

Promotional communication for all audiences

**CLimate range
annual IMPACT
REPORT 2022**



CPR Invest — Climate Action

The fund is indirectly associated with the impact generated by the companies in which it invests.



2.7 €bn

Asset under management within the Climate Transition range



-29.7%

Carbon intensity reduction vs MSCI ACWI index



48.2%

Share of the portfolio SBT validated



49.9%

Share of the portfolio A-rated by CDP



306

Engagements with issuers



99%

Participation rate to AGM

Source: CPRAM and Amundi, data as end of December 2022

Carbon emissions data are supplied by Trucost. CDP and SBT data are supplied by the two suppliers and are available on their websites: <https://www.cdp.net/en/responses> and <https://sciencebasedtargets.org/companies-taking-action>



VANESSA COTTET,
Chief Responsible Officer
CPRAM

In 2018, CPRAM launched CPR Invest – Climate Action in partnership with CDP. This was the first solution that addressed the transition towards a zero-net-emission economy. Since then, we have developed a full range of transition solutions suited to each risk profile and investment need, covering equities, fixed-income, and diversified investments. CPRAM now manages 2.7 billion euros in its climate transition range¹. 100% of the funds in this range have been awarded the official French ISR [SRI] label or the equivalent in Austria².

Mere goodwill by policy-makers and other actors is no longer enough in addressing the climate emergency. The planet's extreme weather events are sending us increasingly urgent alerts of its slow death. Let's transform these natural disasters (if we can still call them that after various IPCC³ reports) into opportunities to change the ways we eat, heat our homes, travel, consume, produce, communicate, etc. – in short, to change our daily lives and our relationship with nature.

At CPRAM, we chose at a very early stage to be an actor of change. This is consistent with our societal responsibility as a company acting for the planet, and with our fiduciary responsibility to our clients. We are now capitalising on our experience to enhance our 2018 initiative, to accompany the market's maturity and to help accelerate it.

Moreover, CPRAM adheres fully to Amundi's ambitions both by actively participating in product innovation and by urging its analysts and managers to engage with companies. We have enhanced our analyst team and governance to supplement our responsible and impact investment set-up.

For the third consecutive year, our teams are proud to present to you the results of our approach to furthering the climate transition at our level.

1- Asset under management as end of December 2022

The 8 funds in CPRAM's climate transition range are the three CPR Invest sub-funds (Climate Action, Climate Action Euro and Climate Bonds Euro) as well as the Austrian-registered Amundi CPR Climate Action fund, the CPR ES Action Climat fund and the range of 3 funds developed for one of our French partner networks.

2- Amundi CPR Climate Action holds the Umweltzeichen label (Austria). The seven other funds have been awarded the SRI France label.

The labels are awarded for a period of 3 years and are audited every year.

3- Intergovernmental Panel on Climate Change (IPCC), <https://www.ipcc.ch/>

From thematic investment to impact investment

Rethinking a philosophy

As a pioneer of thematic investment and with currently almost 20 billion euros in assets under management⁴, CPR AM is among the main European players in this asset class. **As far back as 2017, newly launched strategies had integrated a responsible approach in addressing the major challenges of our century**, whether demographic, social, technological or climatic. These strategies were the CPR Invest sub-funds: Food For Generations in 2017, Education and Climate Action in 2018, and Social Impact (for reducing inequalities) in 2019. Since then, **CPRAM has constantly structured itself around responsible investment and has innovated in adjusting its strategies** and methodologies as data, investor awareness and the market's maturity as a whole have improved.

Even if thematic investment and impact investment share many points, we are aware that we are facing a change of paradigm, in which financial performance is no longer assessed alone but at the same level as social and/or environmental performance. This means a comprehensive transformation of our practices, with an inevitable shift in mindsets, not just with the fund manager, but also managers and heads of asset management companies, investors and all stakeholders.

Reference frameworks and painstaking research

To date, CPRAM regards **four major strategies as impact investments**: Food For Generations, Education, Social Impact, and the Climate range. Together, they account for 5 billion euros in assets under management⁴.

The funds' investment philosophies are enshrined in **benchmark frameworks such as the Paris Agreement and the UN Sustainable Development Goals (SDGs)**. Their management processes meet market standards, such as those set by the Global Impact Investing Network (GIIN⁵), whose main features deal with the intention to contribute to, or generate, a positive social or environmental impact, to manage impact performance and to provide evidence of the impact of investments.

In 2021, Amundi developed a **proprietary classification methodology** to ensure that the most stringent standards are met before a fund is classified as an impact investment. The assessment is conducted by Amundi's ESG team, using a three-part questionnaire based on the impact investing benchmark pillars of intentionality, additionality and measurability (details on page 5).

To clarify its offer, CPRAM has chosen to limit itself to the aforementioned strategies. They have all achieved a high rating to be classified in the Group's range of impact investments, based on the factors summed up in the illustration.

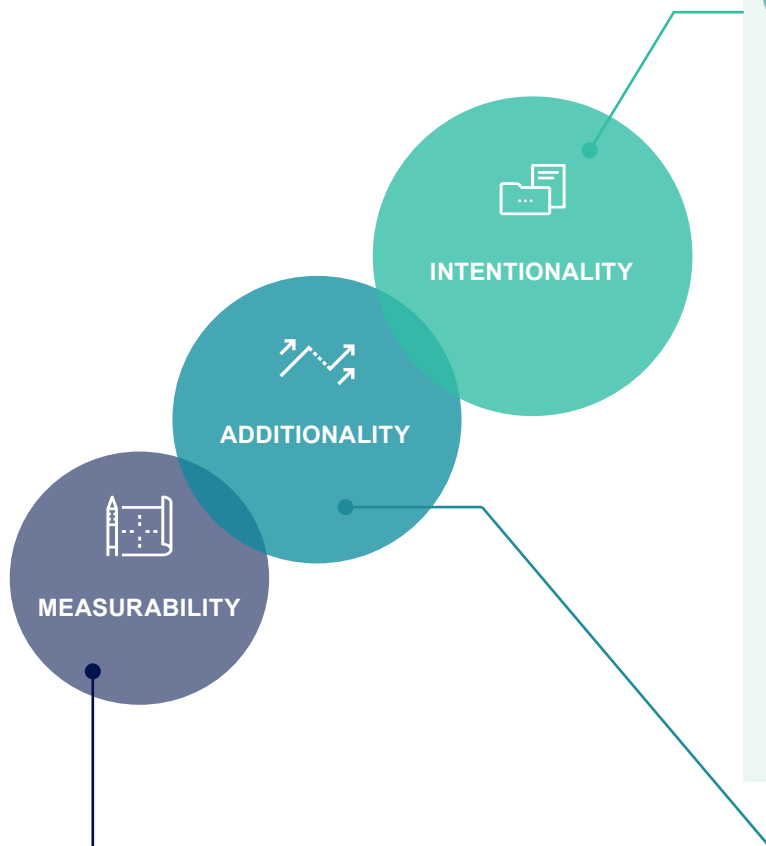
To meet its 2025 ESG ambitions, Amundi has set a goal of 20 billion euros of AuM in impact investment by widening its offering of solutions⁶. CPRAM currently accounts for almost one quarter of this objective, and adheres fully to the Group's ambitions. Our experts take active part in projects currently being conducted to reach this objective together.

4- Data as end of December 2022, source CPRAM

5- <https://thegiin.org/>

6- Amundi's ESG Ambition 2025, <https://www.amundi.com/globaldistributor/Responsible-Investing/Amundi-s-ESG-Ambition-2025>

The three pillars of impact investing by Amundi and CPRAM



INTENTIONALITY Impact thesis

The impact objectives and investment strategy should be consistent, with a credible basis for achieving the impact objectives through the investment strategy.

- Definition of an investment objective in line with the challenges of the investment theme at the same level as financial performance.
- Embedding the theme in a reference framework such as the Paris Agreements or the United Nations' Sustainable Development Goals (SDGs).
- An investment universe designed to provide concrete solutions across the theme's entire value chain, with a global impact.
- Formalisation of ex-ante objectives using measurable indicators that are relevant to the theme.
- Setting up a governance framework to oversee and ensure the relevance of the guidelines defined.
- External fund labelling process.



MEASURABILITY impact measurement & reporting

Reporting should provide information on the roll-out of the impact strategy at each stage of the investment process.

- Selection of relevant indicators with a good quality of coverage.
- Rigorous monitoring of absolute targets (and dynamic targets where appropriate) against a universe relevant to the theme (e.g. carbon intensity reduction, CEO pay ratio improvement).
- Measurement and control of negative externalities through ESG exclusion and controversy filters.
- Access to 5 environmental and climate databases + general databases for social data in addition to the Amundi Group's ESG reference framework.
- Internal human resources and support from brokers for manual retrieval of data not available via databases.
- Publication of a monthly extra-financial report and an annual impact report covering all parameters: impact indicators, voting and engagement statistics, qualitative analyses, etc.



ADDITIONALITY Commitments that go beyond

The additionality strategy should be integrated with the investment process of the fund and cover most of the portfolio assets. It should form part of an active management strategy to which resources are allocated.

- Engagement with issuers in line with Amundi policy around six main areas: transition towards a low carbon economy, natural capital preservation, social cohesion, client, product & societal responsibilities, strong governance practices, Dialogue to foster a stronger voting exercise.
- Launch in 2023 of additional engagement initiatives specific to the priority issues of our impact themes.
- Involvement of fund managers in engagement efforts.
- Setting up specific initiatives beyond investments: sharing of management fees, voluntary carbon offsetting projects, investors & IFAs barometer, etc.
- Raising awareness and training of all teams.

Governance that encompasses all business lines

Amundi's analysis grid is one of its key components of governance in impact investing, as it is more generally part of the Group's responsible investment governance. More generally, CPRAM adheres to Amundi's Responsible Investment policy, which is directed and monitored by Amundi Senior Management through four committees: the ESG & Climate Strategy Committee, the ESG Rating Committee, the Voting Committee, and the ESG Committee. Within this Amundi framework, CPRAM possesses its own strategic guidelines and develops management methodologies tied to its responsible investment philosophies and client profiles. It possesses internal and independent governance bodies.

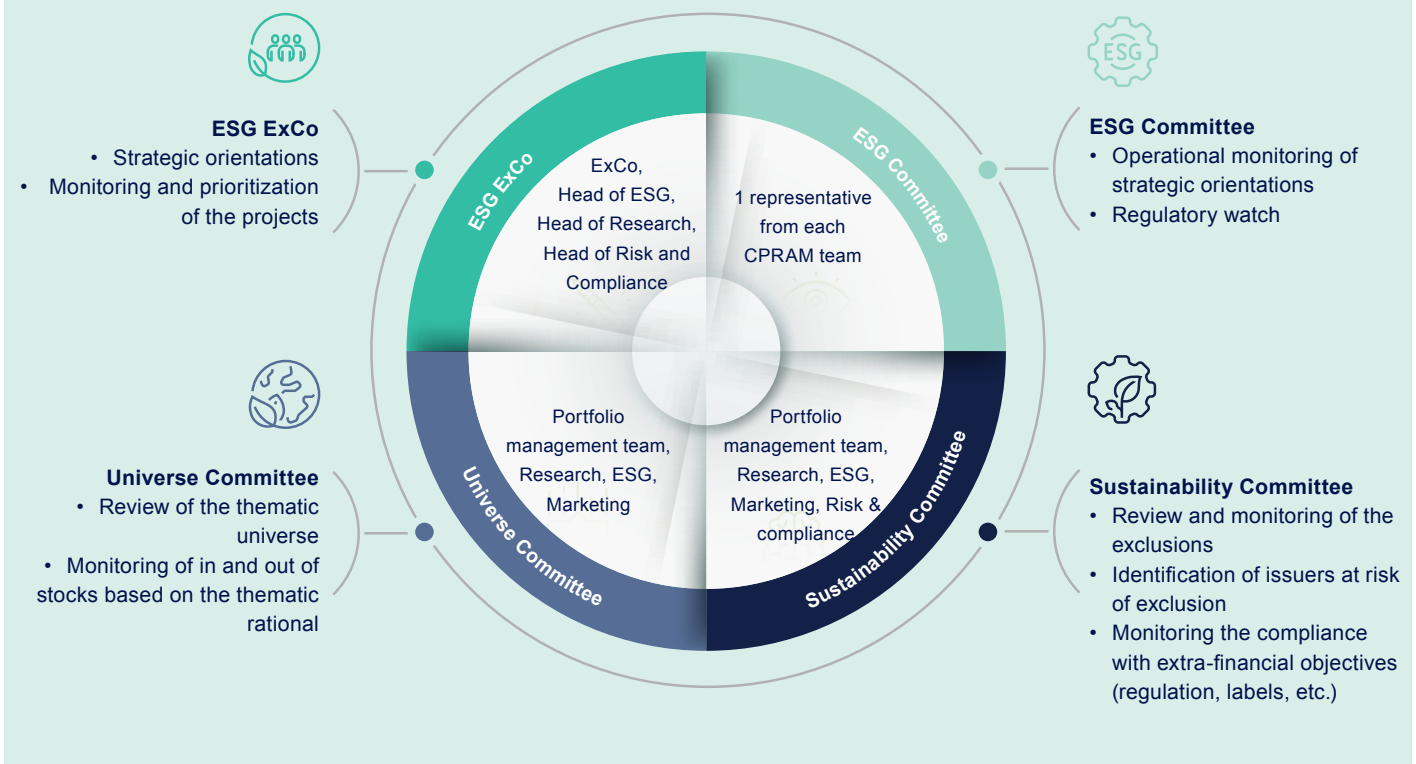
While the three-person Responsible Investment team coordinates projects and monitors compliance with, and consistency of, decisions, all CPRAM teams are made aware of, and are involved in, the implementation of the responsible investment policy.

The **ESG Management Committee** meets each month, mainly to sign off on the ESG, impact and CSR guidelines, and to monitor progress in projects. Along these lines, the ESG Committee meets with at least one representative of each CPRAM team, who serves as spokesman for his team. This committee tracks the launch and transformation of investment solutions, keeps employees up to date on regulatory changes, makes tools and management data, etc. available and updates them, and, in general, shares how the issues they raise affect everyone.

In parallel, the **Universe and Sustainability Committees**, chaired by the Research team, aim, respectively, to ensure the pertinence and consistency of the universe with their investment theme and, where applicable, impact case, and to monitor compliance with ESG & controversy criteria, with the rules tied to the various labels and with regulations.

In 2022, **CPRAM also expanded its research team to six financial and extra-financial analysts**. They all address the climate challenges that fall within their briefs, but two of them specifically cover climate solutions and climate transition issues. They can fall back on the Group's tools and resources and contribute to implementing Amundi's engagement policy while addressing the specific challenges of our impact range. The first engagement initiatives are being conducted in 2023.

CPRAM's independent governance bodies



100% certified impact range

There currently exists no impact investment certification label on the market. CPRAM has nonetheless conducted an exacting SRI certification process since 2019. It has been gradual and targeted, in order to address clients' wishes for readability and transparency. Currently, almost 20 billion euros in assets under management have been certified, or one third of total AuM⁴. The Climate range, Food For Generations and Social Impact have been awarded the official French ISR [SRI] label. Education, Food For Generations and Social Impact have obtained the Belgian Towards Sustainability label.

Regardless of the country, certification processes are closely supervised and are subject to an annual external audit: 1/ to assess the robustness of investment strategies and compliance with all ESG rules and monitoring metrics; and 2/ to ensure the proper functioning of internal controls in enforcing all rules.

Training for all: a prerequisite

Special attention is paid to training all employees and raising their awareness. Our experts accordingly organise several types of in-house training sessions by subject: Research, Analysts, ESG, Products, etc.

Training programmes are open to everyone. In 2022, nine 30-minute ESG sessions covered regulations, extra-financial data and the specific standards of our Responsible Investment ranges (ESG, Impact and Climate). On average, two thirds of employees participate. Other training sessions designed specifically for new hires are administered by the ESG team a few weeks after they arrive.

In addition, as part of its Ambitions ESG 2025 plan, Amundi has set a goal of training 100% of its employees in responsible investment by the end of 2023. Amundi has set up a training and support programme covering a wide variety of subjects, so employees can familiarise themselves with responsible investment in general and understand how Amundi works as a responsible investor. In 2022, this set-up was expanded with the launch of the Responsible Investment Training Program. This programme, which is now being rolled out, offers mandatory training paths designed for each business line.

Key figures of the impact range



4 themes

2 social &
2 environmental



€5 billions

of AUM⁴



100%

certified impact range⁴



FINANCING THE transition TOWARDS a net zero economy

Our approach

Our investment philosophy is the same for all funds in our climate transition range: to select those companies that are the best positioned in the emissions-reduction trajectory, regardless of sector or geographical region; to follow, ourselves, an approach of reducing the carbon intensity of our portfolios; and to offset their carbon footprint through painstakingly selected projects.

The three CPR Invest sub-funds – Climate Action, Climate Action Euro and Climate Bonds Euro – are aligned with Amundi's Net Zero ambitions and therefore with the strict framework set by the ESG teams in accordance with scientific recommendations.

Amundi indeed believes that only a scenario compatible with the goal of limiting global warming to 1.5°C above pre-industrial temperatures should be regarded as compatible with the Paris Agreement's highest ambition. The net-zero emissions scenario by 2050 established by the International Energy Agency⁷ (IEA) is meant to show what the various actors in the main sectors must do, and on what timeframe, for the world to reach the net-zero emission target for CO₂ emissions generated by energy and industrial processes by 2050.

All three funds are accordingly managed so that their carbon footprint tracks a trajectory that is aligned with the 2050 carbon neutrality objective. This is done through two major levers:

- From 2019 to 2030, the funds commit to meet a minimum 60% reduction goal, with an intermediate goal of -30% by 2025 (the base and benchmark year: average weighted carbon intensity of the benchmark in 2019).
- To encourage the transition in HCIS, Amundi has introduced an additional sector deviation constraint. The weight of the portfolio's HCIS must amount to at least 75% of the HCIS' weighting in the benchmark index⁸

7- <https://www.iea.org/>

8- The nine High Climate Impact Sectors are strictly defined in the 'Climate benchmarks and benchmarks' ESG disclosures' report and the creation of two new categories of low-carbon benchmarks: a Climate-transition Benchmark (EU CTB) and Paris-aligned Benchmark (EU PAB).

9- Details on the socially responsible investment policies of the aforementioned funds, including their objectives, criteria and ratings, are available in the Code of Transparency, at www.cpram.com

10- <https://www.lelabelisr.fr/>

The funds' management process has integrated these new ambitions since 2022. These objectives come on top of the methodology already in place.

The management teams refer directly to the universe of companies evaluated by the CDP and, within this universe, select those having the best practices in meeting climate ambitions. The analysis is supplemented with Science-Based Targets (SBT).

This approach is used to move further from the usual investment universe reflected in the major benchmarks. This is a true source of diversification vs. other international equity funds. To complement this approach, the management team can select 10% of non-CDP-rated companies if their activities are directly tied to the climate transition, for example, companies in the renewable energy value chain.

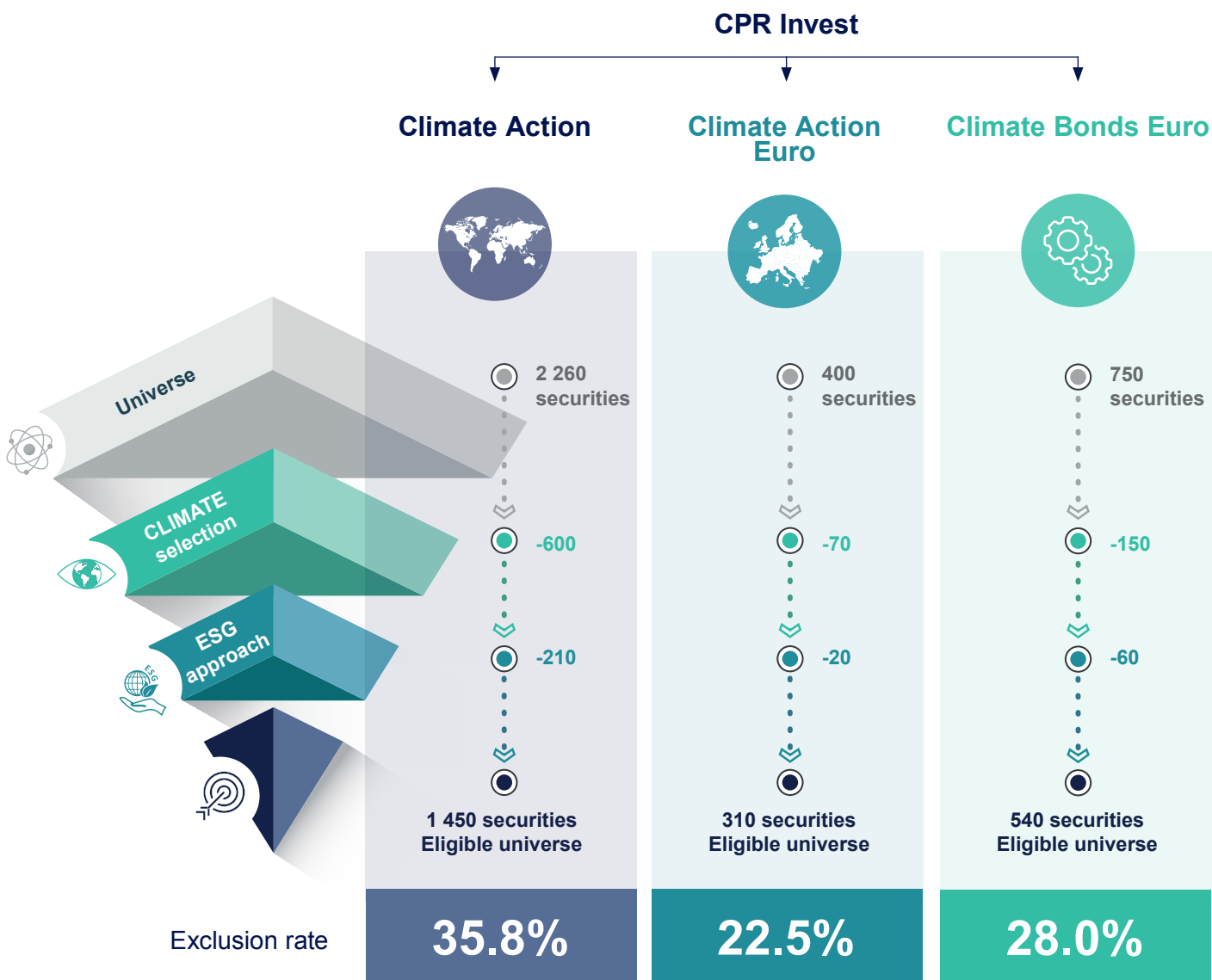
Next come the Group's ethics- and sector-based exclusion policy and ESG and controversy filters specific to CPRAM's responsible approach⁹.

As of 31 December 2022, the aforementioned approach was being used to exclude between 20% and 36% of companies, depending on the geographical region.

All three funds in the range have been awarded the official French ISR [SRI] label¹⁰ and are subject to an annual external audit.



A demanding selection



Fund profile¹¹

| | | | |
|--------------------------------|---------------|-----------------|------------------------------------|
| Geographical zone | Global | Eurozone | OECD in Euro |
| Asset under management | 1,375 €M | 67 €M | 388 €M |
| Stocks in portfolio | 72 | 53 | 123 |
| Inception date of the strategy | December 2018 | March 2021 | March 2021 |
| Benchmark ¹² | MSCI ACWI | MSCI EMU | Bloomberg Euro Aggregate Corporate |

11 - Synthetic information regarding the funds to be completed by the consultation of the legal documents (Key Investor Document (KID), prospectus), available on our website, www.cpram.com, or upon request from CPRAM.

12 - Benchmark used a posteriori as an indicator for assessing the Compartment's performance and for calculating the performance fees without constraining portfolio construction.

neste

Neste Oyj is a Finland-based company mainly owned by the Finnish Government. The Company's business activities are divided into different segments: Renewable Products, Oil Products, Marketing & Services and Others. The Renewable Products segment produces, markets and sells renewable diesel, renewable jet fuels and solutions, renewable solvents, as well as raw material for bioplastics. For several years now, Neste has been committed to a strategy of producing green energy to reverse its product mix in the direction of sustainability. Renewable fuel accounts for 90% of the company's enterprise value, 80% of its EBITDA and 50% of its revenue.

Neste's ambition is to become the world's leading supplier of low-emission automotive fuels (sulphur-free diesel and other clean-burning fuels). The company is already the world's leading producer of Sustainable Aviation Fuels (SAF). It has forged a partnership with Airbus and is currently the main supplier of SAF to Air France-KLM.

Moreover, Neste refines waste, residues and innovative raw materials into renewable fuels and renewable and recycled feedstock for polymers and chemicals. Neste are the world's leading producer of sustainable aviation fuel,

renewable diesel and renewable feedstock solutions for various polymers and chemicals industry uses. The company is also developing chemical recycling technologies and capacity to combat plastic waste challenge.

His long-term business development and innovation take place on several fronts:

- **Lignocellulose** – Forestry and agricultural waste and residues;
- **Algae** – Cultivation of carbon dioxide absorbing microalgae;
- **Municipal solid waste** – Various fractions of municipal solid waste that currently cannot be or are not recycled;
- **Renewable hydrogen** – Renewable (green) hydrogen from electrolysis, which reduces refinery GHG emissions; and
- **Power-to-X** – PtX technology combines renewable electricity and captured carbon dioxide to produce sustainable fuels and materials.¹⁵

15. This example aims to illustrate the investment universe. Sources: <https://www.neste.com/en>, Neste Sustainability Report 2022 – March 2023.

Neste's SBT engagement

Regarding carbon emission reduction, Neste is committed to:

Reduce their customers' GHG emission by at least

20

million tons annually by 2030

Reduce emissions in their own production (Scope 1 & 2) by

50%

by 2030 compared to 2019 level, and reach carbon neutral production by 2035

Reduce the use phase emission intensity of sold products by

50%

by 2040 compared to 2020 levels

The approval process with the SBTi will begin as soon as the sectoral guidance for the Oil and Gas industry is published. Neste joined the Science Based Target Network's Corporate Engagement Programme in 2021, to take part in the development of methods and guidance.

waste management

Waste Management (WM) is the largest waste collector in the US with 26% of market share. As a key player of the circular economy, WM contributes to the climate transition. The company recycles twice the amount of waste vs its peers. It also recycles the methane (produced from the decomposition of waste) to generate electricity or to be converted into Renewable Natural Gas (RNG).

WM continues to invest significantly in sustainable development. His investment plan over 2023-2026 is the industry's most aggressive capex plan including two parts:

1. harnessing energy from its landfills, landfill gas (LFG) to RNG
2. processing more post-consumer recyclables than any other company in the US

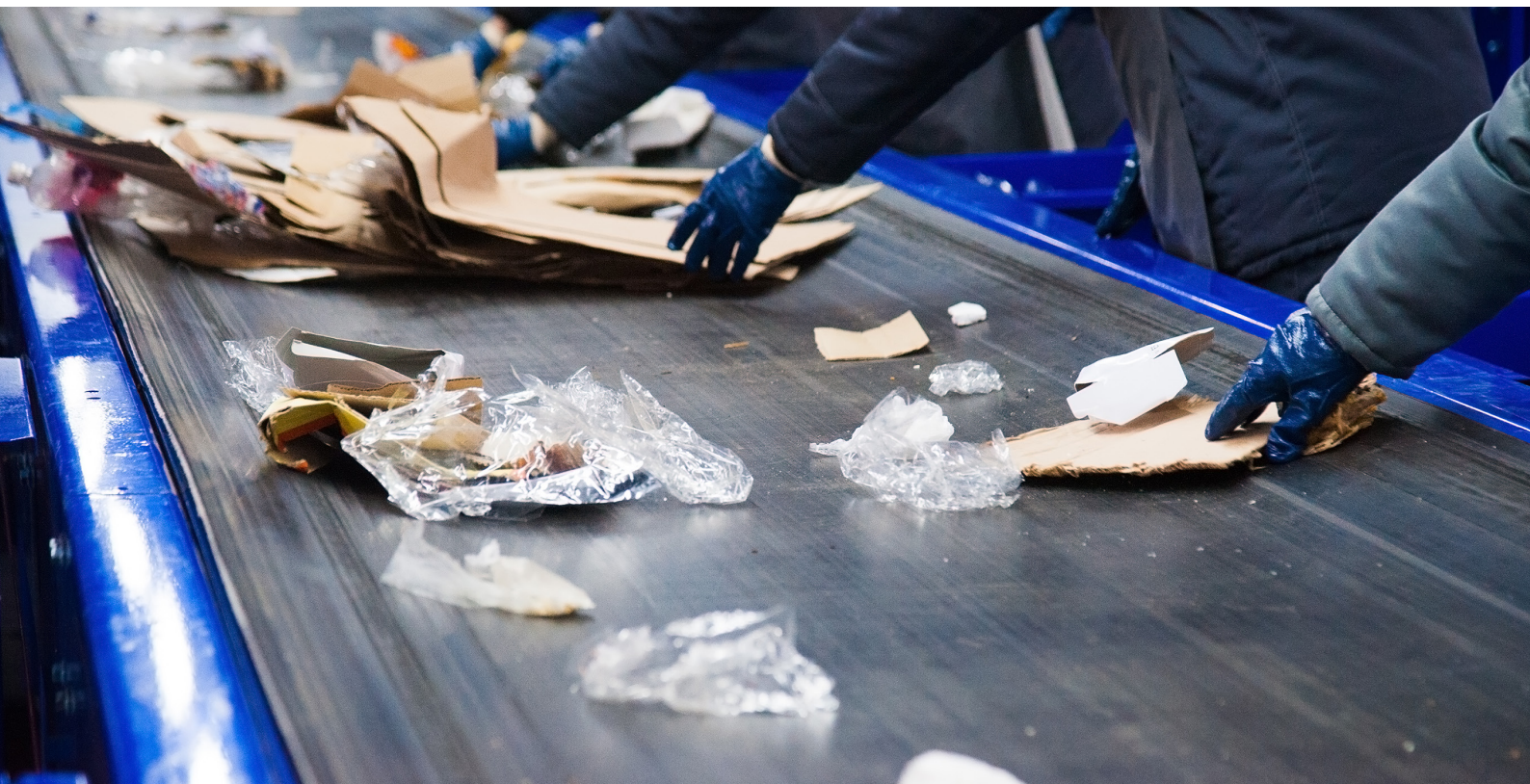
According the company, this investment plan should drive incremental annual EBITDA of > \$740mm and \$580m of incremental Free Cash Flow by 2026.

The recycling and the renewable energy businesses represent respectively 8% and 2% of revenues. Nevertheless, future revenue growth should to come from these two business lines: they committed \$2.2bn in 2022-2026 to expand their LFG (landfill gas) to RNG (renewable natural gas) facilities and recycling capabilities (incl. automated materials recovery facilities).

WM is committed to reducing absolute greenhouse gas emissions aligned with the Paris Agreement to limit global warming to 1.5°C. His plan to reduce Scope 1 and 2 absolute greenhouse gas emissions 42% by 2032 (from a 2021 base year) has been submitted to the Science-based Target Initiative (SBTi) and is awaiting review and validation.

Moreover, WM targets to increase recovery of materials by 60% to 25M tons by 2030, including interim milestone of +25% by 2025.¹⁶

16. This example aims to illustrate the investment universe. Source: WM Sustainability Investor Day Presentation – April 2023 and WM CDP Climate Change 2022 Response

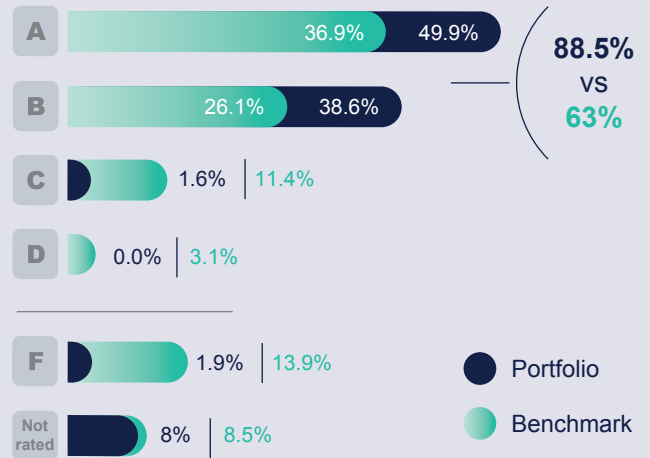


Climate action

Breakdown by CDP rating

Our methodology is illustrated perfectly in this chart showing the breakdown by CDP rating. 88.5% of portfolio investments are in companies rated 'A' or 'B', vs. just 63.0% for the MSCI ACWI index. Half are even rated 'A'.

Companies rated 'C', amounting to 1.6% of the portfolio, are included as they have their targets validated by the SBTi. Companies rated 'F' or that are not rated must not surpass 10% of the portfolio and are part of the "solution" allocation in proposing solutions necessary for the transition towards a low-carbon economy.

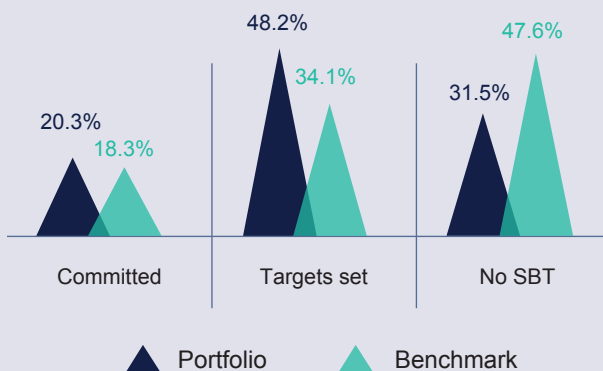


Breakdown by SBT commitment

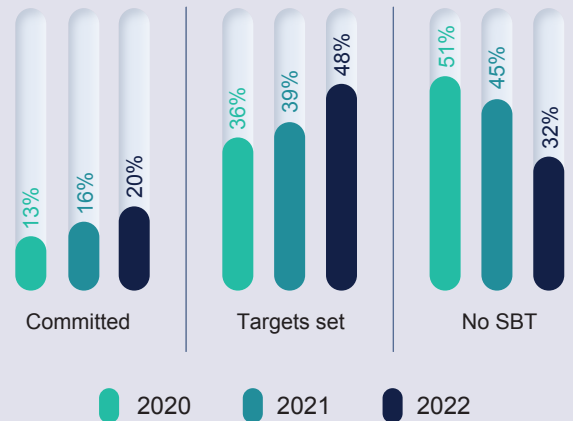
Portfolio



Portfolio vs benchmark



Evolution since 2020



For information purposes, almost half of the portfolio was invested in companies whose targets have been validated by SBTi, up from just 39% in 2021 and 36% in 2020. 20.3% were committed to set science-based targets, up from 16% in 2021.

Less than one third of the portfolio don't participate in the SBT initiative, vs. 47.6% for the benchmark. SBT momentum therefore shows up quite clearly in these results. The portfolio does not currently have an improvement target for this indicator.

Data as of end of December 2022. Past performance is not a guarantee or a reliable indicator for current or future performance.

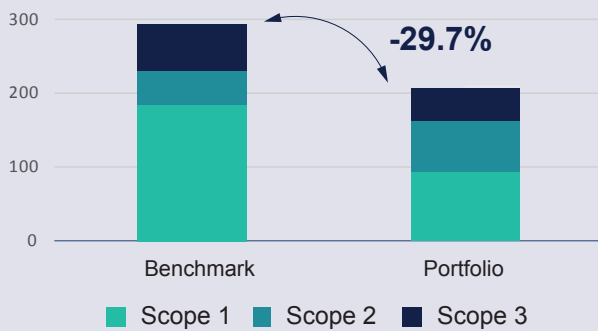
CDP and SBT data are supplied by the two suppliers and are available on their websites: <https://www.cdp.net/en/responses> and <https://sciencebasedtargets.org/companies-taking-action>



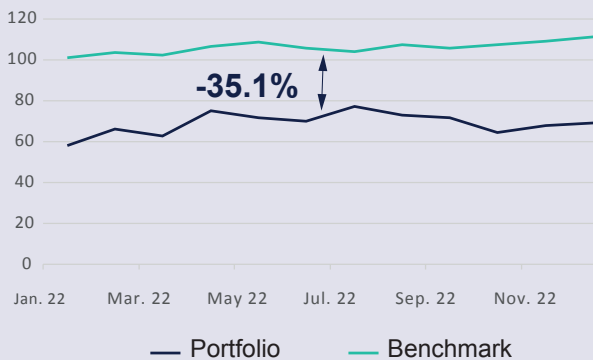
Carbon footprint

As of 31 December 2022, the portfolio had a carbon intensity of 207 CO₂ teq per million euros of revenues, vs. 294 CO₂ teq for the MSCI ACWI index. On average in 2022, the portfolio reduced the carbon intensity of its investments by 30.6% vs. the MSCI ACWI. The rise in the portfolio's and the index's carbon intensity is linked to the post-Covid-19 economic recovery, as the health crisis initially led to an unprecedented economic slowdown and a significant fall in carbon emissions.

Breakdown by scope (carbon intensity as of 31/12/2022)

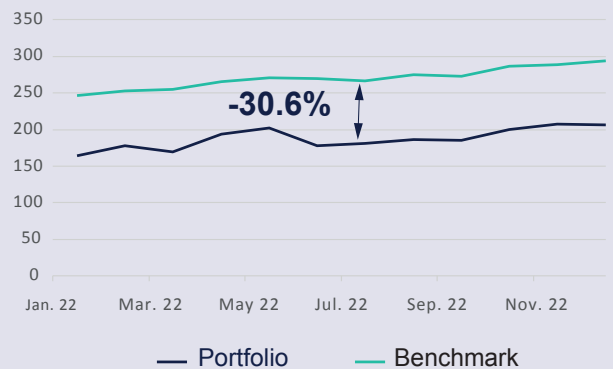


Carbon footprint (by € million invested)

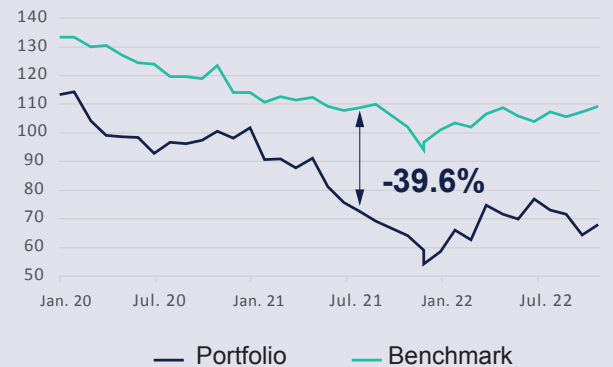


The portfolio's carbon footprint, meanwhile, is 69 CO₂ teq per million euros invested vs. 111.3 for the benchmark. The gap was -35.1% on average in 2022 and -39.6% over the past three years.

Carbon intensity (by € million of revenue)

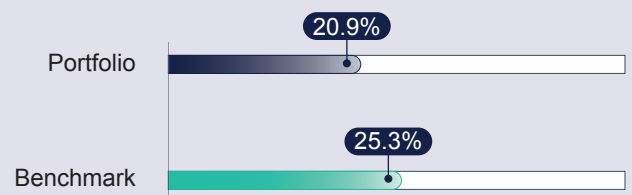


Carbon footprint evolution on 3 years (€ million invested)



Exposure to high-climate-impact sectors

To ensure the transition towards a “net zero” economy, financing must be provided to transition highest-emitting carbon emitters. High climate-impact sectors (HCIS) are one of the levers of our strategy. The HCIS weighting of the Climate Action portfolio (20.9%) amounts to at least 75% of the HCIS of its benchmark (25.3%).



Data as of end of December 2022. Past performance is not a guarantee or a reliable indicator for current or future performance. Carbon emissions data are supplied by Trucost. More details and definitions page 22.

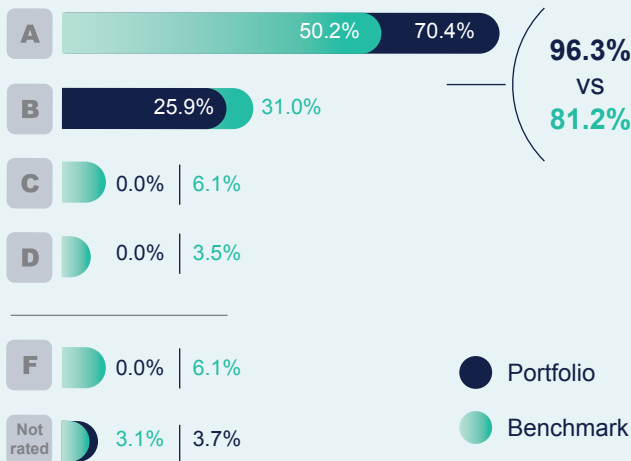


CLimate action euro

Breakdown by CDP rating

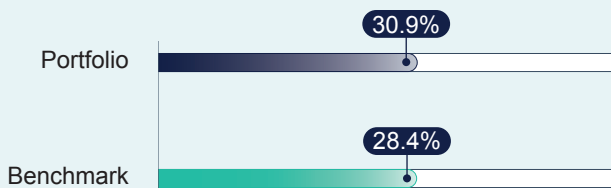
As with the Global equity fund, our methodology can be seen in the chart. 96.3% of portfolio investments are in companies rated 'A' or 'B', vs. 81.2% for the MSCI EMU. More than 70% are even rated 'A' vs. 50% for the benchmark.

Non-rated companies address the "solution" allocation in proposing solutions necessary for the transition towards a low-carbon economy.



Exposure to high-climate-impact sectors

To ensure the transition towards a "net zero" economy, financing must be provided to transition the highest-emitting carbon emitters. The Climate Action Euro portfolio (30.9%) complies with its minimum exposure commitment to the HCIS of its benchmark index (28.4%).



Data as of end of December 2022. Past performance is not a guarantee or a reliable indicator for current or future performance. Carbon emissions data are supplied by Trucost. More details and definitions page 22.

Breakdown by SBT commitment



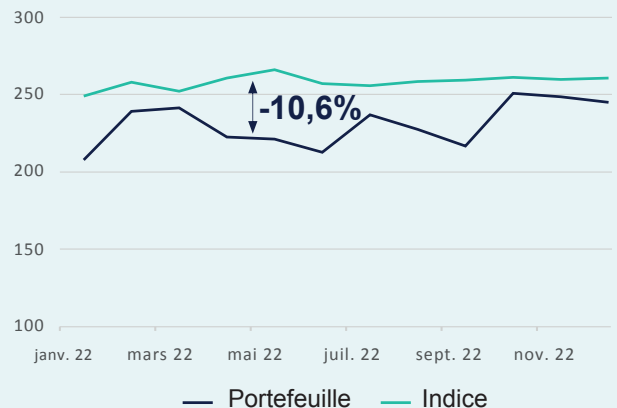
For information purposes, almost two thirds of the portfolio was invested in companies whose their targets have been validated by SBTi. 14.8% are committed to set science-based targets.

Hence, only 20% of the portfolio don't participate in the SBT initiative, vs. 35.8% for the benchmark. The portfolio does not currently have an improvement target for this indicator.

Carbon emission trends

As of 31 December 2022, the portfolio had a carbon intensity of 245 CO₂ teq per million euros of revenues vs. 261 CO₂ teq for the MSCI EMU index. On average in 2022, the portfolio reduced the carbon intensity of its investments by 10.6% vs. the MSCI EMU index. The higher share of companies with validated SBT targets should enable the portfolio to improve the gap with the index.

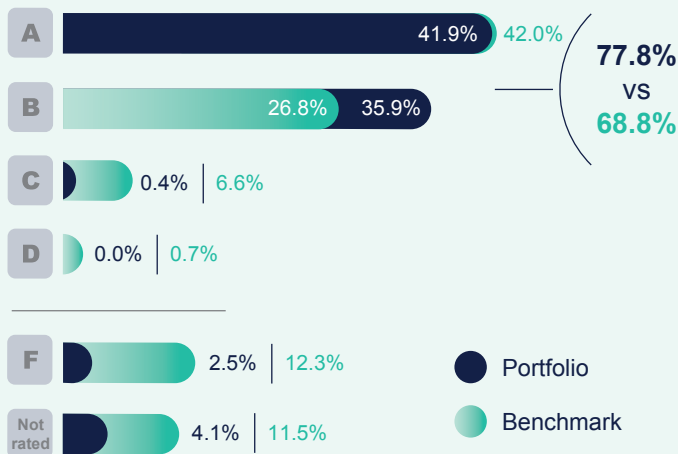
The portfolio's carbon footprint came to 101 CO₂ teq per million euros invested vs. 125 for the benchmark. The gap was -18.4% on average in 2022.



CLIMATE BONDS euro

Breakdown by CDP rating

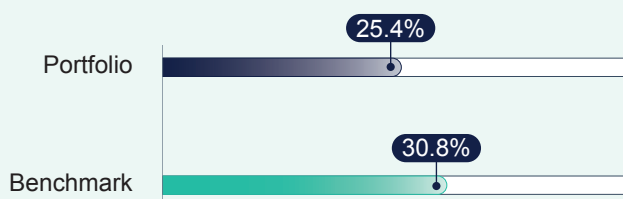
77.8% of portfolio investments are in companies rated 'A' or 'B', vs. 66.8% for the benchmark, even though the fund holds more than 15% of its assets in cash and money-market funds. As a result, the portfolio holds less than 7% of its assets in non-rated companies or companies rated below 'B'. Non-rated companies address the "solution" allocation in proposing solutions necessary for the transition towards a low-carbon economy; this includes green bond emissions.



* excluding cash and money market funds

Exposure to high-climate-impact sectors

Climate Bonds Euro (25.4%) comply with its minimum exposure commitment to HCIS of its benchmark (30.8%).



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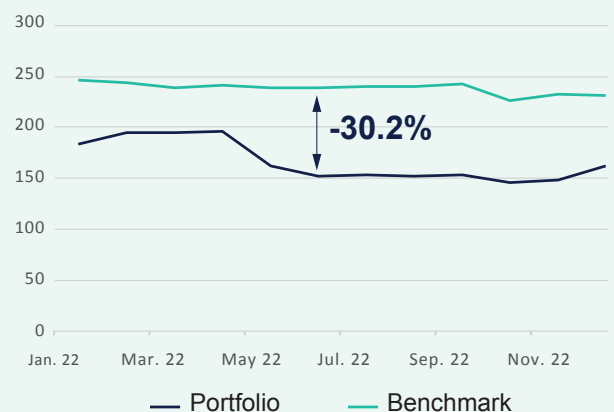
Breakdown by SBT commitment



For information purposes, 27.3% of the portfolio was invested in companies whose their targets have been validated by SBTi. 28.4% are committed to set science-based targets. 29% of the portfolio don't participate in the SBT initiative vs. 41.6% for the benchmark. The portfolio does not currently have an improvement target for this indicator.

Carbon emission trends

As of 31 December 2022, the portfolio had a carbon intensity of 162 CO₂ teq per million euros of revenues, vs. 231 CO₂ teq for the Bloomberg Barclays Euro-Agg Corporate index. On average, throughout 2022, the portfolio reduced carbon intensity of its investments 30.2% vs. its benchmark on an ex-post basis.



CARBON OFFSETS UNDER CERTAIN CONDITIONS

At CPRAM, we believe that the entire carbon offset approach only makes sense if it comes after the shrinking of our portfolios' carbon footprint.

CPRAM has taken on EcoAct¹² as a trusted partner in selecting the voluntary carbon offset projects that it finances. In contrast to regulatory offset markets, voluntary carbon offsets are meant for everyone seeking offsets that are not enshrined in law. Their purpose is to fund reductions or sequestrations of greenhouse gases (GHGs) via carbon offset projects. Selection is closely monitored and subject to certification standards.

Financing is provided by acquiring emissions reductions, also called carbon credits. One carbon credit is equal to 1 tonne equivalent CO₂ avoided or sequestered by the project.

At CPRAM, we have chosen to target portfolio neutrality for our entire Climate range. For this purpose, we buy an amount of carbon credits equivalent to the carbon emissions remaining after the shrinking of the carbon footprint.

For the fiscal year ended on 31 July 2022, this was equivalent to 128,039 carbon credits split equally between two projects:

- Floresta de Portel in Brazil: forest preservation and protection of biodiversity
- Gandhi Wind in India: a wind power development

Both projects are certified by the Verified Carbon Standard (VERRA/ VCS).¹²

A supervised selection process and certification standards

To be eligible, the projects must meet several conditions. First, to guarantee the environmental integrity of an offset project, **additionality of reductions of GHG emissions** must be proven, i.e., that the reductions of emissions could not have been achieved without the financing provided. The credits can be claimed by only one entity via a unique serial number.

Second, project **certification standards** are imperative for setting standards of quality of carbon credits generated by the projects or by sequestration of GHGs. Compliance with standards-based requirements is ensured by certification bodies, which evaluate projects and issue opinions on their compliance.

Next, the project sponsor submits a Project Design Document to one of the certification bodies. A certified auditor studies the project and if it is eligible, it is **registered with a certifying body** for a pre-determined number of years.

And, lastly, an onsite audit is conducted by measuring the tonnes of CO₂ avoided. The audit is done at a pace based that suits the nature of the project (annually or once every three years for forestry projects), in order to ensure that the project plays its role. If so, **the auditor issues two official documents: a verification report and a monitoring report, allowing the certifying body to issue carbon certificates and to record them in the external carbon registry.**

At the end of the accounting year, we measure the average carbon footprint of the portfolios concerned in terms of millions of euros invested¹³. We then multiply it by each fund's average AuM to obtain the carbon footprint to be offset and, accordingly, the carbon credits to be bought to cancel out the emissions resulting from the funds' investments.

For example, in the case of CPR Invest – Climate Action:

$$\begin{array}{r}
 69.05 \\
 \text{CO}_2 \text{ teq}
 \end{array}
 \times
 \begin{array}{r}
 1,317.65 \\
 \text{million euros}
 \end{array}
 =
 \begin{array}{r}
 90.984 \\
 \text{carbone credits}
 \end{array}$$

12. More details page 22.

13. Data as of end of July 2022. Source CPRAM. Carbon emissions data are supplied by Trucost.

Floresta de Portel in Brazil



Para state, in northwestern Brazil, hosts one of the planet's richest ecosystems, featuring a wide diversity of animal and plant species. However, it is threatened by legal and illegal deforestation that is proceeding at a breakneck pace. The Floresta de Portel project aims to protect and preserve this fragile environment by preventing the unplanned deforestation that is keeping the forest from regenerating itself.

This project also provides for the development fair-trade activities through agroforestry and better land management in the form of a "private conservation reserve». In addition, the distribution of about 1,000 energy efficient stoves helps reduce the exploitation of forest resources and CO₂ emissions into the atmosphere¹⁴.

Floresta de Portel also offers job opportunities for local communities. More than 150 full-time jobs have already been created.



More than **140,000** hectares protected from deforestation

1,803,196 tonnes equivalent (teq) CO₂ emission avoided between 2018 and 2020

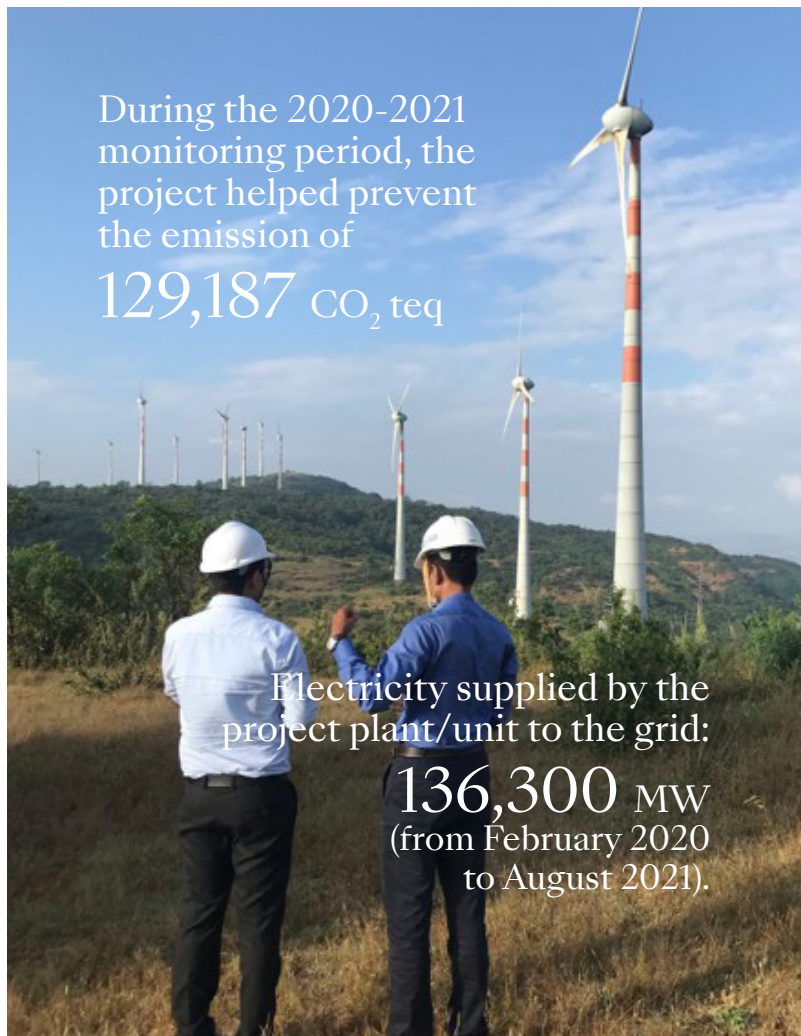
Gandhi Wind in India



India's energy mix is mostly dependent on coal, with 44% of primary energy consumed, and, more generally, on fossil fuels (73%). In the electrical grid, coal accounts for 62% of production capacity and almost 75% of power generated.

The development of renewable energies is essential, and Gandhi Wind, which includes several windfarms in various regions of India, plays a significant role in that country's transition towards a low-carbon economy.

This project also creates jobs in several parts of India and enhances living conditions for communities concerned by the project. 100% of electricity generated is redistributed to the national grid, thus benefiting the entire Indian population.



During the 2020-2021 monitoring period, the project helped prevent the emission of

129,187 CO₂ teq

Electricity supplied by the project plant/unit to the grid:

136,300 MW (from February 2020 to August 2021).

14. Informations are provided by EcoAct in the two projects annual impact report for the year 2022. Illustrations are the property of EcoAct.

engagement with companies, a key pillar of our impact approach

CPRAM is fully committed to Amundi's responsible investment policy, of which engagement is one of the key pillars. Promoting a transition to a more sustainable, inclusive low-carbon economy, Amundi continued to engage with issuers **across our six key themes**:

- The transition towards a low-carbon economy
- Natural capital preservation (ecosystem protection & fight against biodiversity loss)
- Social cohesion through the protection of direct & indirect employees and the promotion of human rights
- Client, product & societal responsibilities
- Strong governance practices that strengthen sustainable development
- Dialogue to foster a stronger voting exercise and a sounder corporate governance.

The engagement includes ongoing dialogue with companies as well as voting at General Meetings.

Amundi has increased substantially the number of issuers engaged from 1,364 in 2021 to 2,115 in 2022. This is the result of the expansion of the team as well as the implementation of Amundi's 2025 Ambition plan. If engagements in almost all themes have increased, climate-related engagement have by large been a strong focus, with an additional 418 new unique issuers engaged.

Over the last year, Amundi voted on a total of 107,297 proposals at 10,208 General Meetings. It means a participation rate of 99%. Amundi supported 87% of climate-related shareholder resolutions and 81% of social, health & human rights-related shareholder resolutions. Worldwide, the opposition rate on management resolutions was 21% generally attributable to unbalanced remuneration practices or a lack of ESG/ climate-related KPIs, lack of diversity and independence of board members for instance. At CPRAM level, 21,933 proposals have been voted concerning 1,476 companies and 1,728 General Meetings.

17- Source : Amundi, data as of end of December 2022, the full 2022 voting and engagement report are available at <https://www.cpr-am.fr/institutionals/Responsible-Investment>

18. <https://shareaction.org/reports/voting-matters-2022>

6 main areas of engagement



87% of climate-related shareholder resolutions supported by Amundi

Amundi supported a large majority of shareholder resolutions calling for greater transparency and information on ESG and climate strategy. In 2022 again, Amundi's leadership was recognised in the ShareAction "Voting matters 2022" report¹⁸. Amundi ranks amongst the top 10 performing asset managers in terms of voting on climate change, climate-related lobbying, and social issues. Amundi also co-filed multiple proposals on climate-related topics during the 2022 season.



Statistics for the two equity Funds

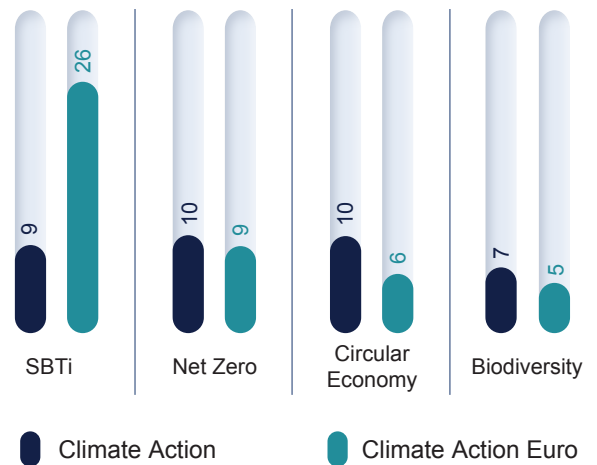
Over the past year, Climate Action has actively participated in 99% of Annual General Meetings [98% for Climate Action Euro], voting on 1,144 resolutions [924]. Amundi cast at least one «against» vote in 75% of the General Meetings [53%].

304 engagement actions were carried out with Climate Action portfolio companies and 308 actions for Climate Action Euro. 60 companies were involved in at least one engagement action [52].

Engagement will continue to play an even greater role going forward. Within the context our 2025 ESG Ambitions, Amundi seeks to expand its engagement on the environmental transition by broadening the dialogue to +1,000 companies. The objective is to deploy a climate engagement plan extended to more than 1,000 companies (see details about Net Zero campaign on the next page). In addition, Amundi actively participate to the global collaborative engagement campaign launched by the CDP and aiming at specifically asking 1,900 companies to set a Science-based Target.

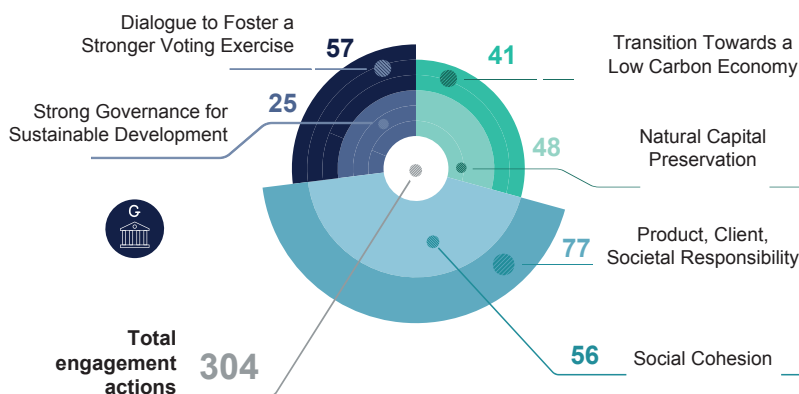
Moreover, Amundi joined in 2021 Finance for Tomorrow's "Investors for a Just Transition" coalition as a founding member. The first global investor engagement coalition on the just transition brings together key asset managers and asset owners to promote a socially acceptable transition to low-carbon economies. Amundi with 12 other asset managers and asset owners set up on the journey to encourage companies in the energy, building & construction, transport and agriculture & food sectors to integrate the just transition in their strategies and to highlight and disseminate best practices in these industries. Within the coalition Amundi is particularly involved in the building & construction and transport working groups. The different working groups are currently developing the engagement strategies in the selected sectors.

Number of issuers engaged by thematic:

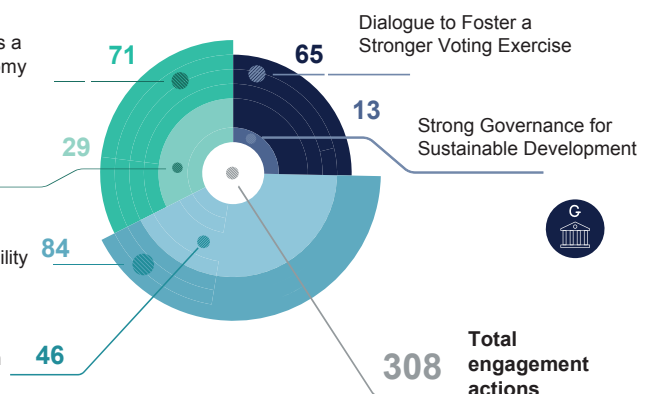


Breakdown by engagement area

Climate Action



Climate Action Euro



net zero campaign: ENGAGING BOTH ON DISCLOSURE AND AMBITION

Over the past two years, numerous companies have committed to achieve net zero¹⁹ emissions, often by 2050. These companies have substantially strengthened their reduction targets. However, the lack of information on how they plan to achieve net zero emissions has raised public concerns on the credibility of such announcements. Notably, questions remain on the risks of potential gaps between reported and effective emissions as well as between targeted and achievable emissions reductions.

In this context, Amundi launched a Net Zero dedicated engagement campaign in 2022, in addition to the existing open climate-related engagements, in order to further accelerate our engagement effort in this field. This campaign addresses both ambition and disclosure issues, with the aim to improve comparability and facilitate assessments against IEA²⁰ reference scenarios. We provided companies with detailed recommendations on what we consider necessary to achieve Net Zero and what related disclosure Amundi expects. Regarding disclosures, there are discrepancies on the metrics and methodologies adopted by companies when reporting on their climate performance and strategy, even when operating the same activities. It results in limited comparability between companies. We therefore provided companies with additional sector specific recommendations. We believe that the transition of each activity implies its own challenges, with different mitigation levers and metrics, which makes comparisons between sectors rarely relevant.

19. Net Zero Greenhouse Gas emissions are achieved when emissions resulting from human activity are balanced globally by removals over a specified period.

20. IEA, International Energy Agency <https://www.iea.org>

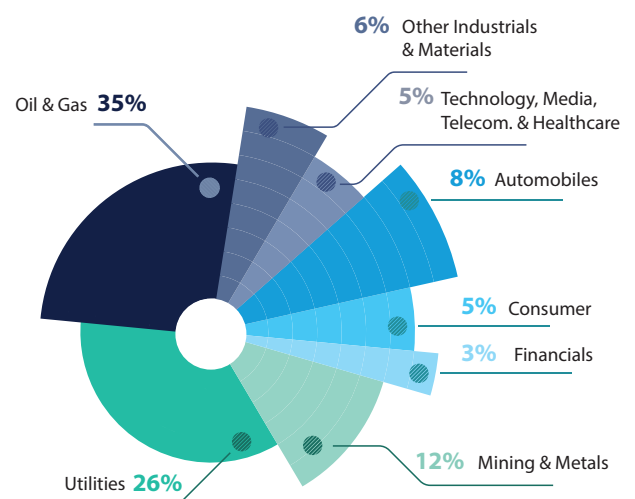
Engagement Selection

The Net Zero engagement campaign has been organized on a sector basis. We have engaged with 390 companies in 2022, operating primarily in four highly emitting sectors: Oil and gas companies, utilities, light and heavy-duty vehicles manufacturers and steel producers. We selected companies from a broad range of regions, including developed and non-developed markets in order to compare and contrast the level of awareness, practices, and barriers (regulations, resources availability, costs, purchasing power...).

There were two broad aims for our engagement that apply to all sectors:

1. Improve transparency, comparability, and accountability of companies regarding their climate disclosure and strategy.
2. Push companies to raise the ambition of their climate-related targets at levels Amundi considers aligned with the Paris Agreement, ideally at a 1.5°C objective.

Sector Breakdown of Amundi's 390 Net Zero Engagements



Next Steps and Amundi Perspective of Engagement

So far, we have noticed important regional differences, highlighting the systemic aspects of the transition and a need of strengthened cross sector and public private cooperation. Many companies have set mid-term emissions reduction targets. A significant percentage of those were also validated by the SBTi or committed to the SBTi, with most of the rest seriously considering applying. However, disclosure of the levers used to mitigate emissions and achieve the targets, and disclosure of current and planned investments (notably investments not identified as low carbon) is generally too low.

In the first year of this campaign, most companies who have answered have only partially addressed the requests we sent them.

While they have addressed elements that relate to their current disclosures, they have often lacked other important specifications related to our requests. In particular, the exact scope, activities, and percentage of emissions covered by reduction targets were often missing. Transparency on the reliance on carbon offsets is also insufficient in most cases.

Going forward we will keep engaging the selected companies to push for a full application of our recommendations. Depending on future reviews of our own internal net zero engagement framework, and on companies' progress, we may introduce additional recommendations over time. We will expand our engagement coverage to other sectors including (but not limited to) cement and chemicals with the target to cover all sectors over time. This action plan aims to help us achieve the long-term goal for our portfolios to be consistent with a sustainable and inclusive low-carbon economy, in line with the Paris Agreement.



Pages 10-13 :

Datas CPRAM and Amundi, as of December 2022

Carbon emissions data are supplied by Trucost. It shows companies' annual emissions, expressed in tonnes of CO₂ equivalent, i.e. it covers the six greenhouse gases listed in the Kyoto Protocol and converts the global warming potential (GWP) for each one into an equivalent amount of CO₂.

Definition of the scopes:

Scope 1: Total direct emissions from sources owned or controlled by the company.

Scope 2: Total indirect emissions caused by the purchase or production of electricity, steam or heat.

Scope 3: Total of all other upstream and downstream emissions in the value chain. For data robustness reasons, we have chosen to use only part of scope 3, namely upstream emissions from tier 1 suppliers. Tier 1 suppliers are those with whom a company has close relations and on whom it can exert a direct influence.

Carbon emissions per million euros invested: this metric quantifies the carbon emissions caused by portfolio investments.

Carbon emissions per million euros of revenue: this metric quantifies the carbon intensity of the value chain of issuers in the portfolio. It is equal to the weighted carbon footprints of the stocks held.

CDP and SBT data are supplied by the two suppliers and are available on their websites: <https://www.cdp.net/en/responses> and <https://sciencebasedtargets.org/companies-taking-action>

SBT:

The Science Based Targets initiative (SBTi) is a joint project of CDP, the UN Global Compact, the World Resources Institute (WRI) and the WWF. It aims to encourage companies to set greenhouse gas (GHG) emissions reduction targets that are appropriate for their industry and consistent with scientific forecasts.

The aim is to promote decarbonisation strategies in line with the level required to hold back the global warming.

SBTi designed a methodology to evaluate a company's climate alignment based on its GHG emissions reduction target. The assessment criteria are: scopes 1 and 2, covering all GHGs in the Greenhouse Gas Protocol (GHG Protocol 19), a target projected and achieved over a period of between 5 and 15 years and a target a minimum consistent with the scientific data to keep the global average temperature rise below 2°C, relative to preindustrial levels, knowing that the 1.5°C target is highly recommended by the ICCP.

Page 14 :

EcoAct is the historic leading expert in the most ambitious climate strategies towards global carbon neutrality. It has been a pioneer in voluntary carbon offsetting in France and Europe since 2008.

EcoAct has been awarded as the best carbon neutrality strategy consultant in the world on several occasions since 2015 and best project developer in the world since 2016 in the Environmental Finance ranking (source: EcoAct 02/2023). EcoAct developed the 1st VCS project.

Verra is a nonprofit organization that operates standards in environmental and social markets, including the world's leading carbon crediting program, the Verified Carbon Standard (VCS) Program as well as a suite of other social and environmental programs. Founded in 2006, the VCS Program is the world's most widely used greenhouse gas (GHG) crediting program, currently accounting for around 50% of the voluntary market. It focuses on the quality of GHG savings, and pays particular attention to ensuring that project emission reductions are real, measurable, auditable and achievable. Many different methodologies can be used to certify a VCS project and can relate to energy, agriculture, forestry or waste.

<https://eco-act.com/>

<https://verra.org/programs/verified-carbon-standard/>

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