



# Responsible Investment policy 2021

Confidence  
must be earned

**Amundi**  
ASSET MANAGEMENT

Amundi is Europe's largest asset manager by assets under management and ranks in the top 10 globally<sup>1</sup>. We manage €1,729 billion of assets<sup>2</sup> across six main investment hubs<sup>3</sup>. We offer our clients in Europe, Asia-Pacific, Middle East and in the Americas a wealth of market expertise and a full range of capabilities across the active, passive and real assets investment universes. Our clients also have access to a complete set of services and tools. Headquartered in Paris, Amundi was listed in November 2015.

Amundi has €378 billion<sup>2</sup> of assets under management in Responsible Investment, representing around 22% of its total assets.

Since its creation in 2010, Amundi has chosen to put responsible investment at the core of its strategy, making social and environmental responsibility one of its four founding pillars. Amundi has been a leader in asserting the responsibility of the financial sector in the pursuit of responsible investment policies. It was one of the founding signatories of the Principles for Responsible Investment.

This commitment is based on two convictions: the responsibility companies and investors have in building a sustainable society, and the demonstration that ESG has a positive impact on long-term financial performance.

In 2018, Amundi announced an ambitious 3-year action plan aiming at integrating ESG issues in all its management. This announcement supports and reinforces the engagement taken by Amundi since its creation.

The purpose of this document is to explain the governance, policy and strategy guiding ESG criteria integration into Amundi's investment policy.

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1. Source: IPE "Top 500 Asset Managers" published in June 2020, based on assets under management at 31 December 2019.

2. Amundi figures as of December 31, 2020.

3. Investment hubs: Boston, Dublin, London, Milan, Paris and Tokyo.

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# A DEDICATED ORGANISATION

## 1 Specialized resources

### A dedicated Business Line

Amundi has integrated ESG at the heart of its management and has created a dedicated Business Line, organized in 4 teams<sup>4</sup>:

#### Research, Engagement and Voting

This international team spans across Paris, Dublin, London and Tokyo. ESG analysts meet, engage and maintain dialogue with companies to improve their ESG practices, with the responsibility of rating these companies and defining exclusion rules. ESG analysts work alongside a team of specialists dedicated to voting policy and pre-meeting dialogue. Based in Paris, they define General Assemblies' voting policies for companies in which Amundi invests on behalf of its clients.

#### ESG Method and Solutions

This team of quantitative analysts and financial engineers is in charge of maintaining and developing Amundi proprietary ESG scoring system and ESG-related data management systems (including selecting external data providers to generate proprietary ESG scores). They help analysts and portfolio managers integrating ESG considerations into their investment decisions, as well as business development teams to create innovative solutions by integrating sustainability-related data within financial products (ESG ratings, climate data, impact metrics, controversies...). They oversee the development and integration of ESG-analytical tools in Amundi Portfolio Management Systems and Client Reporting Systems and are also in charge of implementing clients' specific ESG exclusion rules.

#### ESG Business Development & Advocacy

This team is in charge of supporting and developing ESG offering and solutions that match investors needs and challenges, ESG advisory and services for all Amundi clients and managing ESG advocacy and collaborations with responsible finance initiatives, and of developing training programs for our clients.

#### COO Office

This team is in charge of coordinating the department with the support functions of the group, producing the dashboards for the monitoring of the activity (Business, Budget, IT, Audit, projects), and supervising major transversal projects.

### ESG at the heart of our practice

#### At the ESG Business Line level

The ESG Business Line is an expertise center that provides ESG rating, assessment and scoring methodologies as well as qualitative analysis. A large perimeter of listed companies and issuers are evaluated based on a proprietary ESG rating methodology described in the section "ESG Analysis". It also provides research, support and knowledge transfer to the investment hubs across the firm. All team members collaborate with investment professionals to help them integrate ESG into their investment processes and expertise.

#### At Investment level

ESG analysis is embedded into Amundi's portfolio management systems, made available in real time in the fund manager's tools to provide them with a seamless access to corporate and sovereign issuers' ESG scores alongside financial ratings.

Portfolio Managers and investment analysts from all investment platforms have therefore access at all times to issuers' ESG scores, and related ESG analytics and metrics.

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4. Information at end of December 2020.

This set-up enables fund managers to factor in Sustainability risks in their investment decision process and apply Amundi exclusion policy whenever applicable. They are also able to design and manage their portfolio in compliance with specific ESG rules and ESG objectives that may apply to the investment strategies and products that fall under their remit.

Across Amundi, a broad range of responsible investment solutions are managed, including impact, sustainability-themed and Best-in-class strategies.

In addition, Amundi has taken the commitment to integrate ESG criteria into the investment process of actively managed open-ended funds\*, with an objective to maintain, in addition to financial objectives, portfolio average ESG scores above the average ESG score of their respective investment universe.

### At Risk level

ESG criteria are embedded within Amundi's control framework, with responsibilities spread between the first level of controls performed by the Investment teams themselves and second level of controls performed by the Risk teams, who can monitor the compliance with ESG objectives and constraints of a fund at all time. The Risk department is part of the "Responsible Investment" governance (described in section "Dedicated Governance"). They oversee the adherence to regulatory requirements and management of risks related to these topics.

ESG rules are monitored by the Risk teams the same way as any rule falling into their control perimeter, relying on the same tools and on the same procedures.

The ESG rules consist of our exclusion policies, as well as of eligibility criteria and rules specific to funds.

Regarding these rules, compliance controls are automated in a proprietary compliance tool with:

- pre-trade alarm or blocking alerts, in particular with regards to exclusion policies;
- post-trade alerts: fund managers are notified of potential breaches and required to bring portfolios back into compliance.

### Across the firm

Multiple teams are involved in accompanying, reporting and supporting Amundi's responsible investment approach.

## 2 Dedicated governance

With the support of these teams, four committees are dedicated to responsible investment and monitored by Amundi's CEO on a regular basis.

### ESG and Climate Strategic Committee

Chaired by Amundi's CEO, this committee meets on a bi-annual basis and steers, validates and monitors Amundi's ESG and Climate strategy. It validates major strategic orientations of the Responsible Investment policy and monitors key strategic projects.

### ESG Rating Committee

This committee meets on a monthly basis. It defines and validates Amundi's ESG standard methodology. It validates the exclusion and sectoral policies' application rules and reviews issues related to ESG rating.

### Voting Committee

This committee is held on an *ad hoc* basis. It supervises the different entities' voting policies to ensure their consistency and acts as an advisor for voting decisions on individual cases. It also ensures the alignment of voting activities of voting activities with key ESG engagement themes.

### Social Impact Committee

This Committee meets every two months. It validates investment strategies for private equity and private debt in the field of social and solidarity investments.

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\* Whenever technically possible.

# ESG ANALYSIS

## 1 Best-in-class approach

Amundi developed its own ESG scoring methodology. This approach is based on texts that are universal in scope, like the United Nations Global Compact, the OECD's guiding principles on corporate governance, the International Labour Organization (ILO), etc.

The ESG score aims to measure the ESG performance of an issuer, e.g. its ability to anticipate and manage the sustainability risks and opportunities inherent to its industry and to its individual circumstances. The ESG score also assesses the ability of the management team to handle potential negative impact of their activities on the sustainability factors<sup>5</sup>.

Amundi has developed two main ESG scoring methodologies, one for corporates issuing listed instruments and one for sovereign entities. This is complemented by methodologies developed for specific needs and specific instruments such as private assets<sup>6</sup>.

We are sourcing our data from 14 main data providers:



## 2 ESG for corporate issuers

### The Best-in-Class principles

Amundi bases its ESG analysis of corporates on a Best-in-Class approach.

**Each issuer is assessed with a quantitative score scaled around the average of their sector, enabling to distinguish best-practices from worst practices at sector level.** Amundi's assessment relies on a combination of extra-financial data from third-party and qualitative analysis of associated sector and sustainability themes. **The quantitative score is translated into a rating scale ranging from A for best-practices to G, for the worst-ones, to be excluded from actively managed funds<sup>7</sup>.**

### The ESG dimensions

Amundi's analysis process examines corporate behavior in three fields: Environment, Social, Governance (ESG). Amundi assesses the companies' exposure to risks and opportunities including sustainability factors and sustainability risks, and the management of these challenges in each of their sectors. As far as issuers of listed securities are concerned, Amundi scores issuers regardless of the instrument type, equity or debt.

5. Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment - Principal adverse impacts are impacts of investment decisions that result in negative effects on sustainability factors - Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters - 6. Real estate, private equity, private debt, impact investing - 7. See "A Targeted Exclusion Policy section" below.



## A. Environmental dimension

There are risks and opportunities linked to environmental issues, and this analysis assesses how issuers deal with them. It examines companies' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity.

## B. Social dimension

The objective here is to measure how a company defines a strategy to develop its human capital, drawing on fundamental principles with a universal reach. The "S" in ESG has a dual meaning. It covers two distinct concepts: the social aspect linked to a company's human capital, and the one linked to human rights in general.

## C. Governance dimension

This dimension assesses the issuer's ability to ensure the basis for an effective corporate governance framework that guarantees it will meet long-term objectives (therefore guaranteeing the company's value over the long term).

### The ESG specific criteria

Our internal reference values for analysis are comprised of 37 criteria, of which 16 are generic criteria, common to all companies whatever their business sector, and 21 sector-specific criteria. These criteria are constructed to either assess how sustainable issues might affect the issuer as well as the quality of the management of this dimension. Impact on sustainable factors as well as quality of the mitigation are also considered. All criteria are available in the fund managers' front office portfolio management system.

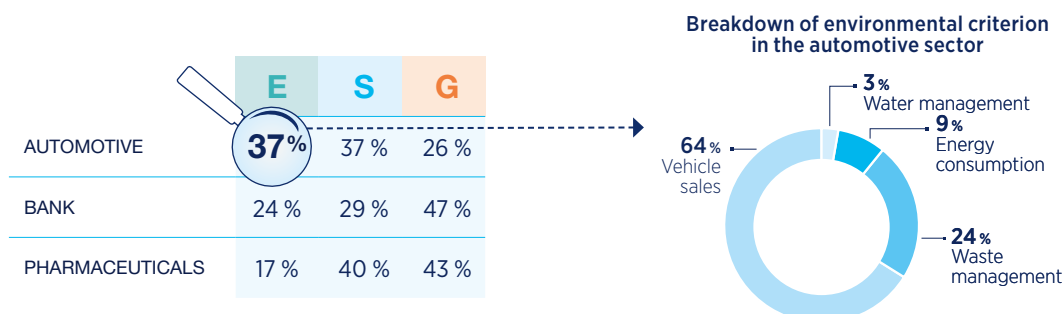
|                             | ENVIRONMENT  | SOCIAL  | GOVERNANCE  |
|-----------------------------|--|---|---|
| 16 generic criteria         | <ul style="list-style-type: none"><li>■ Power consumption and greenhouse gas emissions</li><li>■ Water</li><li>■ Biodiversity, pollution, and waste</li></ul>  | <ul style="list-style-type: none"><li>■ Labour conditions and non-discrimination</li><li>■ Health &amp; safety</li><li>■ Social relations</li><li>■ Client/supplier relations</li><li>■ Product responsibility</li><li>■ Local communities and human rights</li></ul>   | <ul style="list-style-type: none"><li>■ Independance of board</li><li>■ Audit and control</li><li>■ Compensation</li><li>■ Shareholders' rights</li><li>■ Ethics</li><li>■ ESG strategy</li><li>■ Tax practices</li></ul> |
|                             | ENVIRONMENT  | SOCIAL  |   |
| 21 sector-specific criteria | <ul style="list-style-type: none"><li>■ Green vehicles (Automotive)</li><li>■ Development and production of alternative energy and biofuels (Energy/Utilities)</li><li>■ Responsible forestry (Paper &amp; Forests)</li><li>■ Eco-responsible financing (Banks/Financial Services/Insurance)</li><li>■ Green insurance (Insurance)</li><li>■ Sustainable construction (Construction Industry Products)</li><li>■ Packaging and eco-design (Food and Beverages)</li><li>■ Green chemistry (Chemistry)</li><li>■ Paper recycling (Paper &amp; Forests)</li></ul> | <ul style="list-style-type: none"><li>■ Bioethics (Pharmaceuticals)</li><li>■ Access to medicine (Pharmaceuticals)</li><li>■ Vehicle safety (Automotive)</li><li>■ Passenger safety (Transportation)</li><li>■ Healthy products (Food)</li><li>■ Digital divide (Telecommunications)</li><li>■ Responsible marketing (Pharma/Banking/Misc. Financial Services/Food and Beverages)</li><li>■ Access to financial services (Banking/Misc. Financial Services)</li><li>■ Healthy product development (Food and Beverages)</li><li>■ Tobacco-related risks (Tobacco)</li><li>■ Editorial ethics (Media)</li><li>■ Personal data protection (Software)</li></ul> |   |

To be effective, ESG analysis must be capable of focusing on key criteria depending on the business and activity sector. The weighting of criteria is a crucial element of ESG analysis. In each sector, ESG analysts weight more strongly 4 to 5 criteria deemed key.

ESG analysts will typically increase their level of scrutiny and expectations whenever the risk faced by a company on any given ESG criteria is deemed high and material.

*Example:* In the automotive sector, CO<sub>2</sub> emissions are mostly related to the emissions of car manufacturers' vehicle fleets. ESG analysts therefore focus on investments in R&D: vehicle efficiency and alternative vehicles (electric, hybrid). This criterion is all the more relevant in that it represents a risk for carmakers (potential market share for energy-efficient vehicles due to rising fuel costs).

#### Example of weightings:



#### The ESG scoring and rating methodology and process

The ESG rating is a weighted average of the scoring for E, S and G dimensions, each dimension being itself the weighted average of the internal reference values. Each of the 37 criteria score is also translated into a rating from A to G. At the end of this process, companies are awarded a rating from A to G.

There is only one rating for each issuer, whatever the chosen reference universe. The rating is thus “sector neutral”, that is to say that no sector is privileged or, on the opposite, disadvantaged.

ESG ratings are updated monthly, based on the data provided by our rating agencies. Issuers' news are followed closely and continuously, and controversies and alerts are instantly taken into account for an update of the analysis.

Analysts regularly readjust their analysis methodology according to the environment and current events.

### 3 ESG for sovereign issuers

Amundi ESG sovereign scoring methodology aims at assessing the ESG performance of sovereign issuers. E, S and G factors can have an impact on the issuer's ability to reimburse its debt in the medium and long-term. They can also reflect on how countries are faring in dealing with major sustainability issues that affect global stability.

Amundi methodology relies on a set of about 50 ESG indicators deemed relevant by Amundi ESG research to address Sustainability risks<sup>8</sup> and Sustainability factors<sup>9</sup>. Each indicator can weigh in several data points, coming from different sources, including open-source international databases (such as from the World Bank Group, the United Nations, etc.) and proprietary databases. Amundi has defined the weights of each ESG indicator contributing to the final Amundi sovereign ESG scores, and its various sub-components (E, S and G). The indicators are provided by a leading specialized data provider.

All indicators have been grouped into 8 categories in order to provide greater clarity, each category falling into one of the pillars E, S or G. Here again, issuers' ESG score is translated in a rating ranging from A to G at the end.

8. Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment. - 9. Principal adverse impacts are impacts of investment decisions that result in negative effects on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



|                     |   |
|---------------------|---|
| <b>E</b> NVIRONMENT | Climate Change - Natural Capital                              |
| <b>S</b> Ocial      | Human Rights - Social Cohesion - Human Capital - Civil Rights |
| <b>G</b> OVERNANCE  | Government Effectiveness - Economic Environment               |

## 4 Other types of instruments or issuers

Amundi has developed specific methodologies to assess the ESG quality of different instruments or issuers, that the main methodology could not cover, because of the nature of the instruments or because of the lack of coverage by existing external data providers. These methodologies cover private equity, private debt issuers, impact investing, real estate<sup>10</sup> as well as specific instruments such as green or social bonds. Even if each methodology is specific, they share the same target, which is the ability to anticipate and manage the sustainability risks and opportunities as well as the ability to handle their potential negative impacts on the sustainability factors.

# A TARGETED EXCLUSION POLICY

As part of its fiduciary responsibility, Amundi applies targeted exclusion policy across its portfolios. These rules are applied to all active investing strategies over which Amundi has full discretion and exclude companies that do not comply with its ESG policy, international conventions, internationally recognized frameworks, and national regulations. These general exclusions are implemented unless otherwise requested by the clients and always subject to applicable laws prohibiting their implementation.

### Amundi thus excludes the following:

- Companies involved in the production, sale, storage or services for and of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties;
- Companies involved in the production, sale or storage of chemical, biological and depleted uranium weapons;
- Companies that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact<sup>11</sup>, without credible corrective action.

In addition, Amundi implements specific and targeted sectoral exclusion policies for coal and tobacco. These sectoral exclusions apply to all actively managed strategies over which Amundi has full portfolio management discretion.

The exclusion policy principles are decided by the ESG Strategic Committee and application rules are validated by the ESG Rating Committee. Excluded issuers are flagged in Front office tools and trades on those names are blocked on a pre-trading basis. Amundi's risk department is in charge of the second level of control.

### Thermal Coal Policy

As coal is the single biggest contributor to climate change derived from human activity, Amundi has implemented since 2016 a dedicated sector policy related to Thermal Coal, triggering the exclusion of certain corporate companies and issuers. Each year since then, Amundi has progressively reinforced its coal exclusion policy.

10. For more information: <https://www.amundi.com/int/Strategies/Amundi-Real-Assets/Private-Debt>, <https://www.amundi.com/int/Strategies/Amundi-Real-Assets/Real-Estate>, <https://amundi.oneheart.fr> - 11. United Nations Global Compact (UN Global Compact): "A call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals."

These commitments stem from the Crédit Agricole Group's climate strategy. Consistent with the United Nations Sustainable Development Goals and the 2015 Paris Agreement, this strategy is based on the research and recommendations of a Scientific Committee, which takes into account scenarios designed by the IEA's Sustainable Development Scenario, Climate Analytics Report and Science-Based Targets.

In 2020, as part of Amundi's Thermal Coal Sector Policy update, Amundi further extended its exclusion policy to "Coal developers", referring to any company developing or planning to develop new thermal-coal capacities.

#### Amundi thus excludes the following:

- Companies developing or planning to develop new thermal coal capacities along the entire value chain (mining, production, utilities, and transport infrastructures)\*,
- Companies generating >25% of their revenue from thermal coal mining extraction,
- Companies with annual thermal coal extraction of 100 MT or more without intention to reduce,
- All companies with revenue in thermal coal mining extraction and thermal coal power generation >50% of their revenue without analysis,
- All coal power generation & coal mining extraction companies with a threshold between 25% and 50% with a deteriorated energy transition score.

#### Tobacco policy

Since October 2018, Amundi has been capping tobacco companies' ESG ratings at E, on a scale from A to G (where companies rated G are excluded) in order to take into account concerns about public health, but also human rights abuses, poverty impact, environmental consequences, and the substantial economic cost associated with tobacco, believed to be more than USD 1 trillion a year globally, according to World Health Organisation estimates. This cap aims to penalize investment in such companies, which must be offset by investing in much more virtuous companies. Amundi's policy applies to the tobacco sector in its entirety, including suppliers, cigarette manufacturers and retailers.

In May 2020, Amundi became a signatory of the Tobacco-Free Finance Pledge. Consequently, Amundi has strengthened its Tobacco policy.

#### Amundi thus applies the following rules:

- Exclusions rules: are excluded companies that manufacture complete tobacco products (thresholds for application: revenues above 5%)\*.
- Cap rules: are capped to E as ESG rating (ranging from A to G), companies involved in the production, the supply and retailing of tobacco (thresholds for application: revenues above 10%).

## ENGAGEMENT POLICY

Amundi considers divestment as a last resort decision.

By divesting, the asset manager gives up any opportunity to exert influence over a business' or sector's ESG practices. On the contrary, staying invested in companies that are committed to improving their ESG practices allows to promote the best sustainable practices within the sector. This is why Amundi has put in place a strong engagement policy. It is an essential part of Amundi's fiduciary duty and its role as responsible investor.

Statistics and results are published in an annual engagement report, publicly available on [www.amundi.com](http://www.amundi.com).

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\*Exclusion policy effective as of 31st December, 2020.

At the issuer level, Amundi engages investees or potential investees regardless of the type of held across Amundi's portfolios. Issuers engaged are primarily chosen based on the level of exposure to the subject of engagement. Amundi makes sure that it engages with issuers from different continents. Amundi takes into account local realities but wishes to have the same level of ambition and gradual expectations across geographies.

The topics we engage on are linked to a dual materiality perspective. Engagement with issuers should not only be on how sustainability issues may affect the company (sustainability risk). Engagement is also how the company affects society and the sustainability factors (impacts on society, material to the society even though might not be material for the financial statements of the company, on a short to medium term horizon).

Amundi is engaging issuers on different topics selected because:

- The topics relate to major systemic risks. Amundi believes that the following two priorities represent systemic risks for companies as well as opportunities for those who wish to integrate them in a positive way:
  - Global warming and ecosystems' destruction, which threaten to provoke destructive chain reactions.
  - Growing inequalities that generate social divisions endangering the economic and political stability of democracies.
- The topics are important for the success of the Sustainable Development Goals, and in line either with regulatory focus from public authorities or our client's areas of focus.
- The topics are related to our Responsible Investment or sector policies, or are related to commitments made in our products or made to our clients.

Amundi is engaging issuers either directly or in collaboration with other investors, as a leader or as a supporter. Amundi supports international collective initiatives as well (see page 13). The objective is to encourage public authorities to adopt measures in favour of sustainable development. Topics of concern are climate change, water, deforestation, health in emerging countries.

Engagement can be ongoing if the issuer or its sector face specific challenges or sustainability risks. Engagement may also be thematic if cross-sectorial and related to sustainability factors.

## **1 Thematic Engagement**

We are engaging companies both on topics related to climate and inequalities, as well as on other environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters that are deemed to represent the building blocks of a sustainable economy. Engagement streams are launched for a period of several years.

Thematic engagement centers on themes that are relevant for several sectors, aiming to understand existing practices, promote better practices, recommend improvements and measure progress on engagement themes that might be "emerging" or are already well established and understood. For emerging themes, the objective is to raise awareness among issuers and highlight best practices. For established themes, we target specific outcomes.

## **2 Ongoing engagement**

Ongoing engagement has a dual purpose. First it aims to engage issuers on specific sustainability risks that businesses face. It also aims at supporting companies in the continuous improvement of their sustainable policy.

We engage on sector or issuer specific topics as well as through our pre-meeting dialogues. We might as well engage prior to divestment.

### 3 Engagement through voting

We vote for all holdings including those of our passive management portfolios.

The funds exercise their voting rights at the companies' meetings in which they have an equity investment, whenever possible.

However, in the interests of cost control and increased efficiency, Amundi reserves the right not to exercise its voting rights when it considers the economic cost to be prohibitive in relation to ownership.

Amundi has its own voting policy, which is notably in favor of a sustainable level of dividends and a level of executive compensation that allows equity among employees. Amundi also supports a governance which allows to align the company's interests with the interests of its employees. Amundi is therefore vigilant about the independence level of the boards, in favor of the existence of employee directors, and would like to see ESG criteria included in management performance indicators. Generally, Amundi supports environmental and social resolutions calling for increased transparency.

Amundi adheres to the EFAMA code and participates in various governance working bodies, notably with the AFG<sup>12</sup>, FIR<sup>13</sup>, and ICGN<sup>14</sup>.

## LABELS AND TRANSPARENCY OF INFORMATION

### Labels

Our offer is locally adapted for retail customers and distributors. Among our responsible solutions, we offer a range of products that have received the following labels:

- SRI Label, Greenfin Label and Finansol Label in France,
- FNG in Germany,
- Towards Sustainability in Belgium,
- LuxFlag in Luxembourg,
- Austrian Eco-Label in Austria.

### Transparency of information

ESG reports on SRI open-ended funds are published every month. These reports include a comparison of the portfolio's ESG rating with that of its benchmark index or investment universe, as well as comments on the portfolio's issuers' ESG performance.

Amundi also complies with the European Transparency code. This code is designed and approved by AFG<sup>15</sup>, FIR<sup>16</sup> and EUROSIF<sup>17</sup> and provides transparent and precise information on SRI portfolio management from asset managers to clients.

Specific reportings are published on certain thematic funds from our climate and solidarity range to ensure accurate impact monitoring.

To reinforce its transparency towards investor, Amundi periodically sends comprehensive commented reports to its institutional clients.

At the same time, Amundi conducts responsible finance trainings for its employees, for the financial advisors of its partner distribution networks and, more generally at the request of its clients.

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12. AFG: French Asset Management Association ([www.afg.asso.fr](http://www.afg.asso.fr)) - 13. FIR: French Sustainable Investment Forum ([www.frenchsif.org](http://www.frenchsif.org))  
14. ICGN: International Corporate Governance Network (<https://www.icgn.org/>) - 15. French Asset Management Association ([www.afg.asso.fr](http://www.afg.asso.fr)) - 16. French Sustainable Investment Forum ([www.frenchsif.org](http://www.frenchsif.org)) - 17. European Sustainable Investment Forum ([www.eurosif.org](http://www.eurosif.org))

# ADVANCING THE ASSET MANAGEMENT INDUSTRY

## 1 Active participation in market bodies

Amundi actively participates in working groups led by market organizations aimed at developing responsible finance, sustainable development and corporate governance. Amundi is a member of the French Asset Management Association (AFG), EFAMA (European Fund and Asset Management Association), the French Institute of Administrators (IFA), the Observatory for Societal Responsibility (ORSE), the French Association of Financial Analysts (SFAF), the European Sustainable Investment Forums - SIF - (France, Spain, Italy, Sweden), the Canadian, Japanese and Australian SIFs, the French association Companies for the Environment. Amundi is also a member and director of Finansol.

In addition, Amundi supports the academic chair “Sustainable Finance and Responsible Investment”, created in 2007, sponsored by the AFG and led by Ecole Polytechnique and the Institut d'Economie Industrielle “IDEI” of Toulouse.

|                                  |  |   |
|----------------------------------|--|---|
| <b>Broad-based initiatives</b>   | <ul style="list-style-type: none"> <li>• UN PRI - Principles For Responsible Investment</li> <li>• Finance for Tomorrow</li> <li>• IFC Operating Principles for Impact Management</li> <li>• Efama and AFG</li> </ul>  |    |
| <b>Environmental Initiatives</b> | <ul style="list-style-type: none"> <li>• IIGCC – Institutional Investors Group on Climate Change</li> <li>• AIGCC - Asia Investor Group on Climate Change</li> <li>• CDP – Carbon Disclosure Project</li> <li>• Montréal Carbon Pledge</li> <li>• Water Disclosure Project</li> <li>• PDC - Portfolio Decarbonization Coalition</li> <li>• Green Bonds Principles</li> <li>• Climate Bonds Initiative</li> <li>• Climate Action 100+</li> <li>• TCFD – Task Force on Climate-related Financial Disclosures</li> <li>• The Japan TCFD Consortium</li> <li>• OPSWF – One Planet Sovereign Wealth Fund</li> <li>• FAIRR - Farm Animal Investment Risk and Return</li> </ul> |   |
| <b>Social Initiatives</b>        | <ul style="list-style-type: none"> <li>• Access to Medicine Index</li> <li>• Access to Nutrition Index</li> <li>• Clinical Trials Transparency</li> <li>• Human Rights Reporting and Assurance Frameworks Initiative</li> <li>• WDI – Workforce Disclosure Initiative</li> <li>• Finansol</li> <li>• The Platform Living Wage Financials (PLWF)</li> </ul>   |  |
| <b>Governance Initiatives</b>    | <ul style="list-style-type: none"> <li>• ICGN – International Corporate Governance network</li> </ul>  |  |

## 2 A think tank: the Medici Committee

Amundi supports the development and organisation of this think tank dedicated to the responsibility of economic and financial actors.

The Medici Committee discusses the principles, techniques and impacts of responsible investment.

The Committee examines major social responsibility challenges that international and local businesses face which arise from economical, technological and political transformations. It searches for the best ways to address them.

It has a dual purpose:

- Accompanying Amundi in the definition of its investment policy;
- And more broadly, contributing to societal debate, enabling Amundi to regularly review what are the best ways to meet its objective to act as corporate sustainability leader.

# APPENDIX

## A long-standing player in ESG integration

**In 2010**, Amundi chose commitment to social responsibility as one of its strategic pillars, meaning that we take increasingly into account sustainable development and socially responsible criteria as well as financial criteria in our investment policies.

**In 2011**, Amundi incorporated its subsidiary IDEAM in its Institutional Investments division in order to streamline its organisation and better serve its growth ambitions in the field of SRI.

**In 2013**, Amundi was the first asset management company to obtain Afnor certification for its SRI approach. This certification, delivered by a recognised independent organisation, proves our commitment to our clients (governance method, guaranteed expertise, data traceability, information, responsiveness, etc.) while ensuring that our operations are controlled by an internal steering process.

**In 2014**, Amundi published its first Engagement Report.

**In 2015**, Amundi ranked first in the SRI & Sustainability study published by WeConvene Extel and the UKSIF (UK Sustainable Investment and Finance Association), in the category Asset Management best firms for SRI/ESG.

**In 2015**, Amundi was very active in financing the energy and environment transition. Beyond its participation in the main Green Bonds Initiative and its signature of the Paris Green Bonds Statement.

**In 2016**, Amundi became the first asset management company to obtain the SRI label created by the Ministry of Finance and Public Accounts for its four presented funds. This SRI label aims to provide better visibility of SRI fund offerings to investors, particularly individual customers who are showing a growing interest in SRI.

In the same year, Amundi was once again ranked N°1 in SRI & Sustainability study published by Extel and UKSIF in the category Asset Management best firms for SRI/ESG.

**In 2017**, the PRI awarded Amundi an A+ score for the 3<sup>rd</sup> consecutive year. This score reflects the quality of Amundi's ESG analysis and its ability to integrate ESG criteria into its various investment strategies.

Amundi launched the largest green bond fund dedicated to emerging markets (2 billion dollars) in partnership with the International Finance Corporation (IFC), to accelerate the development of the green bond market in development countries.

**In 2018**, Amundi expanded its commitment to responsible investment and announced, in October, a three-year action plan with the ambition of integrating ESG into 100% of its open-ended funds and in all its voting policies. Amundi also aimed to develop its advisory services and to strengthen specific environmental, social and solidarity initiatives.

In December, Amundi Energy Transition (AET), a subsidiary of Amundi (60%) and EDF (40%) and Dalkia (EDF group) signed a partnership agreement to finance Energy Transition projects.

Amundi expanded its range of responsible solutions with the launch of new innovative products through its subsidiary CPR AM in particular, and via its range of ETFs dedicated to responsible investment.

**In 2019**, Amundi continued to implement its active policy by developing responsible investment, illustrated by innovations such as the launch of a new climate bond fund to finance infrastructure in emerging countries, in partnership with the Asian Infrastructure Investment Bank (AIIB), and the launch of the Green Credit Continuum programme with the European Investment Bank (EIB) aimed at promoting the development of the green debt market in Europe, particularly by financing SMEs.

This engagement was also reflected in Amundi's participation in the One Planet Sovereign Wealth Fund Asset Manager initiative, designed to support sovereign wealth funds in integrating climate change into the management of their investments; and participation in the TCFD Consortium initiative in Japan under the aegis of the Japanese Ministries of the Economy and the Environment, designed to improve the information provided to issuers on environmental issues.

**In 2020**, after having supported the expansion of green bonds in emerging markets, Amundi also committed to support the development of Social Bonds and launched in December its first Social Bond Strategy. Additionally, Amundi announced the launch of the Objectif Climat Actions strategy, replicating the "Euro iSTOXX Ambition Climate PAB" index. In parallel, our ETF department expanded its Responsible Investing ETF range, proposing a comprehensive set of equity and fixed income ESG and Climate ETFs, spanning across key investors' geographies and proposing different levels of sustainability integration.



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