entirely convinced that a company's most precious resource is the men and women who bring it to life. This is even more true in our industry, where the quality of a firm's human resources and the ability of individuals to work together effectively are the key to its strength.

Our responsibility as an employer lies in attracting the brightest talent and retaining our contributors by providing a rewarding workplace and fostering their well-being. We are, of course, also subject to operational and productivity constraints, like any business. However, we are certain that, as a matter of fact, today's efficiency and performance requirements can only be met if employees view the company they work for as a place of enrichment where they can develop and thrive. Market positioning and compensation are no longer enough on their own to attract or, more importantly, retain talent in today's competitive environment. We need to offer people advantages that distinguish us and have real impact on employees' daily lives. This is precisely what dictates our efforts and guides our strategy of responsible Human Resources: being a sought after employer in our market thanks to an innovative and engaged approach.

What are the innovative aspects of your approach?

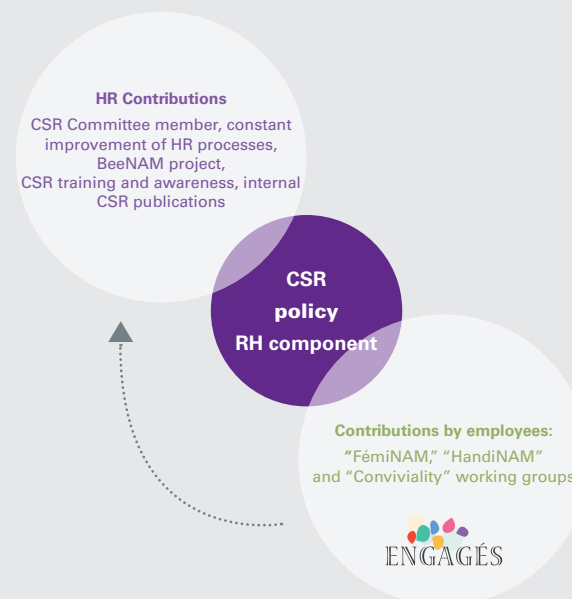
Obviously, we are constantly improving all of our HR processes in order to optimize their ability to serve both employees' interests and the company's performance. New initiatives are launched regularly to attract, develop and retain our valuable employees. What makes us original, really, is the way we operate. We have adopted

a participatory framework that places employees at the heart of our considerations, and allows us to target areas for improvement they themselves identify by mechanisms in which they play a central role. The "Engagés" project, where members of the workforce focus on topics such as gender equality, diversity, environmental issues and philanthropy is one concrete example. More recently, we also launch a transverse company-wide program called "BeeNAM," whose aim is to improve workplace quality of life at Natixis AM and its subsidiaries. Beginning in 2014, the first phase of this project was to complete a full review of our practices and prevailing employee attitudes. To achieve this, we processed quantitative results from a survey conducted among all business teams, and qualitative data supplied by panels representative of various positions (managers, support staff, experts etc.).

From this collaborative process of reflection emerged a wide variety of ideas for concrete actions to improve workplace well-being, clustered around three primary goals: living together and communicating, empowering effectively and providing strong support.

So how do your efforts to improve workplace well-being translate into concrete actions?

Our campaign to improve quality of life, especially BeeNAM, includes well-being but doesn't end there by any means. The three avenues for improvement identified by BeeNAM are transverse. The first covers workplace relationships and includes initiatives such as awareness training to promote kindness, for instance, or the creation of an "Engagés" working group devoted to cordiality. The second avenue concerns organization in the workplace, and encompasses projects such as the continued implementation of telecommuting or efforts to alleviate techno-stress by using the tools at our



disposal wisely, as well as offbeat ideas like the collaborative "Write for Efficiency" project initiated by our Finance and Operations department to promote more fluid internal communication. The third and final avenue is closely tied to professional development and aims to provide the best possible career support for our employees. We pursue this goal by organizing events such as "Mobility Day" and by publishing pieces on the intranet that highlight the experiences of employees who have successfully made career moves within the company to encourage internal mobility. We also conduct HR interviews with employees dedicated specifically to career development and internal opportunities.

Optimization is a word that comes up a lot. Do you mean that these initiatives are aimed at improving how the company works, or rather how people experience work at the company?

These two goals are completely intertwined and cannot be entirely distinguished. By improving

working conditions, we anticipate and remedy problems employees might otherwise experience that would affect the workplace environment and weigh on productivity. To take an example, the "Write for Efficiency" project might seem primarily operational at first glance, since its objective was to enlist the business teams to co-design a more streamlined methodology for internal communications. However, by supporting employees in achieving this, we actually help foster and maintain harmony in people's working relationships and avoid needless stress within or between business teams. We also allow them to save time in the form of agreed upon templates for communications. These efforts have proven to be a valuable source of both efficiency and serenity for all concerned.

You mentioned that your ambitions in terms of Human Resources management included innovation and engagement. You've covered the first part, but in what ways is this approach engaged?

Our HR approach is doubly engaged, you might say. In the first place, the Human Resources department plays an active role in shaping and deploying the CSR policy, whether via its permanent seat on the CSR Committee responsible for overseeing the global approach, its role in training and awareness efforts and its contribution in terms of publicizing all of these themes via intranet communication. Second, our engagement resides in the way we work. Several key aspects of the HR policy are enriched by the "Engagés" participatory approach I just described. These opportunities for shared reflection are open to all, and the working groups not only contribute to increasing the company's corporate social responsibility, they are composed entirely of employees who volunteer to participate in improving CSR. Certainly, this is an engaged approach; not only that, it is fully supported by employees who are just as committed!



¹ Part of the participatory platform "Engagés," the "Conviviality" working group has 15 employee volunteers and was launched at end 2014.

Setting a good example in practice

through our governance

ADOPTING GOVERNANCE PRACTICES THAT SERVE THE LONG-TERM INTERESTS OF THE COMPANY AND ITS VARIOUS STAKEHOLDERS

Natixis AM is the asset management company for Europe of Natixis Global AM, a subsidiary of Natixis, the investment bank, asset management, and financial services arm of Groupe BPCE. Natixis AM's governance is organized in accordance with principles laid out for the governance of subsidiaries by "Natixis entreprise intégrée"¹ respecting all regulatory obligations, the autonomy of each one's management, and their societal functions. **Natixis AM's system of governance aims to address a twofold imperative, on the one hand legislative and regulatory, ensuring complete autonomy in managing activities and products in the sole best interests of its clients, and on the other, institutional, in view to protecting the long term interests of the company and its stakeholders.** The company's governance is embodied in the Board of Directors and Executive Management, and is grounded in a robust framework supplying rules of conduct and risk management aiming, among other priorities, to avoid conflicts of interest.

An independent and representative Board of Directors strengthened by an effective balance of power

A balance of power between oversight and executive functions is guaranteed by a separation between the roles of Chairperson and Chief Executive Officer, and by a board that is broadly representative of the company's shareholders, Natixis Intégrée and retail banking partners. The Board of Directors is chaired by Pierre Servant, CEO of Natixis Global AM, who is responsible for ensuring that the Board is free to independently exercise its functions in the long-term interests of the company and its shareholders.

The Board of Directors is composed of twelve members, of whom:

- ▶ 4 individual or corporate persons representing Natixis Global AM and its parent company Natixis,
- ▶ 7 representatives from the Caisses d'Épargne and Banques Populaires,
- ▶ 1 representative from the Account Holder for employee savings, Natixis subsidiary Natixis Interépargne.

Furthermore, two representatives from the UES² attend board meetings as non-voting observers.

In addition to its legally mandated functions, the Board of Directors monitors the quality of services offered to client-distributors, especially the network of Caisse d'Épargnes and Banques Populaires.

¹ Natixis Intégrée comprises Natixis and all its wholly owned subsidiaries.

² The Unité Économique et Sociale (UES) includes Natixis AM, Natixis AM Finance, Natixis Formation Épargne Financière, Natixis Global AM, Natixis Global AM-Distribution and Axeltis.

MANDATORY SEPARATION OF BOARD CHAIRMANSHIP AND CEO FUNCTIONS

A BOARD BROADLY REPRESENTATIVE OF SHAREHOLDERS AND BANKING NETWORK DISTRIBUTORS

ADVISORY ATTENDANCE OF ORGANIZATIONS REPRESENTING PERSONNEL

A stable and transverse executive team dedicated to a long-term strategy for the company's health

Pascal Voisin serves as chief executive officer for Natixis AM, an office he has held since 2005. In fulfilling this role, he relies on Deputy CEO, Jean-François Baralon, as stipulated by article L. 532-9 4° of the Monetary and Financial Code requiring a second chief executive, as well as on the Executive Committee, which represents business lines and key activities within the company, to ensure collegiality and transverse debate in shaping a strategic orientation for the company. The seven-member Executive Committee is convened on a weekly basis.

Natixis Asset Management's Executive Committee



Emmanuel Bourdeix
Co-Chief Investment Officer in charge of Seeyond



Sophie Cheysson
Human Resources Director



Pascal Voisin
Chief Executive Officer



Ibrahima Kobar
Co-Chief Investment Officer in charge of Fixed-income Investments



Jean-François Baralon
Deputy CEO, Head of Finance and Operations



Christine Lacoste
Head of Networks and Distribution Support functions



Jean-Christophe Morandeau
Head of Legal, Monitoring and Risk

As at other subsidiaries, the compensation policy for Natixis AM is devised and confirmed by the Natixis Compensation Committee, in order to ensure compliance with an overall strategy.



OUR AVENUES FOR IMPROVEMENT

As part of the continuous process of improvement involved in remaining a leading player in the French asset management industry, **Natixis AM actively participates in the AFG's discussions about the governance of asset management companies.** These considerations, beginning in 2014, identify the best existing practices worldwide in terms of both performance and ethical standards.

The goal is to compile a code of governance by 2015 that includes recommendations in three main areas:

1. **The governing bodies of asset management companies**
2. **The appropriate framework for asset management activities:** compliance, internal controls, ethics, avoidance and management of conflicts, risk management and external controls.
3. **The governance of UCITS**

AN EXECUTIVE COMMITTEE BROADLY REPRESENTATIVE OF ALL BUSINESS LINES

28.5%
FEMALE PARTICIPATION IN EXECUTIVE ROLES

A COMPENSATION POLICY OVERSEEN BY OUR PARENT COMPANY

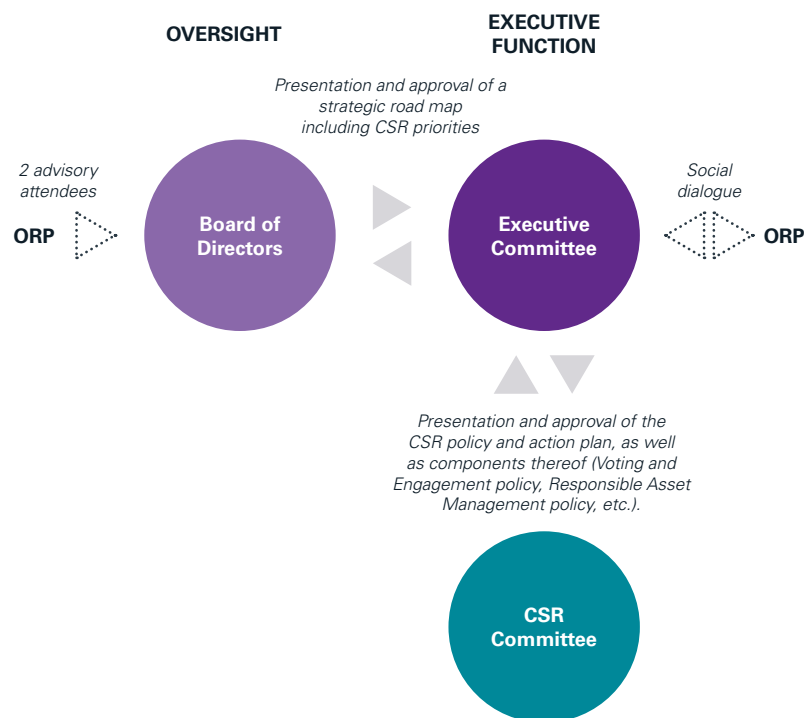
Opportunities for dialogue and debate that promote the inclusion of all stakeholders' interests

In concert with institutional authorities, Natixis AM has established forums for dialogue and exchange designed to ensure that all employees and stakeholders are taken into consideration by strategic decisions and business activities.

Beyond the inclusion of two UES representatives at Board meetings, the management of **Natixis AM cooperates closely with organizations representing personnel (ORP) in order to foster a space for dialogue and expression about strategic decisions with implications for the company and its employees.** This mechanism is part of an agreement on unionization and collective bargaining signed in 2010 between the executive authorities of "Natixis Intégrée" in France and a majority of the country's labor unions. Since this time, "Natixis Intégrée" has union coordinators in France, who serve as spokespersons vis-a-vis management in organizing social dialogue, as well as an official forum for collective bargaining. The Natixis Intégrée Committee, which brings together elected representatives from the Workers Committees of all companies that are part of Natixis, keeps social partners apprised of the company's strategy and performance.

In 2013, Natixis AM also established a **CSR Committee, whose primary function is to define and oversee the company's program for sustainable development, in view to limiting negative impacts, both direct and indirect, for all stakeholders,** whether internal or external. This committee is comprised of the heads of the investment departments and essential transverse functions as well as experts from Mirova, the subsidiary dedicated to Responsible Investment.

Relationships among the main components of Natixis Asset Management's governance



THE INTERESTS OF INTERNAL STAKEHOLDERS ARE INCORPORATED VIA SOCIAL DIALOGUE

A CSR APPROACH THAT INCLUDES ALL STAKEHOLDERS

Operational governance mechanisms that serve to frame practices and processes

In compliance with applicable legislation and regulations issued by the *Autorité des Marchés Financiers* (AMF, France's Financial Market Authority), as well as the code of professional ethics promulgated by the *Association Française de Gestion* (AFG, Asset Managers Association), Natixis AM has adopted **an operational governance framework** to ensure the independent management of its activities in the sole interests of its clients. The principal mechanisms by which this is achieved are:

- ▶ **A corpus of rules governing conduct** for the management of financial products;
- ▶ **A stringent risk management policy** overseen by the Legal, Monitoring and Risk department and reporting to the CEO, in order to ensure separation of management and control functions;
- ▶ **A Responsible Voting Policy¹** that incorporates the highest standards of governance as well as social and environmental criteria.

Compliance also plays an important role in ensuring good practices. The Compliance department is responsible for ensuring, first of all, that all applicable regulations are respected; it also guarantees that the Principles of Responsibility and Professional Conduct are followed for activities proprietary to the company. This seven-member team thus follows a road map dictated in part by legislative, regulatory and professional requirements, and in part by the strategic plan of company management. Their principal activities involve the following **3 areas**:

- ▶ **A strict code of ethics** both personal and professional, whose aim is to guarantee the primacy of clients' interests, the equality of unitholders and market integrity. These rules are designed protect the investors who entrust their investments to the asset management company, on the one hand, and, on the other, to protect the company's brand name and reputation.
- ▶ **The establishment of standards**, this involves creating and approving procedures necessary for the proper functioning of Natixis AM, thoroughly reviewing new products or services the company prepares to offer, and verifying all information intended for third parties.
- ▶ **Support for employees**, which may take a number of forms, all focused on ensuring proper application of the code of ethics and professional conduct. **A copy of the Code of Ethics is provided to every new employee**, and is binding as of hiring. This document covers general principles, such professional secrecy, the treatment of confidential or privileged information, the struggle against money laundering and terrorism financing, as well as the proper handling of conflicts of interest. The code also details the ethical rules employees must abide by for operations involving financial instruments in their own names. **Training dedicated to issues of compliance is updated yearly by the HR and Compliance departments**, and regularly offered to employees.

In addition to defining these rules and overseeing their implementation by business teams, the Compliance department promotes employee awareness as to the need for everyone to be vigilant on a day-to-day basis, encouraging leaders to incorporate compliance considerations into the company's main projects as early in their development as possible, in order to make the best possible decisions in terms of business ethics.



OUR AVENUES FOR IMPROVEMENT

As part of the in-house collaborative project "BeeNAM," focused on workplace quality of life, Natixis AM has identified several transverse possibilities for facilitating day-to-day life for employees and creating smoother and more efficient workflow. The focus area "Workplace relations: living together and communicating effectively" formulated a **goal of clarifying the respective roles of Natixis AM's managerial and governing bodies** (departments for information sharing, decision-making committee, etc.) **An in-house working group will address this theme in 2015.**

¹ To learn more, please refer to Chapter 2 "Our Commitment, to develop responsible asset management," pages 8-21.

MECHANISMS TO ENSURE THE INDEPENDENT MANAGEMENT OF ASSETS IN THE SOLE INTERESTS OF CLIENTS

COMPLIANCE AS THE LINCHPIN OF GOOD BUSINESS PRACTICES

Setting a good example in practice

through responsible client relations

MAINTAINING A STRONG CLIENT CULTURE AND CAREFULLY MONITORED SALES PRACTICES

Natixis AM's CSR policy takes into account all its many stakeholders. Among these, clients naturally occupy center stage, given the company's business activities as an asset manager for third parties. The company's client relations approach is grounded in a philosophy of long-term relationships not unlike its attitude toward long-term responsible investment.¹ These long-term partnerships based on trust are enabled by two commitments Natixis AM makes a point of honoring daily: a strong client culture and carefully monitored sales practices.

In the description of funds prior to offering as in its business relationships, Natixis AM always takes the interests of investors and unitholders as its highest priority:

► **A Products Committee**, composed of members from the Executive Committee, as well as the heads of Sales, Distribution Services, and Legal, Risk & Compliance, convenes monthly to approve the launch of new product offerings and changes to existing offers. **The committee is particularly attentive to products' relevance** for various types of clientele, and to the effective control of whatever risks each one may entail.

► **The sales teams are composed of professionals with a diverse array of backgrounds and a deep understanding of the particular clientele they work with**, whether in terms of the fiscal or regulatory constraints that may affect each type of client, asset allocation biases or client specifications.² Within these teams, a number of business managers have formerly held positions at client firms, giving them valuable insight into the expectations of their interlocutors and permitting them to answer questions precisely.

► **The Services and Distribution department** comprises teams whose role is to design products appropriate for the proposal made to a client, a customer service team that ensures Natixis AM's contractual obligations are met, and a reporting division that provides independent and transparent information to clients. This structure also makes it possible to provide customized responses to clients' needs.



A STRONG CLIENT CULTURE

► **An Approval Committee** consisting of representatives from the Legal, Compliance and Risk Management departments meets weekly to validate the drafts of all sales materials made available to clients and distribution networks. The goal of this process is to ensure that all information published meets clarity and disclosure standards as well as complying with all applicable regulations, particularly relevant provisions of the EU's MIFD.

In addition to the foregoing, a variety of procedures and measures designed to promote awareness are in place to guarantee that commercial activities are conducted according to the highest standards of ethics and compliance.

► **A separation between management and sales activities**, embodied by their use of distinct platforms, helps to prevent conflicts of interest from arising in the commercialization of funds.³

► **Internal procedures that specify clear rules for managing business relationships**; these, for instance, cover issues such as gifts to clients, in order to ensure impartiality in sales activities. Procedures relating to regulatory issues such as the prevention of money laundering are also applied and regularly updated (LAB-FT,⁴ KYC etc.).

CAREFULLY MONITORED SALES PRACTICES

¹ To learn more, please see Chapter 2: "Our Commitment: Developing and implementing responsible asset management, pages 8-21.

² For instance, taking into account the ESG criteria specific to institutional investors such as ERAFP, the FRR or IIRCANTEC, which are committed to a stringent responsible investment approach.

³ Asset management is conducted by the specialized expert departments of Natixis AM and its subsidiaries, while distribution is handled by the NGAM-Distribution platform for clients outside Groupe BPCE, and the Network Distribution Services department for clients within the Banque Populaire and Caisse d'Épargne network. ⁴ LAB is a set of anti-money laundering and anti-terrorism regulations issued by the French Market Authority (AMF) and available at <http://www.amf-france.org>

Setting a good example in practice

thanks to a responsible procurement policy

FOSTERING RESPONSIBLE BEHAVIOR AMONGST OUR SUPPLIERS

All purchases for Natixis AM are handled by the dedicated Procurement department at Natixis.¹ **Natixis AM is thus part of the Responsible Procurement policy established by its parent company in 2005 with the goal of extending CSR considerations to stakeholders within its direct sphere of influence, where, as it happens, suppliers are a majority.** In practice, the Responsible Procurement policy seeks to promote products and services that respect the environment and create added value of a social or societal nature via three main avenues for improvement:

- 1 Promoting official Ecolabels and eco-consciously designed products;**
- 2 Assessing suppliers** on the basis of societal and environmental responsibility criteria related to their products, services, or industry;
- 3 Inciting suppliers to greater transparency** in their description of products' environmental characteristics.

To achieve these goals, buyers and requisitioners rely on a charter governing relationships with suppliers, and a "baseline for responsible procurement" that formally sets out the social and environmental criteria required or recommended for various categories of common purchases. "Sustainable Development" clauses are also introduced into all calls for bids and contracts. By agreeing to respect these conditions, Natixis suppliers commit to meeting all applicable CSR norms and regulations, as well as to applying such standards to their own suppliers and subcontractors.

As in previous years, the Procurement department conducted a sustainable development survey in 2014 involving 30 service providers (moving, electronic banking, physical and telephone receptionists, cleaning, computer hardware and IT services). The full **100% of companies responding to the survey achieved an overall score indicating low levels of risk for Natixis.**

3 AVENUES: PROMOTE ASSESS INCITE

TOOLS DESIGNED TO
ORIENT PROCUREMENT:
A CHARTER,
A BASELINE &
CLAUSES
IN CONTRACTS

In 2014, the Natixis procurement department also continued its indirect contributions to the employment of persons with disabilities by expanding recourse to the protected workers sector (in French STPA).² A substantial number of goods and services are now handled by STPA companies, from the management of waste electrical and electronic equipment (WEEE) and ink cartridge sorting to digital archiving, scheduling and management of training, or the production of employee badges.



30
SUPPLIERS
POLLED AS PART OF THE
ANNUAL SURVEY

PREFERENTIAL
RECOURSE TO STPA²

¹ Certain phrases in this section are from the Natixis Registration Document and Financial Report 2014.
² The secteur du travail protégé et adapté is a legal category for businesses in France; to qualify, at least 80% of the company's workforce must consist of employees with disabilities.

Setting a good example in practice

via our environmental policy

LIMITING OUR DIRECT IMPACT ON THE ENVIRONMENT

Every type of economic activity has an impact on the environment. In order to control externalities, Natixis AM implements an environmental policy similar to that of its parent company, Natixis, and enriched by employee initiatives suggested through its internal system of collaborative working groups "Agir pour l'Environnement."¹

This environmentally-oriented approach **operates on three levels:**

- ▶ **Environmentally sound management of facilities;**
- ▶ **Responsible consumption of resources;**
- ▶ **Reduction of pollution and waste.**

Environmentally sound facilities management

The building occupied by Natixis AM is managed under the auspices of the Real Estate and Logistics (REL) department at Natixis, and consequently partakes of the company's environmental facilities management program. The REL employs a global cost approach to projects and capital investments that permits the department to track the environmental impact of activities. This assessment focuses on **3 principal areas:**

- ▶ **Certifications,**
- ▶ **Set standards governing building work,**
- ▶ **Close oversight of building resource consumption.**

Establishment and monitoring of certifications

Since 2009, Natixis has been ISO 9001 and ISO 14001 certified for building operations, meaning it has **confirmed the quality of systems and environmental management processes** in place for all central buildings managed by the REL department, **including Natixis AM's facilities**. In 2012, these certifications were renewed for a three-year period and extended to data centers operated by Natixis.

¹ To learn more about this working group, please refer to pages 54-55.

**BUILDINGS ARE
ISO 14001
AND ISO 9001
CERTIFIED**

**ENVIRONMENTALLY SOUND
BUILDING MANAGEMENT**

**OVERSIGHT OF
RESOURCE CONSUMPTION**

Design and implementation of standards for building work

Pursuing efforts begun in 2010 with the "Green Building" charter, the REL team contributed to the conception and drafting of a regulatory and environmental framework for Groupe BPCE. This document specifies the **regulatory and environmental obligations** for each type of renovation or development project, as well as **best observed practices** within the Groupe BPCE. In the spirit of the "Green Building" charter, the "Accessibility" charter establishes **rules for ergonomics and equipment standards** to be followed by all involved in projects (designers, contractors, building companies etc.). These place Natixis well beyond legal requirements in terms of **facilitating access for persons with disabilities** at operations facilities.²

Close oversight of buildings' resource consumption

The REL ensures the optimal management of resources by **closely monitoring and managing consumption of various resources (energy, water, paper)**. **Especially effort is deployed to control energy consumption**. This takes the form of measures like motion-triggered light switches, optimization of heating and cooling with better adjustment to exterior temperatures, and replacement of existing lighting with Light Emitting Diode (LED) bulbs. **Targeted actions** are also underway at Natixis AM to **foster responsible behavior among employees**.³



² For more on Natixis AM's commitment to facilitating the sustainable employment of individuals with disabilities please see pages 28-29. ³ To learn more, please refer to pages 54-55.

Responsible consumption of resources

Energy

Thanks to considerable efforts in environmentally optimizing the occupation of buildings,¹ and initiatives launched by the working group "Agir pour l'environnement," **annual energy consumption in the buildings accommodating Natixis AM and its subsidiaries has declined significantly.** Part of this change is also due to the transfer of servers to Natixis data centers.

Water

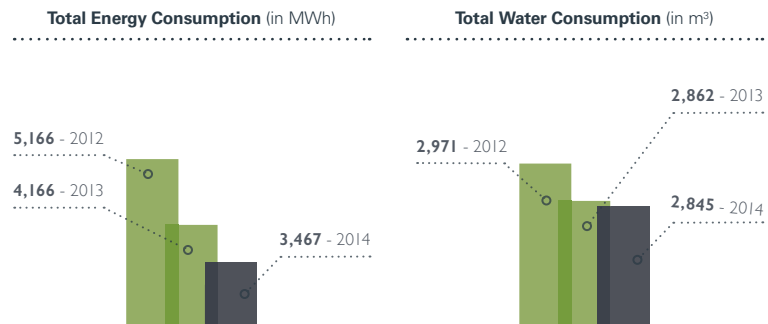
Action has been taken to improve water savings, as a result of which **water consumption has been in continuous decline for three years:**

- ▶ Constant network surveillance to detect possible leaks;
- ▶ Installation of pressure throttles;
- ▶ Installation of humidity gauges that shut down automatic watering systems in rainy weather;
- ▶ Events promoting awareness among employees.

Paper

Paper is the raw material Natixis AM's uses most (white and colored, proofs, internal and external mailings, envelopes etc.). **Natixis AM and its employees are making efforts to control the impact of paper and ink consumption by:**

- ▶ **Using certified or recycled paper:** the majority of paper products employed at Natixis AM are certified as complying with sustainable forestry practices (FSC and PEFC), a portion also consists of recycled paper pulp;
- ▶ **Recycling our used paper products:** since August of 2011, every employee at Natixis AM is equipped with a dedicated recycling bin for waste paper;
- ▶ **Setting printers to a default of two-sided black and white printing.**



¹ These initiatives are described on the previous page in the section entitled: "Close oversight of buildings' resource consumption".



Annick BERGDOLL
Fixed-income Core department,
Coordinator for the
working group
"Agir pour l'environnement"

**WHAT'S OUR GOAL?
TO MAKE BEST PRACTICES PART OF DAY-TO-DAY OPERATIONS ON A PERSONAL AND PROCEDURAL LEVEL, REDUCING ENERGY WATER AND PAPER CONSUMPTION... TO REDUCE WASTE PRODUCTION BY ENCOURAGING TRASH SORTING AND REPURPOSING SO NATIXIS AM BECOMES A LITTLE MORE CONSCIOUS AND RESPECTFUL OF THE ENVIRONMENT EACH AND EVERY DAY.**

Reductions to pollution and waste

Waste management

Begun in 2006 and overseen by the Real Estate & Logistics department (REL), **trash sorting is now standard practice in all Natixis buildings,** and takes several complementary forms:

- ▶ Sorting and recycling of all office paper; in 2014, to mark the replacement of all the company's recycling bins, Natixis AM employees received recycling awareness training conducted by Elise, a company founded by world-famous designer Philippe Stark to promote a healthy paper cycle;
- ▶ Collection and dedicated treatment of used toner cartridges and batteries (both personal and professional);
- ▶ Recuperation of all waste electric and electronic equipment (WEEE) by companies specialized in recycling these materials.

New actions are constantly underway to improve waste sorting and further invite employees to engage with this topic. In 2013, for instance, used pen collection boxes were installed in the Natixis AM office building, and as of 2014, dedicated bins for plastic cups are available in all break rooms.

Pollution and environmental risk prevention

Technical training of employees in charge of plant operations management is conducted according to an **ISO 14001 certified process.** Technicians are also trained to apply Groupe BPCE's Regulatory and Environmental Charter. Among other efforts, the prevention of environmental risks includes drills simulating environmentally toxic substance leaks in each building.



-33%
CHANGE IN ENERGY
CONSUMPTION OVER
2012-2014 PERIOD

-4%
WATER CONSUMPTION
PER M²
BETWEEN 2012 AND 2014

12,000
SHEETS OF PAPER
ECONOMIZED ON "NO
PRINT DAY"

10 METRICTONS
OF PAPER COLLECTED AND
RECYCLED PER QUARTER
ON AVERAGE

OUR EFFORTS TO SUPPORT THE STRUGGLE AGAINST CLIMATE CHANGE

Carbon accounting

As a company anxious to reduce its impact on the environment, **Natixis AM completes an annual Bilan Carbone® according to the methodology approved by Ademe (French Energy Agency).**

En 2014, **Natixis AM's carbon footprint amounted to 4,131 tons CO₂eq**, or 6.66T per employee, on par with results for 2013 (-1.3%).

Conducted each year since 2009 and constantly refined, this audit process allows Natixis AM to better understand its environmental footprint and identify key areas where action is needed to concretely reduce such impact.

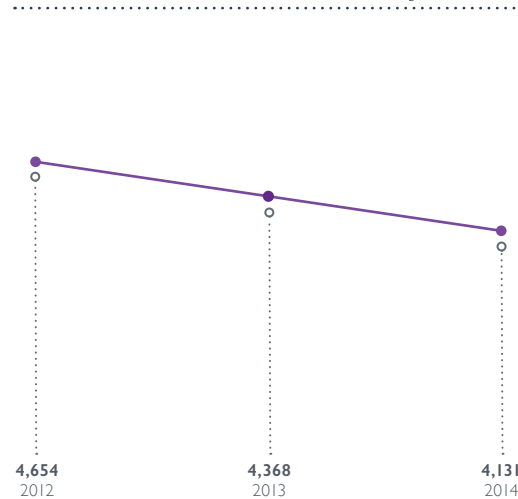
In this way Natixis AM has succeeded in progressively reducing the company's carbon footprint over the course of several years.

A carbon strategy

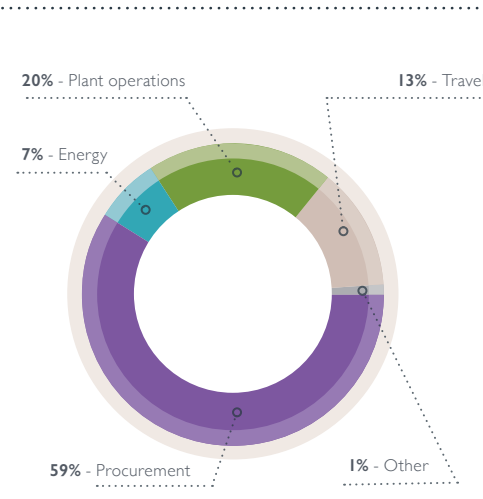
In addition to efforts at the level of environmentally sound plant operations, and controlling use of resources, Natixis AM takes action to concretely reduce its carbon footprint in the following areas:

- ▶ **Business travel:** our Travel Policy establishes strict rules for use of rail and air transportation as well as taxis. Employees are also encouraged to use videoconferencing; lastly, the Natixis AM Car Policy provides rules capping CO₂ emissions;
- ▶ **Commuting:** bicycle racks are available onsite, and Vélilib' (citybike program) membership and public transportation are partially subsidized;
- ▶ **Electronic equipment:** all electronic equipment (computers, printers..) is set to power-saving defaults. Equipment attribution is closely monitored (mobile phones, laptop computers, etc.); printing and office equipment solutions are rationalized, including installation of multifunction printers where possible.

Greenhouse Gas Emissions (in tons CO₂eq)

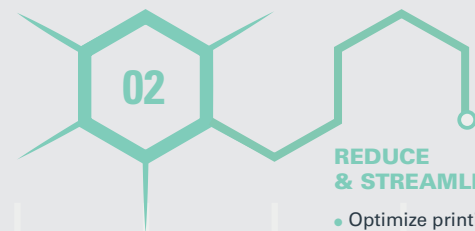


Breakdown of Natixis AM's CO₂ emissions for 2014, by source



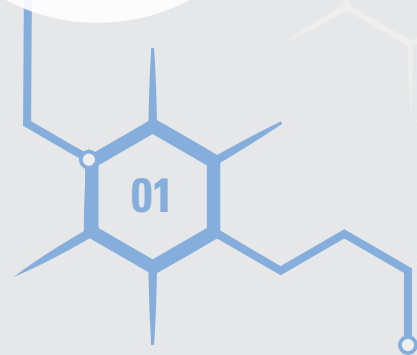
Our employees take action as corporate citizens

Launched in 2010 as part of the “Engagés” platform, the “Agir pour l’environnement” working group, which now boasts **17 employee volunteers**, meets twice a month to propose and oversee implementation of actions to benefit the environment hand in hand with the divisions directly involved, such as the General Resources department.



REDUCE & STREAMLINE

- **Optimize printing:** multifunction printers that require digital identification, two-sided black & white printing defaults, “Low Print Day” events etc.
- **Reduce the carbon footprint due to travel:** Subsidized membership (50%) for Vélib’ citybike program
- **Reduce & recycle waste:** mug detectors in coffee machines, paper collection and dedicated bins for plastic cups
- **Greenscaping plan** for terrace areas
- Program to promote “Green Supplies”



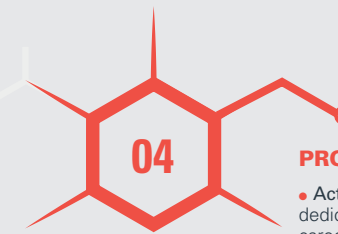
MEASURE

- **Data collection** for statistical analyses of Natixis AM’s environmental impacts
- **Carbon footprint** calculation & environmental reporting conducted annually since 2009
- **Quarterly publication of consumption indicators:** water, paper, energy and waste



OFFSET

- **Studies** of the volunteer employee carbon offset program
- **Proposals** for scenarios to partially offset Natixis AM’s GHG emissions



PROMOTE AWARENESS

- **Activities:** week-long themes dedicated to sustainable development, career mobility, waste reduction... For each one, a display is organized in the main hall to foster employee awareness of the issue and draw attention to activity sessions
- **Information:** “Sustainably NAM” (Sustainable Development at Natixis, reports on biodiversity...), IntraNews (company water day, cycling day...)
- **Reminders:** to encourage green habits such as the “Turn off your screens!” screensaver

Setting a good example in practice

through engagement with civil society

AN APPROACH TO PHILANTHROPY THAT IS SINCERE, SUSTAINED AND DYNAMIC

Natixis AM is committed to making philanthropy a company-wide undertaking. To this end, it has developed an approach to social philanthropy at the local level that allows the institution and its employees to work hand in hand with a neighborhood organization. Since 2010, Natixis AM has maintained an exclusive partnership with La Mie de Pain,¹ an association based in the 13th arrondissement of Paris that has been helping the neediest members of society for over 125 years.

A committed, long-term partnership

As a patron, Natixis AM aims to be a stable and trustworthy partner for La Mie de Pain, by taking concrete and sustained steps to promote the employment of individuals supported by the organization. To achieve this, Natixis AM has developed a comprehensive approach, both in terms of contributions, which take a variety of forms, and commitment, as the entire organization is encouraged to contribute in different ways to this community association. The institution provides annual financial support, while employees act through a dedicated working group as part of the "Engagés"² platform to make the partnership work and galvanize participation. The close relationship also includes exchanges to gather and broadcast news about the association, to identify changing needs and better support its projects. Natixis AM also sits on the Board of Directors for La Mie de Pain.



¹ To learn more about La Mie de Pain, please see pages 60-61. ² For more about this participatory volunteer group, please refer to pages 58-59.



Oumar DIAWARA
Structured Products, SEEYOND
Coordinator for the "Philanthropy"
working group

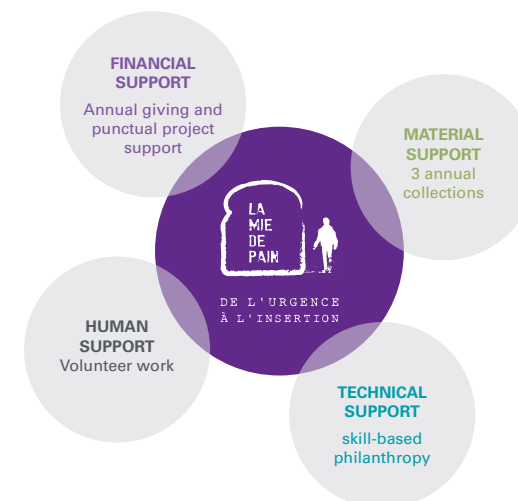
AS PART OF THE COMPANY'S COMMITMENT TO LA MIE DE PAIN, NATIXIS AM AND ITS EMPLOYEES ORGANIZE AND REINFORCE MEANINGFUL, RECURRENT ACTS OF PHILANTHROPY THAT ARE TAILORED TO THE NEEDS OF THE ASSOCIATION AND THE POPULATION IT SERVES IN ORDER TO FORGE A STRONG AND LASTING PARTNERSHIP FOR CHANGE.

A dynamic partnership

In order to best support the association's various needs, Natixis AM's approach to philanthropy has four complementary focus areas:

- **Financial support**, in the form of annual contributions on the part of Natixis Asset Management since 2010,
- **Material support**, via three to four collections organized each year at Natixis AM and its subsidiaries. Depending on the association's current needs, these may concern foodstuffs, personal care products, books, or restaurant vouchers.
- **Technical support** with the successful implementation of a first project in 2013, namely the creation of a Facebook Page for the association. This project, elaborated to the specifications of the non-profit, contributes to increased visibility for the organization, one of La Mie de Pain's most important strategic development priorities;
- **Human support** in the form of volunteers who commit field time. Starting in October 2014, this project had a successful launch, with 105 volunteer contributions undertaken by Natixis AM employees, who participated in serving meals to individuals receiving help from the association.

The 4 types of support mobilized on behalf of la Mie de Pain



1 ACTION PLAN TO MAXIMIZE EFFICIENCY

105 VOLUNTEER MISSIONS UNDERTAKEN BY 45 EMPLOYEES

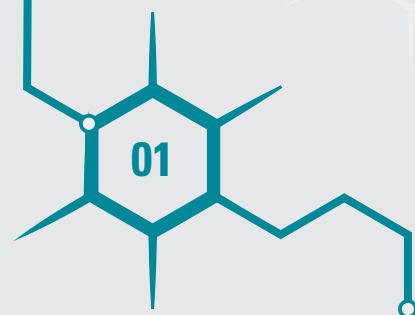
4 TYPES OF SUPPORT THAT COMPLETE EACH OTHER

Our employees take action as corporate citizens

The working group dedicated to philanthropy comprises **14 employee** volunteers. Together, their contributions actively drive and develop Natixis AM's initiative in support of La Mie de Pain.

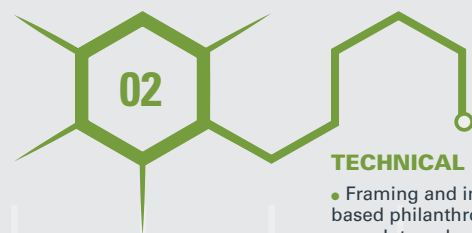


DE L'URGENCE
À L'INSERTION



HUMAN SUPPORT

- Framing and implementation of volunteering within Natixis AM:
 - 45 employees dedicated their time and effort to la Mie de Pain as volunteer workers
 - 105 volunteering actions have been conducted since October, with a focus on kitchen and serving duties at lunch.
- Internal encouragement to volunteer



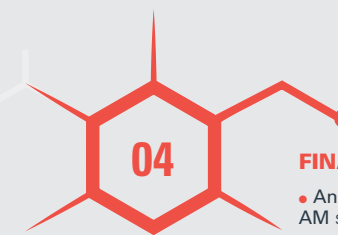
TECHNICAL SUPPORT

- Framing and implementation of skill-based philanthropy:
 - Internal mechanism approved by the Executive Committee
 - Initial philanthropy objective successfully achieved: creation of a Facebook page for the association



MATERIAL SUPPORT

- Regular collections for various items to involve the greatest possible number of employees and meet the different needs of la Mie de Pain
- 3 collections in 2014:
 - Coffee, tea and sugar
 - Personal care products
 - Restaurant vouchers



FINANCIAL SUPPORT

- Annual financial gift from Natixis AM serving to provide:
 - 100% of external meals
 - 75% of "psych" services
- Active support for employee volunteers
 - Charity Run organized by Natixis Global AM to benefit La Mie de Pain
 - A giving page on Natixis AM
 - 3,153 beverages "to benefit La Mie de Pain" sold by the cafeteria

About



DE L'URGENCE
À L'INSERTION

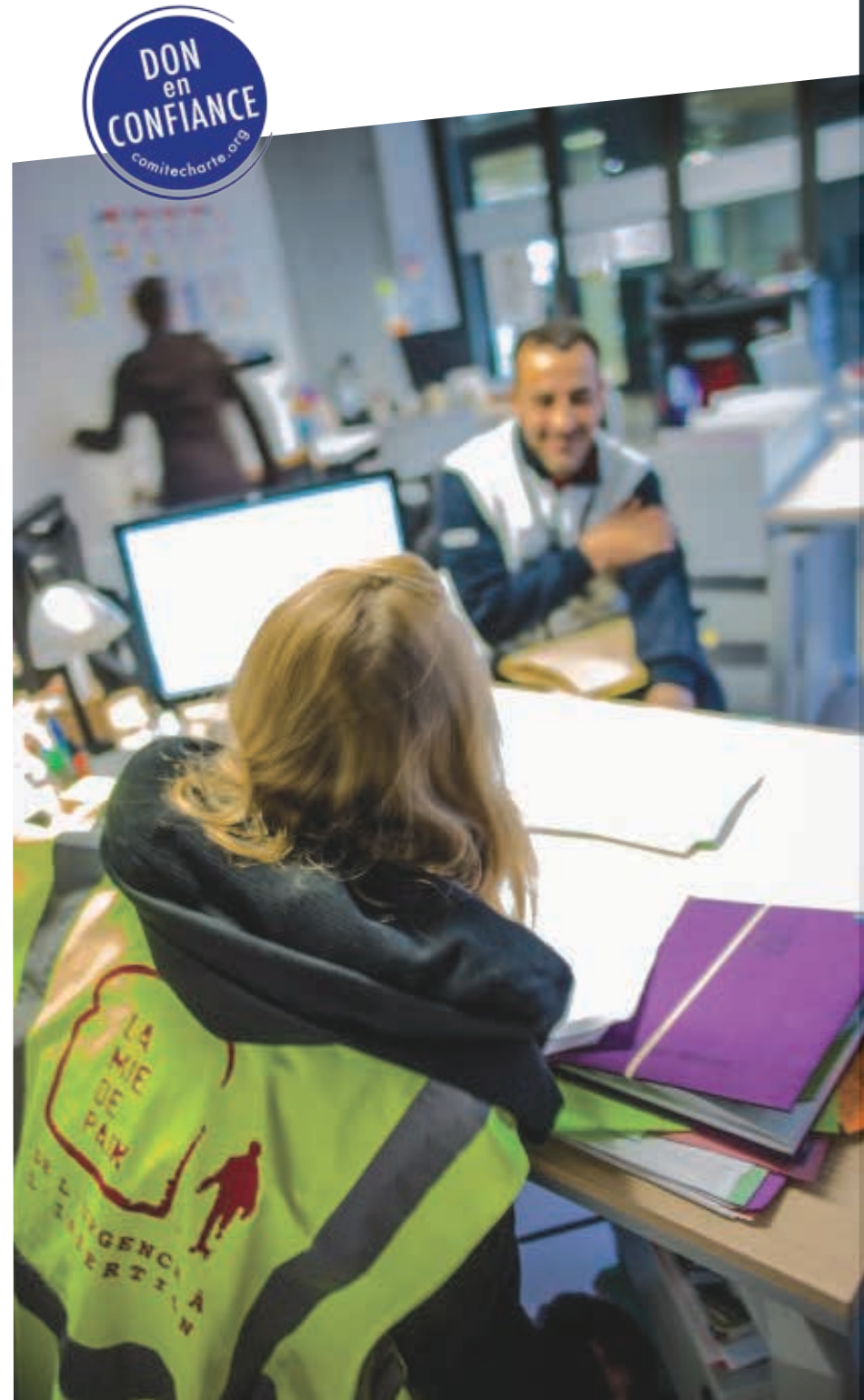
The non-profit association, la Mie de Pain, was founded in 1887. Recognized by French authorities as contributing to the public good, the organization provides assistance for persons in danger, and helps marginalized individuals reintegrate the society, both personally and professionally.

Grounded on 5 fundamental values—solidarity, charity, non-discrimination, respect for individuals and commitment—its ambition is to keep going ever further to meet the needs of those who are most vulnerable due to poverty, marginalization or exclusion.

Transparency is a watchword of the organization, and for this reason La Mie de Pain is a member of the committee overseeing the Charter for Giving in Confidence, illustrating its commitment to disclosure.

Today, La Mie de Pain has 6 facilities, and provides 116,094 nights of rest in its shelters annually, as well as 137,799 hot meals. Each day, 1,000 people receive help, while 1,400 are domiciled with the organization for administrative purposes (data from 2013).

Pour en savoir plus : www.miedepain.asso.fr



6
LOCATIONS

116,094
NIGHTS OF SHELTERED
REST

137,799
MEALS SERVED

1,000
PEOPLE PER DAY
RECEIVING HELP

CSR Report /

Introduction to CSR Reporting

The following report has been compiled by Natixis Asset Management SA in compliance with French legislation (Loi Grenelle 2) governing the reporting of relevant social, environmental and societal information.

REPORTING PERIOD

The information presented in this document concerns the 2014 fiscal year. This period coincides with the calendar year (January 1 through December 31).

METHODOLOGICAL NOTE CONCERNING THE INDICATORS EMPLOYED

Social Indicators

- The term staff encompasses all employees under fixed-term and indefinite contract (CDD and CDI respectively) on payroll as at December 31. Expatriate employees and those on secondment are counted with their original unit;
- Hires include external recruits signed to indeterminate, fixed-term or work/study training contracts;
- Departures comprise all resignations, terminations, departures during the probationary period, voluntary retirement or early-retirement, breaches of contract and deaths;
- The proportion of disabled employees is calculated based on the number of employees with disabilities under fixed-term or indeterminate contract with Natixis Asset Management as at December 31, 2014.

Environmental Indicators

- Environmental indicators (consumption of energy, water, oil etc.) are calculated based on a prorated occupancy rate equivalent to Natixis AM's usage of the Grand Seine premises, which in 2014 was 66% of useful rental space available.

- The Bilan Carbone® carbon accounting for Natixis AM takes into consideration the following elements:

- Energy: energy consumption of the building (electricity, gas, oil, steam and cooling);
- Non-Energy: leakage of refrigerant liquid;
- Goods and Services: all goods and services purchased by the company, exclusive of durable goods amortized over several years: consumables, paper, intellectual services, office supplies, etc.;
- Transportation of persons: commuting and professional travel undertaken by employees
- Fixed assets: buildings, vehicles, IT hardware;
- Freight: messaging and couriers;
- Waste: WEEE, office waste.

EXCLUSIONS

Certain indicators for pollution were not calculated because irrelevant for Natixis Asset Management's business activities, which are classified as low-risk in terms of pollution:

- Prevention, mitigation, or reparation of particulate emissions released in the air, water or soil susceptible of causing serious environmental impact;
- Awareness of noise pollution and other types of pollution specific to a type of activity or undertaking.



Social Report

Social Theme	Indicator	as at 31.12.2013	as at 31.12.2014	
PERSONNEL DISTRIBUTION	Total personnel (including FTE, CDI and CDD contracts) ^{1,2}	658	620	
	Personnel signed to indeterminate CDI (as a %)	96.05%	96.90%	
	Personnel signed to fixed-term CDD (as a %)	3.95%	3.10%	
	Proportion of women (as a % of all staff)	44.40%	45.30%	
	Distribution of personnel by department (100% in France)			
	Sales activities	4%	4%	
	Client Services	6%	7%	
	Marketing / Communications	6%	8%	
	Asset Management	35%	32%	
	Middle office / Value Base	12%	14%	
	Information Technology	6%	5%	
	Compliance, Risk Management	7%	7%	
	Legal	5%	6%	
	Accounting / Comptroller	6%	7%	
	Human Resources	2%	2%	
	Senior Management (executive officers)	4%	4%	
	Assistants	6%	6%	
Other	1%	1%		
ÉVOLUTION DES EFFECTIFS	TOTAL hires (number) <i>CDI + CDD + CDD work/study (contrats d'apprentissage and professionalisation)</i>	82	99	
	Proportion of CDI contracts (as a % of total hires)	30%	37%	
	Recruits signed to CDI contracts (number)	25	37	
	Of which, CDD to CDI rollovers	5	5	
	Of which, hires within Groupe BPCE	13	17	
	TOTAL departures from CDI (number)	85	69	
	Of which transfers and hires within Groupe BPCE	59	48	
	Of which voluntary retirement/early retirement options	3	1	
	Of which resignations	12	8	
Of which layoffs	-	-		
Of which termination for other causes	11	12		
COMPENSATION	Average gross annual compensation (in thousands of €) <i>average of all personnel (CDI & CDD contracts)</i>	80	82.672	
	Salary differential <i>Ratio of top 10% of salaries and the bottom 10% (base: full-time employees' gross monthly salaries)</i>	3.69	3.62	
	Budget allocated to closing the gender wage gap (as a % of all wages)	0.2	0.2	
DIVERSITY	Proportion of women (as a % of all staff)	44.40%	45.30%	
	Number of employees benefiting from a work/study contract (contrat d'apprentissage or contrat de professionalisation)	23	25	
	Number of employees with disabilities (number)	16	18	
	Employees with disabilities - proportion of workforce directly employed (as a %)	2.3%	2.57%	
Employees with disabilities - proportion of entire workforce (as a %)	3.3%	3.23%		

Social Theme	Indicator	as at 31.12.2013	as at 31.12.2014
PROFESSIONAL DEVELOPMENT	Total number of employees having participated in at least one training module during the year	623	573
	Total number of training hours dispensed	15,639	14,828
	Budget allocated to training (as % of all wages)	1.60%	1.60%
	Budget allocated to personal development courses and managerial competence training (as a % of total training)	31%	22.70%
WORKING HOURS	Part-time workers (as a % of all personnel)	9%	9%
HEALTH AND SAFETY	Absenteeism (as a %) <i>illness accidents, professional ailments and other authorized paid leave</i>	5%	5.18%
SOCIAL RELATIONSHIPS	Meetings held with representatives of personnel (number)	43	41
	Collective Agreements signed (number)	7	7
	Employees covered by such agreements (as a % of staff)	100%	100%
	Manager meetings (en nombre)	3	3
	General employee information meetings under the aegis of "NAM Inside" (number)	12	10
	Surveys/polls conducted among personnel	1	3

¹ The decrease in personnel between 2013 and 2014 is largely attributable to the spin-off of Mirova as a subsidiary in January 2014. ² FTE = Full Time Equivalent; CDI = indeterminate length contract; CDD = fixed-term contract

Societal Report

Societal Theme	Indicator	as at 31.12.2013	as at 31.12.2014
PROCUREMENT POLICY & SUPPLIER RELATIONS <i>Buying centralized through parent company Natixis - Indicators provided are for Natixis the definition of files does not include purchase orders</i>	Proportion of dossiers handled by the Procurement department (Natixis) that include environmental and social criteria (as a %)	79%	91%
	Proportion of sums expended on procurement for which ESG criteria were integrated (as a %)	51%	91%
	Suppliers canvassed as part of a survey on Sustainable Development	30	30
PHILANTHROPY	Financial support	Annual gift to La Mie de Pain	Annual gift to La Mie de Pain
	Collections of various goods in kind conducted on behalf of the sponsored association, La Mie de Pain (number of collections)	3	3
	Technical support projects completed for the sponsored association, La Mie de Pain (number of skill-based philanthropy projects)	1	0
	Volunteer "meal distribution" tasks completed by Natixis AM employees (number of tasks)	N/A	105
	Employees actively implicated in the company's philanthropic endeavors (number of participants in the working group)	12	14
CONTROL OF INDIRECT IMPACT: RESPONSIBLE ASSET MANAGEMENT	Nombre d'analystes extra-financiers (rattachés à Mirova, filiale de Natixis AM dédiée à l'investissement responsable)	11	11
	Emetteurs analysés sur le plan ESG	3,018	3,018
	Gérants et analystes financiers formés aux enjeux extra-financiers	68	80
	Budget de recherche externe alloué à la recherche extra-financière (en % du budget global)	10%	10%
	Comités d'intégration ESG (en nombre de séances)	3	5
	Encours en gestion ISR et solidaire - fonds ouverts, dédiés et épargne salariale de Natixis AM (en milliards d'euros)	9	12,8
	Univers de vote (en nombre de valeurs)	1,143	1,186
	Actions d'engagement réalisées sur des thématiques ESG (en nombre d'émetteurs ciblés)	110	187
	Engagement de place (en nombre d'instances au sein desquelles Natixis AM est représentée)	10	9

Environmental Report

Environmental Theme	Indicator	as at 31.12.2013	as at 31.12.2014
PAPER⁽¹⁾	Total paper consumption (in metric tons)	27	28
	Paper consumption per FTE (in kg)	41	46
GHG EMISSIONS⁽¹⁾	GHG Emissions (in metric tons CO ₂ eq.)	4,368	4,131
	Percentage of emissions related to procurement (as % of total emissions)	54%	59%
	Percentage of emissions related to energy consumption (as % of total emissions)	9%	7%
	Percentage of emissions related to travel (as % of total emissions)	13%	13%
	Other sources (as % of total emissions)	24%	21%
ENERGY⁽¹⁾	Total energy consumption (in MWh) Electricity, hot and cold fluids in office buildings – exclusive of data centers	4,166	3,467
	Portion related to procurement (as % of total consumption)	0.57%	0.48%
WASTE	Total waste (in metric tons) Immeuble Grand Seine	69	55
	Commercial waste (in metric tons)	35	30
	Paper waste (in metric tons)	34	25
	Discarded batteries (in metric tons)	Non Disponible	0,07
	WEEE (in metric tons)	Non Disponible	0,034
	Fluorescent or tube lighting (number)	Non Disponible	232
	Portion of waste sorted for recycling (as a % of total waste)	50%	45%
WATER	Total water consumption (in m ³), sanitary facilities and offices	2,862	2,845
	Cubic meters of water consumed per square meter of usable space	0.23	0.23

¹ Perimeter: Natixis Asset Management.

Correspondence Table

for article 225 of the Loi Grenelle II

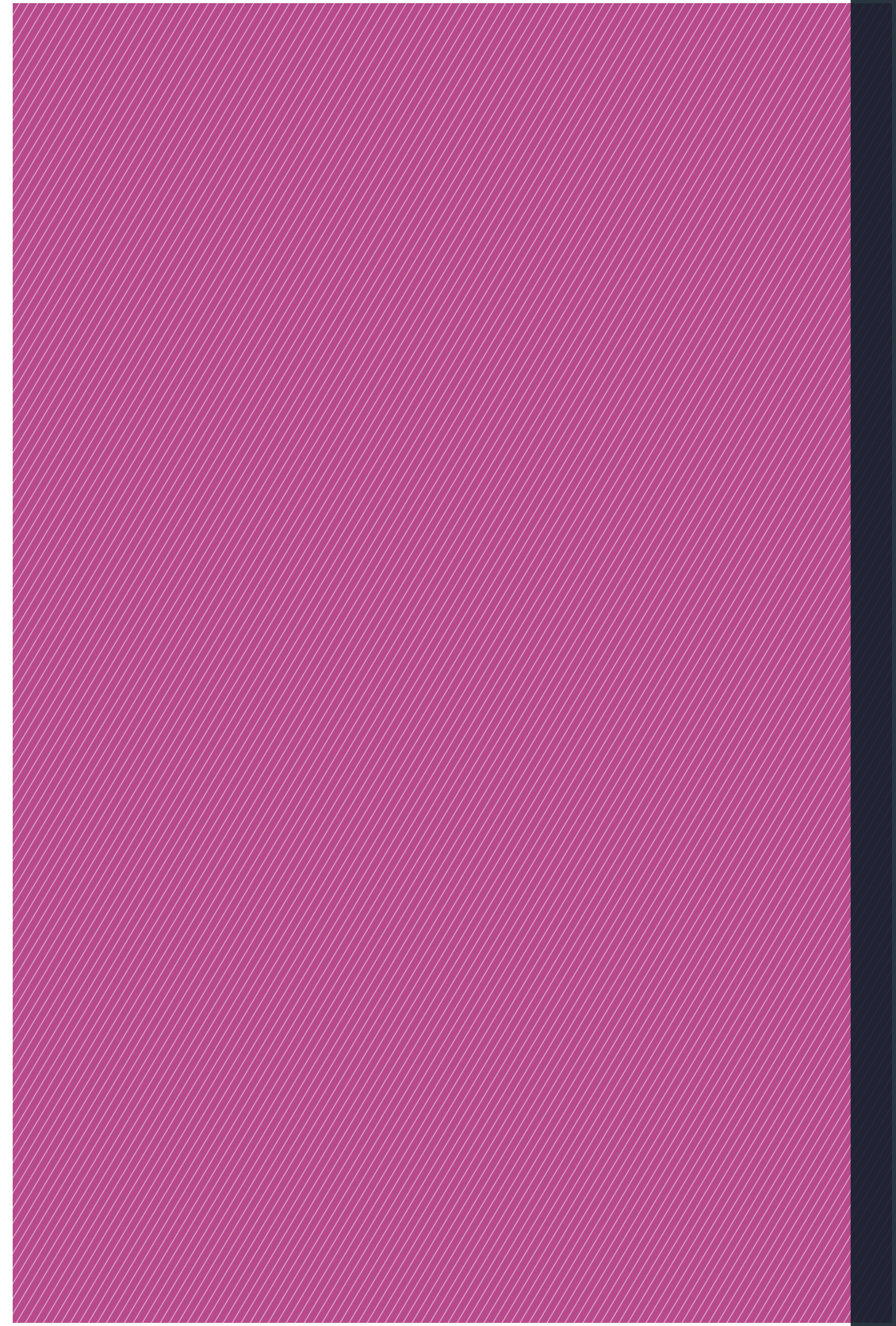
SOCIAL INFORMATION			
Reference within Grenelle 2, Art. 225	Themes of article 225		Corresponding areas of Natixis AM's CSR approach
ART. R. 225-105-1-I-1° A)	Labor	Total personnel and distribution of wages by gender and geographical area	- Social Report, p.64-65
		New hires and departures	- Section "Attracting talent and diversity" p.24 - Social Report, p.64-65
		Compensation	- Section "Retaining our employees" p.34 - Social Report, p.64-65
ART. R. 225-105-1-I-1° A)	Organization of labor	Organization of working time	- Section "Workplace quality of life" p.35 - Social Report, p.64-65
ART. R. 225-105-1-I-1° C)	Labor Relations	Organization of social dialogue, procedures for informing and consulting personnel and mechanisms for employee bargaining	- Section "Placing dialogue at the heart of the company" p.36 - UES advisory presence at meetings of the Board of Directors p.40 - Section Opportunities for dialogue and debate..." p.42
		A review of all Collective Bargaining Agreements	- Social Report, p.64-65
ART. R. 225-105-1-I-1° D)	Health and safety	Workplace health and safety conditions	- Section "Workplace quality of life" p.35
		Where applicable, any agreements signed with labor organizations or unions regarding health and safety	- Social Report, p.64-65
ART. R. 225-105-1-I-1° E)	Professional development	Professional development and training policy	- Section "Providing training to support employability and efficiency" p.30-31
		Total number of training hours dispensed	- Social Report, p.64-65
ART. R. 225-105-1-I-1° F)	Diversity & equality of opportunity	Measures taken to promote gender equality	- Section "Attracting talent and diversity" p.24-29 - Social Report, p.64-65
		Measures taken to promote the hiring and employability of persons with disabilities	
		Anti-discrimination policy	

SOCIETAL INFORMATION			
Reference within Grenelle 2, Art. 225	Themes of article 225		Corresponding areas of Natixis AM's CSR approach
ART. R. 225-105-1-I-3° A)	Economic, social and regional impact	employment and regional development impact	Panel on Mirova, Natixis AM subsidiary dedicated to Responsible Investment offering funds with positive ESG impacts, p.20-21
		Effects on local or neighboring populations	- Section "An Approach To Philanthropy That Is Sincere, Lasting And Dynamic" p.56-59 (Local philanthropic partnership with La Mie de Pain, a non-profit association based in the 13 th arrondissement of Paris) - Societal Report, p.66
ART. R. 225-105-1-I-3° B)	Relations maintained with persons or organizations having an interest or stake in the company's activities	Mechanisms supporting dialogue with persons or organizations (especially job placement associations, educational institutions, environmental protection associations, consumer groups and local communities)	- Section "Facilitating the sustainable professional integration of employees with disabilities" p.27-29 (Description of interactions with associations that perform job placement for persons with disabilities and with other stakeholders, particularly via the HandiFormaFinance platform) - Societal Report, p.66
		Social partnerships or philanthropy	- Section "An Approach To Philanthropy That Is Sincere, Lasting And Dynamic" p.56-59 - Societal Report, p.66
ART. R. 225-105-1-I-3° C)	Outsourcing and suppliers	Incorporation of social and environmental issues in procurement decisions	- Section "Fostering Responsible Behavior amongst Suppliers" p.46-47 - Societal Report, p.66

Correspondence Table

for article 225 of the Loi Grenelle II

ENVIRONMENTAL INFORMATION			
Reference within Grenelle 2, Art. 225	Themes of article 225	Corresponding areas of Natixis AM's CSR approach	
ART. R. 225-105-1-I-2° A)	General Environmental Policy	Corporate measures in place to take environmental concerns into account and, where appropriate, assessment of impact and/or environmental certification	- Section "Limiting Our Direct Impact on the Environment" p.48-55
		Efforts to inform and train employees in areas related to environmental protection	- Initiatives proposed by the collaborative working group "Agir pour l'environnement" p.54-55
		Efforts devoted to preventing or reducing environmental risks and pollution	- Section "Reducing pollution and waste" p.51
ART. R. 225-105-1-I-2° B)	Pollution and Waste Management	Measures implemented to mitigate or repair emissions affecting air, soil or water with significant environmental consequences	<i>Not a relevant category for asset management activities</i>
		Measures to avoid, recycle, and eliminate waste	- Section "Reducing pollution and waste" p.51
		Concern for sound pollution and all other types of pollution specific to the activity under consideration	<i>Not a relevant category for asset management activities</i>
ART. R. 225-105-1-I-2° C)	Sustainable Use of Resources	Water consumption and water supply assessed in terms of local constraints	- Section "Responsible consumption of resources" p.50 - Environmental Report, p.67
		Consumption of raw materials and measures in place to improve efficient use thereof	- Section "Responsible consumption of resources" p.50 - Environmental Report, p.67
		Energy consumption and measures in place to improve energy efficiency and increase reliance on renewable energy sources	- Section "Environmentally sound facilities management" p.48-49 - Section "Responsible consumption of resources" p.50 - Environmental Report, p.67
ART. R. 225-105-1-I-2° D)	Climate Change	GHG emissions	- Panel on "Our efforts to support the struggle against climate change" p.52 - Environmental Report, p.67
ART. R. 225-105-1-I-2° E)	Respect for Biodiversity	Measures implemented to preserve or foster biodiversity	<i>Not a relevant category for asset management activities</i>



A CSR Approach

in keeping with the sustainable development strategy adopted by 

As a company aware of our social and environmental responsibility, Natixis, with the support of staff, has adopted a **three-pronged sustainable development policy focused on:**

- **Addressing social and environmental issues in our business activities:** this involves better identifying and reducing CSR (Corporate Social Responsibility) risks associated with the projects we finance, and seizing opportunities for growth in sectors such as Green Growth and Responsible Investment;
- **Limiting direct impact on the environment:** we seek to reduce our consumption of resources, our production of waste, and GHG emissions in addition to handling relationships with suppliers responsibly;
- **Fostering social progress through our Human Resource policies:** this commitment is reflected in our recruiting policy, as well as our support for career management, professional development, career mobility, diversity and Labor relations.

To learn more, please visit: www.natixis.com



Over
20,287¹
collaborators
throughout the world

-6.4%
CO₂ emissions
from 2013 to 2014

27
new renewable energy
projects financed in
2014

**ISO
14001**
certified since 2009
for Plant Operations

3.59%
workers
with disabilities²

Notes

Notes

To learn more

About Natixis Asset Management and its areas of expertise:

www.nam.natixis.com

About Mirova's range of Socially Responsible Investment and Impact Investing products:

www.mirova.com

About La Mie de Pain, the non-profit community association sponsored by Natixis Asset Management as part of its philanthropic endeavors:

www.miedepain.asso.fr

About the Natixis family of corporations:

www.natixis.com/natixis/jcms/tki_5047/en/communication-financiere

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