2021 Climate and Sustainability Report

Confidence must be earned

Amundi ASSET MANAGEMENT

This Report meets the requirements of Article 29 of the Energy and Climate Law and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD Report).

Contents

Amundi
ASSET MANAGEMENT

2021 Climate and Sustainability Report

Foreword 3
2021 in brief 4
1. Dedicated governance for responsible investment 5
2. Taking action as a responsible investor: philosophy & strategy 12
3. Identification and management of ESG risks 27
4. Climate and biodiversity: two key issues 35
Methodological note 47
Correspondence tables 50

Hyperlink to key ESG documents:

- Responsible Investment Policy 2022
- Amundi's EU Sustainable Finance Regulations Statement
- Universal Registration Document 2021
- Integrated Report 2021
- Voting Policy 2022
- Amundi's Shareholder Engagement Priorities in 2022
- Engagement Report 2021
- Voting Report 2021

Foreword

Jean-Jacques Barbéris,
Head of Institutional & Corporate Clients and ESG

In April of last year, the Intergovernmental Panel on Climate Change (IPCC) published the third and final instalment of its sixth report. After previously taking stock of the climate crisis and analysing the impacts of climate change, this final segment is devoted to solutions. In the report, the group of experts stresses the urgency of radical action in all sectors of the economy and in all geographic regions. In particular, it outlines the role that finance can and must play in achieving the collective goal of net zero by 2050, a role the authors deem “critical.”

Environmental, social and governance issues have been central to Amundi's growth story since its creation. Responsible investment is one of our founding pillars, reflecting three core convictions of Amundi:

- Faced with the major challenges confronting our world and societies, economic and financial carry, as well, a strong responsibility towards society and the environment.
- The integration of ESG factors in investment decisions is a driver of long-term financial performance.
- The acceleration of our ESG ambition is the first lever of growth for Amundi globally.

These convictions are reflected in a clear responsible investment strategy that revolves around a number of complementary axes, ranging from the integration of ESG analysis into our investment process, the development of a responsible offer, the implementation of an active engagement and voting policy, and participation in collective discussions and debate.

This year again, Amundi is pleased to share with you its Climate and Sustainability Report, which is intended provide an account of our strategy and the operational mechanisms we have in place to enable its deployment. In keeping with the commitments we have made, we consider it essential to be transparent with our stakeholders regarding the actions we take and the results we achieve.

Without merely reviewing the year 2021, we have worked to deliver a report that is resolutely forward-looking, aspiring to bear Amundi's commitments and prospects for development in the area of responsible investment. Responsible investment has been the cornerstone of our development for over a decade and will remain at the heart of our growth story for the years to come. Such is the purpose of our “Ambition 2025” plan presented in December 2021.

This year, applying the provisions stipulated in Article 29 of the Energy and Climate Law, we have paid particular attention to the themes of climate change and biodiversity. In these areas, being able to measure the impact of companies and projects is critical, yet this exercise remains complex for lack of complete and reliable data, particularly on the subject of biodiversity. The impetus provided by new French and European regulations, as well as the development of voluntary initiatives such as the Net Zero Asset Managers initiative and Finance for Biodiversity, show that financial actors can and must be part of the solution. Building on the progress already made, Amundi is firmly committed to meeting these challenges and shouldering its responsibility to the environment and society.

I hope you will enjoy this report.

2021 in brief

€847 billion
in responsible investment assets

€780 billion
assets classified under Articles 8 and 9 of the EU's SFDR regulation[1]

10 million
ESG data inputs integrated by Amundi's teams each month

13,500 issuers
covered by the Amundi ESG assessment methodology at end 2021

100 %
integration of an ESG performance objective (where technically feasible) in our actively managed open-ended funds

€95 billion
in responsible investment assets under passive management

€34.8 billion
directed to specific initiatives promoting energy transition or social cohesion

All figures are as of 31 December 2021 unless otherwise stated.

1. The full list of open-ended funds included in the scope of this report is available on the Amundi website here. The list of dedicated funds and mandates is available on request.

1 Governance dedicated to responsible investment

Amundi, the European leader in asset management with close to €2,064 billion in assets under management as of 31 December 2021, has made responsible investment one of its founding pillars. The Group's approach consists of not only incorporating Environmental, Social and Governance (ESG) criteria in its management strategies alongside traditional financial analysis, but also committing to a fair and inclusive environmental transition.

Responsible investment is thus a fundamental pillar of its management, and also more broadly of its functioning, which is reflected at several levels in the group's governance structure.

1.1. Amundi's governance with regard to responsible investment

Because taking action as a responsible financial institution is an essential component of Amundi's strategy, the governance structure now integrates issues of responsible management. The responsibilities linked to achieving the group's ESG objectives — especially climate change — are reflected both in the supervisory and management bodies, and in the way these governance bodies operate.

1.1.1. General framework

The responsible investment strategy is discussed at the highest levels. It is governed by dedicated committees reporting to the Board of Directors and the General Management Committee. These governance bodies interact with each other and with the various business lines working on these issues, primarily via the Responsible Investment team.

Governance of ESG and climate issues within Amundi

1.1.2. Oversight of the responsible investment strategy by the Board of Directors

The Board of Directors (1)

The role of the Board is that of a Board of Directors at a French public limited liability company. As such, per Article L 225-35 of the French Commercial Code, it *"determines the direction of the company's business and ensures that this is implemented in accordance with its corporate interest, taking under consideration the social and environmental challenges [...] of its business [...]."*

The Board of Directors is responsible for establishing the strategic orientation of Amundi's business and for ensuring that the Management steers operational deployment in a manner consistent with this orientation.

Thus, the Board of Directors appoints the executive(s) responsible for implementing the strategic orientation and measures decided upstream; it is further responsible for closing the accounts, convening the Annual General Meeting and lastly, proposing the annual dividend. It is supported by five specialist committees responsible for conduction in-depth analysis. These are:

- Strategic and CSR Committee;
- Risk Management Committee;
- Compensation Committee;
- Appointments Committee;
- Audit Committee.

The activities of the Board of Directors are subject to the powers expressly attributed to it and within the limits of the corporate purpose. The Board of Directors is primarily concerned with issues relating to the proper functioning of Amundi, its healthy and favourable development and its future in view to promoting the creation of sustainable value for its shareholders and all its stakeholders.

Thus, the responsible investment strategy is fully within the scope of its deliberations and decisions insofar as the former constitutes a strategic priority for the Amundi Group. This role is explicitly described in Article 2 of Amundi's internal regulations as the Board *"regularly examines, in relation to the strategy it has defined, the opportunities and risks such as financial, legal, operational, social and environmental risks and the measures taken as a result."* The Board of Directors also ensures that Amundi fulfils its role as a responsible financial institution.

To this end, it can rely on the six members who possess expertise in environmental and social issues.

The biographies and expertise of the directors are provided in section 2.2 of the 2021 Universal Registration Document, entitled "Individual presentation of the directors and the non-voting member."

In both 2020 and 2021, the members of the Board were kept abreast of Amundi's engagement policy and the issue of carbon neutrality ("net zero"). Eager to develop their expertise in this area, in the future the Board will attend a high-level annual training session on the topic. Progress on the implementation of the responsible investment strategy is discussed on a quarterly basis. Each year, the Board of Directors is responsible for approving the CSR report (Corporate Social Responsibility Report) which constitutes section 3 of the URD (Universal Registration Document), which publishes performance indicators for the previous year covering the responsible investment strategy and its implementation. Finally, at least one Board meeting per year is fully dedicated to Amundi's corporate strategy, of which ESG is an integral part.

In 2021, the Board of Directors addressed the following topics:

- Amundi's membership in the *Net Zero Asset Managers initiative*[2];
- The new "Ambition 2025" plan, which expresses a threefold objective in terms of responsible investment;
- The decision to submit a "Say on climate" resolution at Amundi's Annual General Meeting in May 2022.

The Strategic and CSR Committee (2)

With regard to questions of responsible investment, the Board of Directors may rely on the work of the Strategic and CSR Committee. Pursuant to Article 4.6 of the Board of Directors' Internal Regulations, the Committee's mission is to further the Group's strategic thinking across its various businesses, in France and internationally. Comprised of three members, it examines the actions carried out by the Group in terms of CSR and responsible investment at least once per year. At the Committee's request, the Responsible Investment leadership or other *ad hoc* participants may be asked to attend certain meetings of the Strategic and CSR Committee. The work and opinions of the Strategic and CSR Committee are reported to the Board of Directors by

2. This international initiative brings together asset managers committed to supporting the global achievement of carbon neutrality by 2050.

the Committee Chair or another member of the Committee designated thereby.

Involvement of the remaining committees in responsible investment issues

The Risk Management Committee (3)

The Risk Management Committee reviews the strategy with respect to risk, including financial, non-financial, operational and compliance risks.

Under Article 4 of the Internal Regulations of the Board of Directors of Amundi, the role of the Risk Management Committee is to *"ensure compliance with the conditions for implementing the risk strategy adopted by the Board, including monitoring commitments made by the company as a responsible financial player in the social and environmental realms."*

During the year 2021, the Committee issued recommendations as part of the risk strategy adopted by the Board, notably tracking of environmental, social, governance and climate commitments.

The Compensation Committee (4)

The Compensation Committee submits the remuneration policy to the Board and verifies compliance.

Via its role in defining all components of remuneration and benefits for executives, the Compensation Committee's work involves ESG and climate issues in order to incorporate them in structuring remuneration. Article 4 of the Internal Regulations of Amundi's Board of Directors specifies that the Compensation Committee: *"analyses the remuneration policy and its implementation with regard to social and environmental issues."*

Over the course of 2021, the Committee issued a recommendation on including the integration of ESG and climate issues after studying the 2021 remuneration policy and analysing the implementation of the 2020 remuneration policy. It also issued a recommendation regarding the orientation of Amundi's gender equality policy, in light of its examination of the report on gender equality in the workplace.

The Appointments Committee (5)

The Appointments Committee submits and issues opinions on the appointment of directors and executive officers.

Its role notably includes: *"annually assessing the balance and diversity of knowledge, skills and experience available to Board members individually and collectively, as well as the structure, size, composition and effectiveness of the Board's work, and submitting any useful recommendations to the Board."* To this end, it endeavours to take under consideration the environmental and social dimensions in the analysis of the necessary skills.

The Committee is also tasked with *"setting a target for gender balance and developing a policy to achieve such target."*

1.1.3. Role and expertise of management in the implementation of the responsible investment strategy

Executive officers and management bodies play an essential role in implementing the Group's responsible investment strategy. The Chief Executive Officer is assisted in her general duties by two management bodies: a General Management Committee and an Executive Committee.

Role of the Chief Executive Officer (7)

Amundi's CEO plays a central role in the development of the Group's climate and responsible investment strategy. The CEO develops the climate strategy for the entire Amundi Group, in line with the climate objectives of its parent company, the Crédit Agricole Group. Within the General Management Committee, she relies in particular on the Head of Institutional and Corporate Clients and ESG.

The CEO chairs Amundi's ESG and Climate Strategy Committee and sits on the Crédit Agricole's Climate Committee.

She also plays an active role in dialogue with companies on environmental, social, governance and climate issues; in particular, she contributes significantly to establishing engagement priorities and the overall voting policy.

Role of the General Management Committee (8)

The General Management Committee is involved in all major business, organisational and human resources management decisions, sets strategic priorities and takes key governance decisions for the Group, including the responsible investment strategy. The Head of Institutional & Corporate Clients and

ESG is an active member of this Committee.

Amundi's General Management Committee thus ensures the overall supervision of responsible investment activity.

Role of the Head of Institutional & Corporate Clients and ESG (9)

The Head of Institutional & Corporate Clients and ESG is responsible for oversight of the ESG business line.

Role of the Executive Committee (10)

The Executive Committee discusses issues related to the Group's climate and responsible investment strategy. The Executive Committee ensures the coherent and efficient deployment of the strategy in all countries where the Amundi Group is present. This Committee, which includes the main country heads, monitors the development of activities and ensures a balance between the global orientation of the Amundi Group and its implementation at the local level.

The Head of Institutional & Corporate Clients and ESG, as well as Amundi's CRIO are members.

Role of the Chief Responsible Investment Officer (CRIO) (11)

Amundi's CRIO leads the Responsible Investment team and takes charge of implementing the Responsible Investment policies and strategy of the Amundi group.

1.1.4. A dedicated internal organisation to monitor and manage the responsible investment strategy

Within the Responsible Investment team, four committees ensure regular and structured follow-up of all work carried out. Amundi's CEO regularly attends these committees' meetings.

ESG and Climate Strategy Committee (12)

This Committee, chaired by the CEO, meets monthly to determine and approve the ESG and climate policy applicable to investments as well as the strategic orientations of the Amundi Group in this area. Its purpose is to:

- Steer, confirm and monitor Amundi's climate and responsible investment strategy;
- Confirm the main strategic orientations of the Responsible Investment Policy (sector policy, exclusion policy, voting policy, engagement policy);
- Monitor key strategic projects.

Voting Committee (13)

This Committee meets at least once a month and as often as necessary. Its objectives are to:

- Determine the centralised voting policy for the various entities for which it is relevant;
- Decide how to vote at general meetings in certain specific cases, in particular when the issuer is registered by the compliance department on the list of issuers for which a potential conflict of interest exists;
- Review the voting record annually.

ESG Rating Committee (14)

This Committee meets every month. Its duties notably include:

- Defining and approving Amundi's standard ESG methodology;
- Reviewing exclusion and sectoral policies and validating their rules for application;
- Reviewing and deciding on specific ESG rating issues.

Further details regarding the composition of the Responsible Investment team are provided in section 2.3.1.

ESG Management Committee (15)

This Committee is dedicated to the responsible investment strategy. It is responsible for:

- Setting the objectives and priorities of the Responsible Investment team;
- Building an overview of ESG-related capabilities and resources in responsible investment across the group;
- Promoting the responsible investment strategy throughout the company and externally by responding to key client requests and business opportunities.

1.1.5. Issues related to ESG risk incorporated into Amundi's committees via the Risk and Investment Committees

Risk Committee (16)

Chaired by Amundi's Head of Finance, Strategy, and Public Affairs, this Committee meets monthly to approve all standards, indicators and methodological principles employed in the supervision and monitoring of activities that integrate ESG.

Investment Committee (17)

Chaired by Amundi's CEO, this Committee meets monthly and is responsible for setting investment strategies and integrating the Responsible Investment Policy. The Head of Risk Management, a permanent member of the Committee, may also raise risk issues within the framework of this Committee (for instance, alerts concerning violations of Amundi's Responsible Investment Policy).

1.2. Mechanisms for consideration of environmental, social and governance issues by Amundi's governance bodies

By taking environmental, social and governance issues into account in its operating rules, as well as by integrating them within its remuneration structures, Amundi's governance bodies are able to ensure proper supervision and management of the Group's responsible investment strategy.

1.2.1. Mechanisms for consideration of environmental, social and governance issues by the Board of Directors

Appropriate skills

In accordance with its diversity policy, the Board of Directors ensures that its members have a balanced and diverse range of skills to deal with the challenges faced by Amundi. Thus, in addition to the knowledge and experience recommended by European banking authorities, Board members must meet a standing requirement for competence in the field of social and environmental issues.

Diversity policy

The Board of Directors' diversity policy seeks, through the profile of each of its members, to ensure a good balance and a fair distribution in terms of experience, skills, cultures and seniority, suited to the needs of the company.

With regard to cultural diversity, it should be noted that while all members of the Board are French nationals, several possess significant credentials in terms of international culture or professional experience, particularly in Asia and Europe. International exposure is perfectly in line with Amundi's development strategy. A prime example would be Virginie Cayatte, Chief Financial Officer of Adisseo, a subsidiary of the Chinese group BlueStar Chemchina, listed on the Shanghai stock exchange.

With 5 women among the 12 members, and 6 women among the 13 members including the member elected by the employees, the Board has a higher male-female ration than the percentage required by French legislation. Furthermore, each of the Board's specialised committees has at least one female member, and two of these committees are chaired by women (the Appointments Committee and the Strategic and CSR Committee).

The quest for a balanced representation of women and men is also reflected in the company's internal organisation, including the teams, entities and managers responsible for making investment decisions. Amundi's gender equality policy, and in particular the objectives of this policy, methods for its implementation and the results achieved over the prior financial year, are discussed annually by the Board of Directors during its examination of the Report on Professional Equality, following an in-depth analysis carried out by the Compensation Committee.

Sections 2.1.1 and 2.3.4.2 of the 2021 Universal Registration Document respectively entitled: "Overview of the Board of Directors, role and functioning" and "Diversity and gender equality policy" provide further details on this subject.

1.2.2. Remuneration

ESG and climate issues are taken into account in the Group's remuneration policies at several levels and in multiple phases.

Chief Executive Officer of Amundi

Reflecting the strategic importance of these issues, a portion the variable remuneration attributed to Amundi's CEO is tied to environmental, social and governance indicators.

For 2022, her variable remuneration is subject to the following conditions:

- 10% is tied to Amundi's progress by the end of 2022 on implementing the 10 commitments set out in the "Ambition 2025" plan (as presented in the press release of December 8th 2021), based on quantitative and qualitative results;
- 10% is based on deployment of the Crédit Agricole Group's Customer, Human and Social Project.

Section 2.4.4.4 ("Remuneration policy applicable to the Chief Executive Officer") of the Universal Registration Document provides further information on this topic.

Amundi's senior executives

Amundi performance employee share plan granted in 2022 will be awarded in 2025, subject to achievement of the stipulated performance conditions. "Ambition 2025" targets represent 20% of the performance conditions, with the remaining 80% based on financial criteria. Each of the 10 commitments in the "Ambition 2025" plan is weighted at 2% of the performance conditions. These targets reflect the commitments levels made for end 2025.

Portfolio managers and sales staff

Portfolio managers fully integrate ESG criteria into the work they do. As such, targets related to these criteria have a bearing on their annual evaluations and discretionary bonus. Since 2021, compliance with the Responsible Investment Policy has been included among qualitative criteria for assessing the risk-adjusted aspects of responsible investment. The 2018-2021 ESG plan called for 100% of actively managed funds to integrate ESG criteria, with the aim of achieving an ESG rating higher than that of the respective benchmark universe[3]. As of 2022, and consistent with the 8th objective of the "Ambition 2025" plan, Amundi will gradually integrate ESG targets in the performance evaluations of sales staff and portfolio managers, so that their variable remuneration reflects this dimension of performance.

Responsible Investment Team

The remuneration of Responsible Investment team members is benchmarked against their peers. Variable remuneration is based on a qualitative and quantitative analysis of individual performance and achievements versus expectations, as well as on elements related to the broader profit-sharing, which depends on Amundi's overall performance.

Research analysts are evaluated quantitatively on:

- Number of analyses and meetings with companies;
- Number of sectoral analyses;
- Number of cross-sectoral thematic analyses.

Several qualitative criteria are also taken under consideration:

- Quality of ESG analysis;
- Understanding of companies and sectors;
- Implementation of ESG analysis;
- Mastery of ESG analysis and efforts to continuously improve analytical skills;
- Active participation in engagement actions;
- Active participation in thematic research.

Similarly, voting analysts are evaluated on quantitative and qualitative criteria appropriate to their responsibilities.

3. For all actively managed open-ended funds, wherever technically feasible.

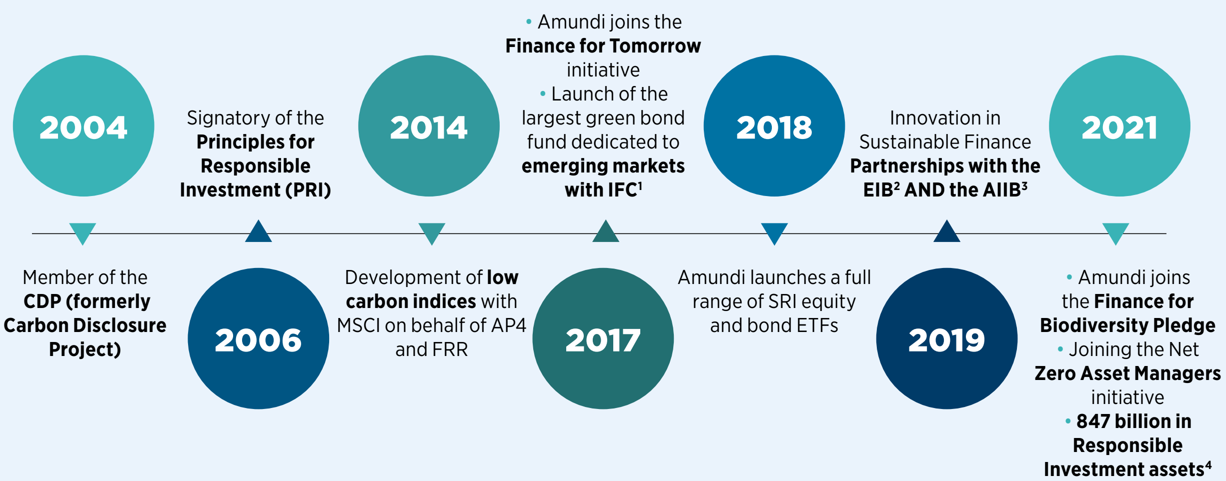
2 Taking action as a responsible investor: philosophy & strategy

Environmental, social and governance issues, including those related to climate change, are central to Amundi's decision-making. Amundi firmly believes that companies and investors have a responsibility to support a transformation of the economy and society towards more sustainable models and that the integration of ESG issues has a positive impact on long-term financial performance, thanks to the strategic management of risks and opportunities associated with these issues.

Since its creation in 2010, Amundi has committed to integrate ESG factors into its investment processes and to support the transition to sustainability via its ambitious engagement policy, fostering of sustainable capital markets and mobilisation of capital on a global scale.

This strategy is implemented in Amundi's various asset management activities thanks to policies governing asset exclusion, ESG integration and voting, and — of course — through the range of dedicated responsible solutions and services Amundi has developed. Having dedicated resources ensures the deployment of the responsible investment strategy. The significance accorded to ESG and climate change issues is reflected in ambitious action plans, in particular the new "Ambition 2025" plan.

Amundi's key commitments of the past 20 years



1. International Finance Corporation
2. European Investment Bank
3. Asian Investment Bank in the Infrastructure (AIIB)
4. Assets under management as of 31 December 2021

In July 2021, Amundi confirmed the strategic importance of tackling climate change and financing a just transition by announcing its membership in the *Net Zero Asset Managers* initiative[4].

4. This international initiative brings together asset managers who commit to contribute to achieving global carbon neutrality by 2050.

2.1. A new “Ambition 2025” plan

In December 2021, Amundi presented a new plan for the period 2022-2025, paving the way for continued strengthening of the company’s strategy as a responsible investor. This plan aims to amplify the Group’s commitments.

2.1.1. Review of the previous plan (2018-2021)

Acutely aware of its responsibility as Europe’s leading asset manager, Amundi launched an ambitious action plan in October 2018 aimed at mainstreaming responsible investment throughout its value chain by 2021. Following the implementation of this action plan, as of December 2021 Amundi has €847 billion of assets under management in responsible investment, €780 billion of which belong to about 850 funds or financial products categorised as compliant with Article 8 or 9[5] of the EU’s Disclosure Regulation 2019/2088. The associated targets and achievements as of end 2021 are presented as follows.

	Targets announced in 2018	Results at year-end 2021
Ambitions related to ESG capabilities		
ESG analysis	Increase the number of issuers covered from 5,500 to 8,000.	Above target: 13,500 issuers covered.
Commitment	Systematically integrate ESG issues in voting policy.	In 2021, Amundi supported 86% of climate-related shareholder resolutions and 83% social, health and human rights resolutions. In 2021, the opposition rate was 45% on remuneration and 21% on dividends. Amundi has advocated for the inclusion of ESG criteria in the variable remuneration of corporate officers.
Ambitions for the generalisation of responsible investment		
Active management	100% of actively managed funds[6] to have an ESG score higher than their investment universe.	100% of Amundi's open-ended funds* now include an analysis of companies' environmental and social profiles.
Passive management	Deployment of ESG assets in passive management with a target of €70bn.	Assets under management in passively managed responsible investment reached €95 billion thanks to the development of a dedicated ESG and Climate offering.
Development of responsible investment		
Specific initiatives promoting energy transition and social cohesion	Intensify Amundi's targeted environmental and social initiatives by doubling associated assets under management from €10 billion to €20 billion.	Assets under management dedicated to specific initiatives promoting energy transition or social cohesion stood at €34.8 billion.
Solidarity	Increase Amundi's efforts on behalf of the Social and Solidarity Economy by raising the amount of assets under management from €200 million to €500 million.	€440 million in assets under management in the Amundi Solidarité fund.
Council	Strengthen Amundi's advisory role by helping institutional investors to take ESG criteria into account.	An ESG advisory service was created for institutional investors and retail distributors providing support for their ESG transition.

5. Within the meaning of Regulation (EU) 2019/2088, according to the so-called "Disclosure":
- An Article 8 product refers to products that promote, among other characteristics, environmental and/or social characteristics or a combination of these characteristics, provided that the companies in which the investments are made apply good governance practices;
- An Article 9 product refers to financial products that pursue a sustainable investment objective.

6. All actively managed funds by Amundi for which an ESG rating methoodology can be applied.

2.1.2. Presenting the new "Ambition 2025" plan

The "Ambition 2025" plan is comprised of ten objectives across three strategic pillars.

Strengthen our offer in ESG saving products to serve sustainable development:

1. 100% of actively managed open-ended funds[7] will carry an assessment of companies' decarbonisation efforts and the development of their green activities.
2. A complete range of actively managed "Net Zero Transition" savings products will be established across all major asset classes.
3. A target of €20 billion assets under management in impact funds to support investments having positive contribution to the environment and social cohesion.
4. A target of 40% of the ETF range[8] will be integrating ESG criteria to accelerate and facilitate access to responsible investments.
5. Launch the ALTO* Sustainability offer,[9] a technology support for investors supporting analysis and decision-making on environmental and societal issues.

Deepen our engagement towards investee companies

6. Significant deployment a climate commitment plan extended to 1,000 additional companies, so that they define credible strategies in terms of reducing their greenhouse gas emissions and alignment methods (remuneration, annual general meetings).
7. Divestment from companies that realise more than 30% of their activity[10] from unconventional hydrocarbons[11] by 2022.

Set internal objectives in line with our ESG Ambitions

8. Extensive integration of ESG objectives into the remuneration policy of executives, managers and sales staff.
9. Reduction of Amundi's greenhouse gas emissions by 30% per employee in 2025 versus 2018.
10. Presentation and advisory vote of our climate strategy to shareholders.

2.2. Approach to implementation of this strategy

To implement its responsible investment and climate change strategy, Amundi has at its disposal a wide range of tools, a number of which reflect the specificities of the Group's activities and management companies.

2.2.1. Exclusion policy

Amundi applies targeted exclusion rules, one of the cornerstones of its fiduciary responsibility. These filters are applied in all active management strategies (and across parts of passive management) and consist in excluding companies that fail to comply with Amundi's Responsible Investment Policy, international conventions and internationally recognised frameworks, or national regulatory frameworks. These targeted exclusions are applied subject to compliance with applicable laws and regulations, and unless otherwise contractually agreed for dedicated products or services. Amundi excludes the following activities:

- Any direct investment in companies involved in the manufacture, trade, stockpiling or servicing of anti-personnel mines or cluster bombs, in accordance with the Ottawa and Oslo Conventions;
- Companies producing, stockpiling or marketing chemical weapons, biological weapons and depleted uranium weapons;
- Companies in serious and repeated breach of one or more of the 10 principles of the UN Global Compact without a clear remediation plan

These issuers are rated G on the Amundi ESG rating scale.

In addition, Amundi implements targeted sector exclusions specific to the coal and tobacco industries and, as of 2022, to unconventional hydrocarbons[12]. These sector exclusions apply to all active management strategies where Amundi retains full portfolio management discretion. The principles of Amundi's exclusion policy are determined by the ESG and Climate Strategy Committee and the application rules are subject to approval by the ESG Rating Committee. Excluded companies are flagged in management tools, making it possible to block transactions upstream. Amundi's Risk Department takes charge of a second level of control.

7. Scope of active open-ended funds, where the ESG Mainstream approach and the Transition rating methodology are applicable.
8. Exchange-Traded Funds, or listed Index Funds.
9. Amundi Leading Technologies & Operations.
10. Scope of application defined by Amundi's Responsible Investment Policy.
11. Unconventional extraction: oil sand, shale oil and shale gas.
12. *Idem.*

In 2021, the application of Amundi's exclusion policy affected 833 issuers (companies and States).

2.2.2. Integration of ESG criteria in the investment strategy

Amundi Asset Management

Making ESG criteria ubiquitous within portfolios, particularly in active management, has been one of Amundi's key priorities in recent years.

Making ESG criteria ubiquitous within portfolios, particularly in active management, has been one of Amundi's key priorities in recent years.

Amundi considers that as part of its fiduciary duty as an asset manager, it must assess and manage risks related to ESG issues to deliver better results for its clients and their beneficiaries. For the same reason, Amundi has implemented a company-wide Responsible Investment Policy that considers in the investment process not only financial criteria, but also criteria in the general interest, namely ESG criteria.

Amundi believes that this approach, which provides a holistic view of companies, consolidates value creation over the long term. Furthermore, a strong sustainability policy allows issuers to better manage regulatory and reputational risks and contributes to improving their operational efficiency. Strategically, this approach aims to protect Amundi's portfolios from ESG and climate risks and to design strategies for exploiting opportunities related to these issues.

ESG analysis, overseen by the Responsible Investment team, is integrated into Amundi's portfolio management systems and is available in real time as part of managers' toolset to provide them with seamless access to ESG scores of companies and sovereign issuers in addition to financial ratings.

A systematic ESG analysis of issuers is carried out using an in-house ESG rating methodology which consists of:

- Assessing issuers' exposure to ESG risks and opportunities and understanding how they are managing these challenges; and
- Rating issuers on their ESG practices according to their sector.

As of end 2021, 100% of eligible actively managed open-ended funds offer an ESG performance above the ESG rating of their benchmark indices or universe, demonstrating the successful deployment of this strategy for Amundi.

As the rating approach employed is a tool for managing ESG and climate risks in portfolios, its detailed characteristics are provided in section 3.1 ("Risk identification and assessment process") of this report.

Amundi Real Assets - Amundi Real Estate

ESG issues are also integrated within Amundi's real estate division and are described in its sustainable investment charter. The real estate assets under management are mainly invested in office buildings located in major European cities. Amundi owns more than 1,100 assets in this market segment. The ESG performance of a real estate asset is assessed based on 14 primary thematic pillars, including health & well-being, energy, transport, water, waste, pollution, sustainable equipment and land use.

The sustainable investment charter is updated regularly and is shared with all employees as soon as they join Amundi Real Estate. This charter was updated in 2021 in order to better integrate ESG issues, while meeting all requirements of the French SRI label[13].

As the rating approach employed is a tool for managing ESG and climate risks in portfolios, its detailed characteristics are provided in section 3.1 ("Risk identification and assessment process") of this report.

Amundi Real Assets - Amundi Private Equity

In collaboration with Amundi's Responsible Investment team, Amundi Private Equity Funds has decided to adopt a sustainable and responsible private equity approach. The company strives to continuously apply the profession's best practices, and publishes all of its commitments via the sustainable investment charter, which guides and provides a strict framework for their investment policy, notably by:

- Integrating the ESG approach in practice in its investment decisions and throughout its ownership of portfolio companies;
- Exercising its shareholder responsibility vis-à-vis portfolio companies.

13. The SRI Label is a government label, awarded after an approval process carried out by independent bodies. It is a unique benchmark for savers seeking to participate in a more sustainable economy. More information on the methodology is available at the following link. Reference to a label has no bearing on the future financial performance of any fund.

Private equity

The selected approach involves the upstream and downstream deployment of an investment decision, of an exclusion process, an ESG rating process, and a process for supporting companies on ESG issues throughout the holding period.

Private debt

ESG issues have been integrated within the core investment process of corporate private debt funds since 2014. This approach is aligned with Amundi's strategy to be a pioneering asset manager in responsible investment.

As the rating approach employed is a tool for managing ESG and climate risks in portfolios, its detailed characteristics are provided in section 3.1 ("Risk identification and assessment process") of this report.

Amundi Real Assets - Amundi Energy Transition (AET)

Amundi also possesses an asset management company whose objective is to facilitate the energy transition via its investments. Amundi Energy Transition (hereafter "AET") stood at €427 million of assets under management at end December 2021.

Created in 2016, AET is jointly owned by Amundi and Electricité de France (EDF), whose asset offering complements Amundi's range of green products. Today, ATE manages more than 350 assets representing a total installed capacity of 1.7 GW, including cogeneration units, wind farms and solar power plants.

This is consistent with Amundi Real Assets' overall sustainability approach, which has established 2022 as a pivotal year for the transition to carbon neutrality and the development of a more sustainable and inclusive growth model.

As the rating approach employed is a tool for managing ESG and climate risks in portfolios, its detailed characteristics are provided in section 3.1 ("Risk identification and assessment process") of this report.

2.2.3. Integration and management of ESG and climate issues in Amundi's engagement strategy [14]

A major pillar of Amundi's vision as a responsible investor, engagement takes place during analysts' interactions with companies throughout the year, and through committed action on the major challenges of sustainable development involving individual or collaborative engagement.

Engagement policy: overall approach

Amundi maintains a dialogue with the companies in which it invests or may potentially invest, regardless of the type of holding. The issuers to be engaged with are determined mainly on the basis of their exposure to those issues most closely associated the engagement topic.

Amundi's engagement with issuers goes beyond how ESG issues may affect the company and the major issues affecting its income statement, cash flows, balance sheet or valuation. Amundi's engagement is also about the impact a company has on society, and those ESG factors significant for society and the global economy, even if these may not be important to the company's financial performance in the short to medium term.

Amundi's engagement spans multiple continents and takes into account local realities. Amundi also strives to ensure that its engagement activities have an impact and contribute to the global efforts of the financial community. The period of engagement varies with the agenda, but generally lasts for three years.

Amundi defines and shares internally key steps of each engagement via its research platform, which is accessible to all investment teams. Formal assessments are conducted on an annual basis at least.

14. This section presents a shared approach and implementation covering Amundi Asset Management, Amundi Real Estate, BFT Investment Managers, CPR AM, Etoile Gestion and SG Gestion.

Forms of engagement

Thematic engagement

Thematic engagement refers to cross-sector engagement on key issues, such as climate and environmental transition, employee-related social issues, respect for human rights, and fighting corruption.

Themes are classified as either emerging or established. Emerging issues are those considered important, but for which the level of awareness among issuers is still limited and best practices remain incipient. Conversely, established themes are those already the subject of much discussion and study, and for which practices still need to improve. This is the case of climate and water risks for example.

Ongoing engagement

Ongoing engagement is usually determined by the specificities of an issuer or a sector's circumstances. It can be triggered in various situations, such as dialogue prior to the AGM, the positioning of the issuer (leader, laggard, improving), or its particular situation (controversies, specific exposure, risk/opportunities).

Voting

The exercise of voting rights for actively or passively managed securities, which may in some cases be considered a form of engagement, is discussed in Section 2.2.4 of this report.

Impact of engagement

The Research team's analysts incorporate the results of engagement into their own practices. Engagement results may affect their evaluation of an issuer's ESG performance (adjusted ESG score) or influence voting. In engaging with issuers, Amundi aims to encourage the adoption of best practices with respect to ESG. The teams strive to conduct a pragmatic and ambitious dialogue with the companies Amundi invests in.

2021 Year in Review

The assessment of engagements conducted in 2021 is available on Amundi's website.

2.2.4. Integration of ESG and climate issues in Amundi's voting policies [15]

Principles of Amundi's voting policies

The voting policy reflects Amundi's holistic analysis of all long-term issues that may influence value creation, including important ESG considerations. Amundi intends to fully exercise its responsibility as an investor by voting at general meetings in accordance with its voting policy. This policy is revised every year and can be consulted on Amundi's website.

2021 Year in Review [16]

Despite the continued impact the Covid-19 pandemic during 2021, the calendar of general meetings was not disrupted as it was in 2020, notably due to the spread of general meetings held in virtual or hybrid mode. In 2021, Amundi voted on a total of 77,631 resolutions at 7,309 general meetings.

Amundi's average opposition rate was 20% due to four main reasons:

- Remuneration practices that were unbalanced or failed to show integration of ESG and/or climate-related criteria;
- Dividends deemed inappropriate in the context of a global pandemic;
- Insufficient separation of key roles: the critical importance of functions such as chairing the Board of Directors, chairing various committees, serving as Lead Director or Director all entail considerable time commitments;
- Lack of consideration for climate issues, or questionable social practices.

15. This section presents the common approach adopted and its implementation for the scope covering Amundi Asset Management, Amundi Real Estate, BFT Investment Managers, CPR AM, Etoile Gestion and SG Gestion.
16. Details of Amundi Asset Management's exercise of voting rights can be found on the website.

Voting statistics for 2021

	2018	2019	2020	2021
Voting statistics				
Number of companies	2,574	2,931	3,397	**4,008**
Number of meetings	2,956	3,474	4,240	**7,309**
Meetings involving at least one vote ‘against management’	62%	56%	71%	**64%**
Number of resolutions	35,245	41,346	49,960	**77,631**
Number of resolutions voted ‘against management’	15%	13%	20%	**20%**
Votes ‘against Management’				
Proportion of 'no' votes				
Board structure	11%	11%	19%	**20%**
Remuneration	36%	27%	31%	**45%**
Dividends	26%	21%	28%	**21%**
Votes in favour of shareholder proposals				
of votes in favour of shareholder resolutions	66%	65%	67%	**77%**
Climate	82%	81%	87%	**86%**
Social / Health / Human Rights	55%	70%	81%	**83%**
ESG themes				
Environment	108	133	148	**196**
Climate	4,036	4,380	5,503	**7,398**
Social / Governance	31,101	36,833	44,309	**70,037**

* Does not include votes for which there were no management recommendations.
Source : Amundi Asset Management.

2.2.5. Implementing innovative solutions

Dedicated responsible investment solutions

Amundi offers its clients responsible investment solutions across active and passive investment covering all asset classes and regions. In 2021, Amundi continued to innovate by developing its product range and deploying its responsible investment advisory and services for the Institutional and Retail client segments in Europe, Asia and the US:

- Mainstream ESG strategy or one built on a "best-in-class" selection approach;[17]
- Strategies built on an "ESG Improvers" approach;[18]
- ESG index strategies;
- Strategies built on a thematic approach targeting an environmental objective: green bonds, green equities, alignment with European climate benchmark indexes (*Paris Aligned Benchmarks and Climate Transition Benchmarks*),[19] green real assets and green private debt, or assets with a decarbonisation target;
- Funds built on a thematic approach with a social objective: social bonds, social shares, impact investments;
- Solutions having earned a specific label[20] such as the SRI Label or the Greenfin Label;[21]
- Bespoke ESG/climate solutions for discretionary and dedicated funds.

More specifically, by asset class, the 2021 creations were as follows:

- **Equities management:** following the success of its "ESG Improvers"[22] range of strategies, Amundi has extended this offer to its equities range. BFT AM has also launched an innovative equity solution, the *BFT France Emploi SRI strategy*, which favours the most virtuous companies as regards to job creation in France. In addition, at the end of November 2021, CPR launched a thematic investment strategy in international equities dedicated to the hydrogen sector, a major challenge in the energy transition.
- **Fixed-income management:** Amundi has set up the "Just Transition for Climate" strategy within the Amundi Responsible Investing SICAV. This strategy aims to support the energy transition while ensuring social cohesion.
- **Passive management:** Amundi has launched the first ETF aligned with the *Paris Aligned Benchmark* (PAB) with the Austrian eco-label.[23]
- **Emerging markets management:** Amundi, in collaboration with the International Finance Corporation,[24] announced the launch of the *Build Back Better Emerging Markets Sustainable Transition* (BEST) strategy, a $2-billion bond solution for supporting a green, resilient and inclusive recovery.
- **Structured Products Management:** Launch of a range offering responsible options.

17. This approach is a type of ESG selection that favours the best rated companies from an extra-financial point of view within their sector of activity, without favouring or excluding any specific sector in relation to the stock market index used as a basis (source: Novethic).
18. This approach targets companies at the beginning of their ESG journey by helping them set sustainability goals and advance their ESG agenda. More information is available at the following link.
19. The Climate Transition Indexes are designed to help investors decarbonise their portfolios and support the transition to a low-carbon economy. The Paris Agreement indexes aim to achieve a deeper reduction in emissions intensity in line with the long-term objectives of the Paris Agreement. While both categories of indices target the same carbon footprint by 2050, the carbon intensity reduction is different. BTC indices must show an immediate 30% reduction in carbon intensity, compared to 50% for BAP indices.
20. The SRI label is a government label awarded following a strict approval process conducted by independent bodies and provides a unique benchmark for savers seeking to participate in a more sustainable economy. For additional information on the methodology, see the following link. Reference to a label has no bearing on the future financial performance of the fund.
21. Created by the French authorities, the Greenfin label guarantees the green quality of investment funds and is aimed at financial players acting in the service of the common thanks to transparent and sustainable practices. More information on the label's methodology at the following link. Reference to a label has no bearing on the future financial performance of the fund.
22. This approach targets companies at the beginning of their ESG journey by helping them set sustainability goals and advance their ESG agenda.
23. More information on the Austrian label's methodology is available here. Reference to a label has no bearing on the future financial performance of the fund.
24. The International Finance Corporation is a private sector arm of the World Bank Group.

Focus on Amundi Real Estate

The year 2021 was particularly significant for Amundi Real Estate in terms of developing responsible investment solutions. Indeed, after securing SRI labels[25] in 2021 for the OPCIMMO and *Amundi Immo Durable* strategies, Amundi Real Estate now has €15.8[26] billion representing a total of 271 assets under responsible management covered by the SRI label, which is awarded for a renewable three-year period. Amundi Real Estate continues to support its partner networks, which are keen to provide their clients with labelled sustainable and responsible finance offers that are consistent with the commitments of the Amundi Group.

OPCIMMO's retail strategy was also recognised by the Global Real Estate Sustainability Benchmark (GRESB) with a 5-star rating and Green Star classification.[27] The GRESB is an international ESG rating organisation for the real estate sector that brings together over 1,200 management companies in more than 64 countries and rates 96,000 properties worldwide.

Reference to a label or ranking has no bearing on future performance.

2.2.6. Advancing the debate at the national, European and international levels

Beyond its own strategy, Amundi makes a point of contributing to deliberations regarding responsible investment by the asset management industry, participating in myriad initiatives as a member and signatory.

Collective initiatives

Amundi is a member or signatory of many key international initiatives covering environmental, social and governance issues. These international efforts include institutional investors and asset management professionals. Their aim is to encourage companies to improve their practices and transparency in the areas of fighting climate change and deforestation, water resource protection, health, nutrition in developing countries, *etc*.

25. The SRI label is a government label awarded after a strict approval process conducted by independent bodies and constitutes a unique benchmark for savers seeking to contribute to a more sustainable economy. Further information on the methodology at the following link. Reference to a label has no bearing on the future financial performance of the fund.
26. Capitalisation: OPCIMMO: €8.2bn at 30/11/2021 — Edissimmo: €3.9bn at 30/09/2021 — Rivoli Avenir Patrimoine €3.7bn at 30/09/2021.
27. The *Global Real Estate Sustainability Benchmark* is a private, for-profit environmental labelling organisation. Created in 2009, it is specifically dedicated to the real estate sector. GRESB ratings assess relative performance. A 5-star rating means that the entity is in the top quintile. The Green Star rating is an absolute performance rating. More information on the methodology employed is available at the following link. Reference to a label has no bearing on the future financial performance of the fund.

IFC Operating Principles for Impact Management

RESPONSIBLE INVESTMENT

2006	UNPRI - Principles for Responsible Investment
2015	OECD - Trust in Business Network (TriBuNe)
2017	Finance for Tomorrow
2017	Pensions for Purpose
2018	Embankment Project for Inclusive Capitalism
2019	IFC Operating Principles for Impact Management
2021	World Benchmarking Alliance

SOCIAL

2010	Access to Medicine Index
2013	Access to Nutrition Index
2017	WDI – Workforce Disclosure Initiative
2018	PLWF - Platform for Living Wage Financials
2020	Investor Action on Antimicrobial Resistance
2020	The 30% Club France Investor Group
2020	Tobacco-Free Finance Pledge
2021	Finance for Tomorrow's "Investors for a Just Transition" coalition

GOVERNANCE

2013	ICGN - International Corporate Governance Network

ENVIRONMENT

2003	IIGCC - Institutional Investors Group on Climate Change
2004	CDP - ex-Carbon Disclosure Project
2014	PDC - Portfolio Decarbonization Coalition
2015	Montreal Carbon Pledge
2016	CBI - Climate Bonds Initiative
2017	Climate Action 100+
2017	TCFD - Task Force on Climate-related Financial Disclosures
2019	International Climate Initiative (iCi) - Private Equity Action on Climate Change
2019	La Fondation de la Mer (the Sea Foundation)
2019	OPSWF - One Planet Sovereign Wealth Fund Asset Managers initiative
2019	The Japan TCFD Consortium
2020	AIGCC - Asia Investor Group On Climate Change
2020	FAIRR - Farm Animal Investment Risk & Return
2021	Finance for Biodiversity Pledge
2021	NZAM - Net Zero Asset Managers Initiative

Efforts by professional bodies

In professional organisations

Amundi is active in:

- The *International Capital Market Association* (ICMA) as a member of its Executive Committee and of the working groups dedicated to the Green Bond Principles and Social Bond Principles;
- EFAMA, via co-chairmanship of the Stewardship, Market Integrity & ESG Investment Committee;
- The AFG, via its Responsible Investment Committee;
- Finance for Tomorrow, as an active member via Amundi's Head of Institutional and Corporate Clients Division;
- The Institute for Responsible Capitalism, via a seat on its Board of Directors;
- The Responsible Investment Forum, via chairmanship of the Dialogue and Engagement Committee;
- FAIR (ex-Finansol), as a member of its Board of Directors.

In regulatory bodies

Amundi is represented in the following bodies:

- The Autorité des Marchés Financiers (AMF), *via* the Climate and Sustainable Finance Commission and the Management and Institutional Investors Commission;
- The Autorité de Contrôle Prudentiel et de Résolution (ACPR)[28], as a member of the Scientific Committee;
- The French Ministry of Ecological Transition, as a member of the Finance Laboratory;
- Paris-Europlace, as vice-president of the institution and via participation in working groups on taxonomy, the European Green Deal and Just Transition;
- EFRAG *(European Financial Reporting Advisory Group)*[29], as a member of the European Lab Project Task Force on Reporting of Non-Financial Risks and Opportunities (PTF-RNFRO);
- The OECD[30], as a member of the Business Confidence Forum[31].

Amundi actively participates in work related to European regulatory projects in the field of sustainable finance, notably by responding directly or indirectly to consultations on European or French regulations currently being drafted or revised.

Partnerships and research

Amundi considers public-private partnerships to be essential for developing and implementing innovative solutions to galvanise capital towards climate goals. Amundi recently paired with the IFC[32] to launch a $2 billion emerging-market green bond fund, and with the European Investment Bank (EIB) to create a fund to finance energy transition projects. The AIIB-Amundi Climate Change Investment Framework[33],developed in 2020 with the Asian Infrastructure Investment Bank (AIIB), is an innovative holistic approach to building climate-risk resilient portfolios based on the Paris Agreement.

Amundi is also deeply committed to research on climate risk management. In 2021, Amundi published a research paper entitled "Measuring and pricing cyclone-related physical risk under changing climate[34]," proposing a methodology to quantify financial consequences associated with the physical risks of tropical cyclones.

Amundi actively supports academic research and has established partnerships with several university chairs dedicated to green finance such as the Academic Chair for Sustainable Finance and Responsible Investment[35] and the Chair for Climate Economics[36].

Lastly, Amundi's commitment to research led to the creation of the Comité Médicis, a think tank dedicated to responsible finance. Current themes and projects underway include, for

28. French Prudential Supervision and Resolution Authority is charged with preserving the stability of the financial system and protecting the customers, insurance policyholders, members and beneficiaries of the persons that it supervises.
29. This is an advisory working group to the European Commission. Its scope has been extended to non-financial information and, as such, it includes an experimental working group on risks and opportunities related to non-financial information.
30. The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to establish better policies for a better life.
31. The OECD Business Confidence Initiative is a platform for leaders to catalyse good corporate behaviour, examine market incentives for business decisions and meet society's expectations in addressing current and future challenges.
32. The International Finance Corporation, a member of the World Bank Group, advances economic and human development by encouraging the growth of the private sector in developing countries.
33. This framework translates the key objectives of the Paris Agreement into fundamental metrics for assessing an issuer's level of alignment with climate change mitigation, adaptation and low-carbon transition objectives.
34. Assessment and pricing of physical risk from cyclones in the context of climate change (see the following link).
35. Chair established in 2007, sponsored by the Association Française de Gestion (AFG) and led by the École Polytechnique and the Institut d'Économie Industrielle (IDEI) in Toulouse.
36. An initiative of CDC Climat and Université Paris-Dauphine under the aegis of the Europlace Institute of Finance Foundation.

instance, consideration of the conditions needed for a socially just energy transition.

2.3. Internal capabilities developed for implementing this strategy

To make possible the efficient and consistent deployment of the strategy described above, Amundi has been developing in-house capabilities for several years.

2.3.1. Dedicated resources for implementing this strategy

Amundi has set up a team dedicated to responsible investment. This department is positioned as an autonomous and independent unit within the overall organisation, serving the needs of institutional, distributor and retail clients as well as investment platforms.

Organisation

The department consists of four distinct teams:

ESG Research, Engagement and Voting

This team is based in Paris, Dublin, London, Tokyo and Singapore. Its analysts meet with companies, initiating and maintaining a dialogue to improve their practices and performance on ESG issues. Analysts are also responsible for rating these companies and drafting exclusion rules. The team has specialists dedicated to implementation of the voting and engagement policy.

ESG Method and Solutions

This team of quantitative analysts and financial engineers is responsible for maintaining and developing Amundi's proprietary ESG rating system and ESG data management systems (including the selection of external data providers to generate ESG ratings). They help analysts and portfolio managers integrate ESG considerations into their investment decisions. This team also assists business development teams in creating innovative solutions by integrating ESG data into financial products (ESG ratings, climate data, impact indicators and controversies, among other data). They oversee the development and integration of ESG tools into Amundi's portfolio management and client reporting systems, in addition to implementing client-specific ESG exclusion rules.

ESG Development and Advocacy

This team develops and promotes ESG solutions adapted to the needs and challenges of investors and provides ESG advice and services to all Amundi clients. It also takes charge of promoting Amundi's vision of responsible investment issues to internal and external stakeholders, through collaborations with sustainable finance initiatives, for instance, or the development of training programmes for clients.

COO Office

This team coordinates the Responsible Investment Department's projects with the Group's support functions, produces dashboards for monitoring activity (Business, Budget, IT, Audit, projects) and oversees major cross-functional projects.

Human resources dedicated to deployment of the responsible investment strategy

The full-time equivalents (FTE) of the Responsible Investment division (i.e., dedicated expertise teams) stood at 40 as of 31 December 2021.

The full-time equivalents of the Management Business Line actively involved in responsible investment consist of:

- 19 managers who are members of the ESG Rating Committee and represent management platforms (Fixed Income, Equity, Multi-Asset, Emerging Markets, Passive and Smart Beta, Structured Products) or entities (e.g., CPR AM, and BFT IM);
- 7 managers who are members of the Voting Committee and represent Equity and Emerging Markets asset management, as well as the US, Japan, CPR and BFT AM entities.

In addition, the integration of ESG criteria into the overall investment strategy mobilises all management platforms, meaning 729 full-time equivalents.

2.3.2. Actions taken to strengthen the institution's internal capabilities

Throughout the year, Amundi is especially attentive to the training of its responsible investment teams. Training meetings among analysts are organised monthly. The teams also have access to online course platforms such as those offered by the SFAF (Société Française des Analystes Financiers) or the PRI Academy[37]. Analysts also participate in external conferences (e.g., those organised by the OECD, the AMF, etc.). Each year, a group of four analysts and portfolio managers also receive dedicated training on environmental, social and governance issues in emerging markets through a partner multilateral development bank.

As of 2022, a new training programme designed in partnership with Amundi's experts will be implemented. This will cover all staff, with modules adapted to various levels of expertise, enduring that, over time, each employee receives appropriate training on environmental, social, governance and climate issues.

2.4. Communication and transparency implemented vis-à-vis stakeholders

Communicating transparently with stakeholders is key for Amundi.

2.4.1. Overview of the modes used for communication with subscribers

Amundi regularly communicates directly and publicly on its responsible investment strategy to its subscribers and stakeholders. The main reports published in 2021, and the communication channels used to promote these documents are listed below:

Communication Type	Content and Scope	Frequency	Distribution channels
Responsible Investment Policy	Amundi's RI policy	Annual	Amundi.com[38] website
Public Transparency Report	Amundi's annual report on its ESG transparency obligations, per its compliance with the Principles for Responsible Investment	Annual	Amundi.com website
Stewardship Report	Articulates the responsible investment philosophy and approach, engagement policy and activities, and the exercise of voting rights	Annual	Amundi.com website
Engagement Report	Details Amundi's engagement process, the outcome of dialogue and collaboration with companies on issues related to environmental, social and governance risks	Annual	Amundi.com website
Voting Policy	Framework for analysing Amundi's voting policy	Annual	Amundi.com website
Voting Report	Implementation of Amundi's voting policy	Annual	Amundi.com website
Proxy Voting Platform	Publication of votes one month post	Ongoing	Amundi.com website
ESG transparency	For open-ended funds within the scope of responsible investment: ESG ratings/scores of the portfolio, ESG indicators where applicable	Monthly	Amundi.com website
SRI Transparency Code	For Amundi SRI funds[39]	Annual	Amundi.com website (next link)
Impact Report	For social impact funds: details of social impact investments by theme, list of socially responsible companies financed and testimonials For CPR AM impact funds	Annual	Amundi.com website CPR AM website (next link)

37. The Principles for Responsible Investment Academy provides practical and applied online training on responsible investment to organisations and industry professionals. The Principles for Responsible Investment (PRI) were launched by the United Nations in 2006. This voluntary commitment is aimed at the financial sector to encourage investors to integrate ESG issues into their portfolio management.
38. See the following link.
39. European transparency code designed and approved by the Association Française de Gestion (AFG), the French Forum for Responsible Investment (FIR) and the European Forum for Responsible Investment (Eurosif).

2.4.2. Awareness-raising actions undertaken, particularly with customers

Amundi organises events and promotional activities for distributors, institutional and individual clients to highlight its responsible investment practices.

Amundi also participates in conferences and training workshops on topics related to responsible investment and climate change in Europe, the United States and Asia. In 2021, 94 seminars, training sessions and meetings brought together over 100 institutional clients. In addition, 16 seminars, training courses and meetings were held with private banking clients and other distributors, reaching more than 18,500 individual investors.

Developing the expertise of advisory teams at partner networks concerning savings products and solutions available is a priority, including in the area of responsible investment. In 2021, the teams in charge of distribution networks revised their communications plan, providing numerous training sessions via web conference and setting up regular videoconference calls with clients. Online actions to raise awareness have also been deployed for banking advisors and all events have been digitalised.

Last but not least, consistent with the objectives of the "Ambition 2025" plan, Amundi has developed a support strategy for institutional investors designed to help them redirect their portfolios towards successfully achieving net zero by 2050.

This support strategy comprises three key levels:

- Amundi is developing a comprehensive range of climate-related products. These include both solutions that finance climate change adaptation and/or mitigation activities and projects, and transition solutions for gradual carbon-neutrality that aim to decarbonise portfolios by the 2050 net zero target. In this latter category, Amundi is committed to launching at least 6 strategies across various asset classes and geographies by 2025.
- Anticipating a considerable need to transform existing allocations, Amundi will assist its existing institutional clients in converting existing mandates or managed dedicated funds to align them with the 2050 net zero target. Amundi's institutional sales force will engage with clients to better understand their needs, challenges and commitments in relation to this topic. With the help of the Investment and Responsible Investment teams, various transformation options will be offered, tailored to investors' requirements.
- Amundi will provide advisory services to institutional clients to help them create their own carbon-neutrality analysis frameworks covering all asset classes (where feasible). Such frameworks will spell out the objectives and indicators that can help guide strategic asset allocation and portfolio construction. It should be noted that the Amundi Institute has already published its initial results on financial impacts and expected returns over 10 years under two possible climate scenarios (Central and Alternative).

2.5. Commitments hailed by the market

Amundi was the recipient of several awards in 2021 that recognised the strategies put in place:

- According to Broadridge[40] data on open-ended funds, Amundi ranks No. 1 in Europe for ESG assets;
- Amundi was voted "Fixed-Income Manager of the Year" at the 2021 Environmental Finance Sustainable Investment Awards;
- In the Morningstar rankings[41], of the 31 management companies evaluated, Amundi is one of just five companies to achieve the "Advanced" level in terms of ESG commitment;
- Amundi received several annual awards at the ESG Investing Awards 2021, presented by Global Markets Media Ltd. on 4 February 2021: "Best ESG ETF Provider," "Best ESG Investment Fund";
- Emerging Markets Debt" for the Amundi Funds Emerging Market Green Bonds and "Best ESG Investment Fund - Climate/Green Bonds" for the Amundi AIIB Climate Bond Portfolio[42].

Similarly, the transparency of Amundi's communications has been recognised in a variety of ways:

- ESG Investing Reporting Awards 2021[43], in the category "Best Sustainability Reporting";
- Peregrine ranking[44]: Amundi was n°1 in the ranking in 2021 for both its communication and consideration of ESG issues;
- CPR AM's teams were awarded a trophy for the best SRI communication, which recognises all actions contributing to a better understanding and distribution of responsible investment, awarded by *Option Finance/Funds Magazine* as part of their Asset Management Trophies.

Reference to an award, rating or ranking has no bearing on the future performance of the fund or manager.

40. On open-ended funds sold in Europe, excluding discretionary funds, dedicated funds and EMTNs), ETFGI (for ETFs), Bloomberg at end of December 2021, IPE for the ranking of real estate managers (assets under management at the end of June 2021) and HFM for the managed account platforms (2020). All rights reserved. The information contained herein is the property of Broadridge and/or its content providers; it may not be reproduced or redistributed, and is not guaranteed to be accurate, complete or current. Neither Broadridge nor its content providers are liable for any damages or losses arising from the use of this information.
41. The methodology is described here. Morningstar. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers, it may not be reproduced or redistributed, and is not guaranteed to be accurate, complete or current. Neither Morningstar nor its content providers are liable for any damages or losses arising from the use of this information.
42. Past performance is not necessarily a guarantee of future performance. Investing in funds involves risks, including the risk of capital loss. The value of an investment is subject to market fluctuations and may therefore fall as well as rise. As a result, fund subscribers may lose all or part of the capital they initially invested.
43. Further information on the methodology available here.
44. Further information on the methodology available here.

3 Identification and management of ESG risks

The integration of ESG risk factors into Amundi's products and strategy is a key issue. It is a testament to Amundi's commitment as a responsible investor that 100% of actively managed open-ended funds now incorporate ESG criteria where technically feasible. Not only this, Amundi's ESG analysis now covers 13,500 issuers, exceeding its 2021 target of increasing coverage from 5,000 to 8,000.

3.1. ESG risk identification and assessment process

The process of identifying and assessing ESG risks is carried out according to several methods, as outlined below.

3.1.1. ESG analysis

ESG rating methodology for corporate issuers (listed shares and bonds)

Amundi has developed a proprietary ESG ratings approach. This methodology is based on universal texts, such as the United Nations Global Compact, the OECD guidelines on corporate governance, the International Labour Organisation and others.

The ESG rating aims to measure a company's ability to anticipate and manage the ESG risks and opportunities inherent in its industry and strategic position. The ESG rating also assesses the company's ability to manage the potential negative impact of its activities on ESG factors.

The methodology for ESG analysis and the production of climate metrics is based on data from a broad selection of suppliers, an annual budget of €3.5 million as of 31 December 2021.

The ESG analysis draws on this data to generate internal ESG ratings and ESG controversy analyses, as well as processing it to meet specific client exclusion requirements. Some external research providers have also been selected for their climate-related data on climate risk management and CO_2 data.

Categories	Agence[45]
Generalists	Sustainalytics ISS ESG MSCI VE (Vigeo-Eiris) Ethi Finance Humpact
Climate	MSCI CDP Trucost Iceberg Data Lab Climate Bonds FTSE Russel
Controversies	MSCI Sustainalytics RepRisks
Sovereigns	Verisk Maplecroft

Each issuer is assigned an ESG rating based on a 7-level scale from A to G (A being the best rating and G the worst, synonymous with exclusion of associated securities). Each E, S and G component is also separately rated from A to G.

Amundi's internal benchmarks for analysis comprise 38 criteria, 17 of which are generic criteria, common to all companies, regardless of their sector of activity, and 21 of which are sector-specific. All criteria are available in managers' Front Office portfolio management system.

45. All trademarks and logos in this document are shown for illustrative purposes only and remain the property of their respective owners.

Data sources used in Amundi's ESG rating methodology for corporate issuers

	ENVIRONMENT	SOCIAL	GOVERNANCE
17 cross-sector criteria	• Emissions & Energy • Water Management • Biodiversity & Pollution • Supply Chain - Environment	• Health & Safety • Working Conditions • Labour Relations • Supply Chain - Social • Product & Customer Responsibility • Community Involvement & Human Rights	• Board Structure • Audit & Control • Remuneration • Shareholders' Rights • Ethics • Tax Practices • ESG Strategy

	ENVIRONMENT	SOCIAL
21 sector-specific criteria	• Clean Energy • Green Cars • Green Chemistry • Sustainable Construction • Sustainable Forest Management • Paper Recycling • Green Investing & Financing • Green Insuring • Green Business • Packaging	• Bioethics • Responsible Marketing • Healthy Products • Tobacco Risks • Vehicle Safety • Passenger Safety • Responsible Media • Data Security & Privacy • Digital Divide • Access to Medicine • Financial Inclusion

Amundi's proprietary tool provides ratings transparency. At any time, the rating assigned any given company can be understood thanks to a flower chart based on the firm's scores on the various criteria.

In addition to the ESG ratings available to managers, Amundi has developed proprietary methodologies to assess climate risks.

The table below shows all available climate change parameters, the type of data and the provider.

METRIC	DATA	SOURCES
Direct GHG emissions (Scopes 1 + 2) and indirect GHG emissions (Scope 3)	Upstream carbon emissions Scopes 1, 2 and 3	*Trucost*
Carbon Reduction Target	Short/Mid and Long-Term Objectives	*CDP/SBTi*
Temperature Alignment		*ICEBERG Data Lab/ CDP/Trucost*
Energy Transition (in-house rating)	This parameter assesses an issuer's exposure to transition risk and ability to manage such risk	*MSCI/Vigeo Eiris/Sustainalytics/ISS ESG*
Green Turnover	Company's involvement in activities generating a significant positive impact on both climate mitigation and adaptation	*MSCI/FTSE Russell/Trucost*
Physical Risk	Physical risk exposure to 7 extreme weather events	*Trucost*
Just Transition	Internal rating	*MSCI/Vigeo Eiris/Sustainalytics/ISS ESG*

These elements will be detailed in Chapter 4.

ESG rating methodology for private issuers of unlisted shares and debt

Private equity

All potential investments by a private equity fund must comply with the exclusion policy and are subject to a review process conducted by analysts from Amundi's Responsible Investment team (or under the supervision of an Amundi analyst if the due diligence is outsourced), which assigns a rating prior to investment. The table below describes this process in greater detail:

Integrating ESG issues into the private equity investment process

A rigorous investment process

Initiation by Associate Director	**Origination**	• **A methodical dealflow selection** resulting from a network of local banks and independent business providers and a proactive approach
Weekly meetings	**Initial review**	• **Initial review** helps eliminate deals that do not correspond to our strict investment criteria. Our ESG exclusion policy is applied at this juncture. • Pre-selection according to ESG criteria
	Financial and strategic analysis	• A **detailed analysis** is conducted by the team in charge, based on: - An assessment grid used to detect risks and opportunities - The use if external specialists for in-depth due diligence
	ESG analysis	• An **ESG analysis** eliminates companies failing to comply with the selected ESG criteria • Interview with an Amundi **non-financial analyst** and recommendations made at governance body level
Pre-due diligence investment committee	**Investment Decision**	• The **decision to invest** is taken by committee, based on a detailed analysis of the project, the risk matrix and the reasonable due diligence review conducted by a due diligence mentor
Post-due diligence investment committee	**Closing**	• Each investment is **made and financed in association with cross-functional teams** (Financial Control and Operations, Risk and Compliance).
	Post-closing	• **Active role** in Supervisory Board • Implementation of corrective measures after closing

Private debt

Due to the low levels of availability for ESG information and the difficulty of leveraging commitments on private debt investments, Amundi takes a reasonable effort approach.

Amundi Private Equity's exclusion policy is largely based on that of Amundi Asset Management and consists of a questionnaire that is systematically integrated into the first phase of the Investment Committee.

The general principles common to all areas of expertise (corporate private debt, leveraged private debt, real estate private debt) are presented below:

Amundi's ESG approach to private debt

Private debt strategy

ESG Level 1	Origination	• Investment opportunities received by the Private Debt investment team and discussed at weekly pipeline review meetings. • Systematic participation by an ESG team member in pipeline meetings
	First filter	• The initial review eliminates cases that do not meet the strict investment criteria • The ESG exclusion policy is applied or, in the case of a pre-existing ESG rating, G rated cases are automatically excluded.
	First submission to the Committee	• An analysis of the main aggregates (credit profile, transaction) is carried out on the basis of information provided by the company's management • It goes to committee after this step, the ESG exclusion table/score is taken into account in the document
ESG Level 2 Validation	ESG analysis	• If no rating exists in Amundi's database, an ESG questionnaire is sent by the ESG analyst to company management or the individual responsible for ESG • The ESG analyst formalises an analysis document with a conclusion in the form of a colour code
	Second submission to the Committee	• In-depth credit analysis document including ESG analysis (or ESG rating) • Second submission to the committee to confirm the credit profile. The ESG team has a permanent seat on the Investment Committee.
Support and encouragement to improve ESG practices	Final validation by the Committee	• Negotiation over loan documentation and pricing - integration of ESG disclosure commitments, structuring of sustainability lending mechanisms, as relevant • Design of key performance indicators for presentation to the issuer by the ESG analyst
	Follow-up	• Follow-up carried out at least once a year and ESG reports sent to subscribers • Corrective actions taken for any ESG deviation

ESG due diligence may be carried out internally or externally. In either case, this due diligence results in a summary ESG analysis sheet, an ESG score and the identification of key performance indicators (qualitative and quantitative).

For SRI funds, the ESG analyst establishes an ESG rating. The rating methodology is based that Amundi employs for listed funds (17 generic criteria common to all sectors and 21 sector-specific criteria).

Focus on Amundi Energy Transition (AET)

AET has an experienced investment team consisting of managing directors, associate directors and analysts. The definition of each role within the organisation, as well as the roles and composition of committees, is clearly established.

The integration of ESG criteria takes place at six key stages of the investment process, each with its own particularities: the exclusion policy, the pre-diligence phase, the due-diligence phase, the investment decision, the holding period and exit.

AET experts apply an exclusion policy to its investments in line with that of Amundi Asset Management and AET undertakes not to finance the following activities:

- Any activity that does not contribute to the energy transition;
- The development, construction, operation or refurbishment of thermal power plants that are entirely coal-fired;
- Oil, gas and coal extraction[46];
- Ownership of coal or mineral mines;
- Waste incineration and open landfill without capture of greenhouse gas (GHG) emissions;
- Nuclear facilities.

Similarly to Amundi Private Equity, following an initial filter relating to the exclusion policy, each investment opportunity is subject to due diligence assessing risks identified at the ESG level before being presented to the Investment Committee. This due diligence is an integral part of investment process for the opportunity and helps to inform the financial analysis. It is a way for investors to fully exercise their responsibility and to protect themselves from long-term financial, regulatory, operational and reputational risks.

The scope of the ESG due diligence covers:

- An analysis of the investment target;
- An analysis of co-shareholders;
- An analysis of the assets' operator(s);
- An analysis of the electricity purchaser in the case of business-to-business contracts (excluding any operator mandated by public authorities to serve as a reference counterparty for public tenders for the supply of electricity from renewable sources).

Hence, AET has developed an ESG analysis tool that complies with the expectations of the European "Disclosure" Regulation (EU) 2019/2088. Thus, for each investment opportunity, a detailed ESG due diligence integrating various criteria are carried out in accordance with the applicable regulations. The results are analysed and presented to the Investment Committee.

In the event of a deterioration in an issuer's ESG performance, or the appearance of an ESG factor contrary to the exclusion policy or one likely to have an adverse impact on the loan, the Investment Committee may vote, at its discretion, to implement corrective measures.

46. Extraction here signifies taking these resources out of the ground.

ESG rating methodology for sovereign issuers

Amundi's ESG rating methodology for sovereign issuers, like its counterpart for the private sector, ranges from A to G (A being the highest score). ESG risks can affect global stability, and it is important for investors to be able to assess countries' ability to manage them, above and beyond to their ability to repay debt.

In order to accurately assess the sustainable performance of sovereign issuers, Amundi has developed a set of 46 ESG indicators. These indicators, designed to evaluate the performance of a sovereign issuer on ESG issues, are classified as follows:

- **Environment:** climate change and natural capital;
- **Social:** human rights, social cohesion, human capital, civil rights;
- **Governance**: government effectiveness, economic environment.

These indicators, provided by a specialist data source, are weighted according to the amount of risk each one represents. This determination is carried out internally using proprietary data sources as well as publicly available databases, such as those of the World Bank Group and the United Nations.

ESG rating methodology for real estate assets

Prior to the acquisition phase:

At Amundi Real Estate, the ESG analysis process for investment opportunities begins with acquisition and deal closing reviews. The external service provider SINTEO is contracted to an ESG rating with regard to the non-financial performance of the pre-invested asset, by means of a questionnaire known as "SRI Mapping," in accordance with the framework agreement between Amundi Real Estate and the service provider SINTEO.

Pre-invested assets subject to ESG analysis may belong to two types of funds: "classic" funds or funds that have received or are preparing to receive the French government SRI label.[47]

In the case of so-called "classic" funds, if an asset being analysed fails to meet the requirements and expectations of Amundi Real Estate's Responsible Investment Charter, its acquisition can only be considered if a remediation plan is deployed in the short/medium term to meet these requirements within a maximum timeframe of three years, thus improving the sustainability performance of the asset. In other words, this is a "best effort" approach, whereby the ESG performance of the asset can be improved in order for it to be selected and placed in a fund.

For SRI-labelled funds, or those aiming for such, a threshold score is determined according to two main categories:

- *Best-in-class* (BIC) assets, whose ESG performance already meets the expectations and requirements of Amundi Real Estate's Responsible Investment Charter and SRI labelling provisions. Their main objective is to maintain or improve their ESG performance over time.
- *Best-in-progress* (BIP) assets, whose ESG performance falls below the rating threshold set for the SRI fund in which they are to be included. As such, they are subject to a three-year improvement plan to improve their ESG performance.

During the management phase

An update of the asset rating may be requested after major renovation or restructuring if the changes made to the asset could reasonably lead to a change in its rating. The ESG team ensures that ratings are renewed at least every 3 years.

If an asset is downgraded and no longer meets the obligations set out in the fund's strategy or Amundi Real Estate's Responsible Investment Charter, an action plan will be drawn up with a 3-year horizon. Based on this plan and depending on the strategy chosen, either the action plan will be implemented, or the asset will be sold.

The supplier charter

Amundi Real Estate has an established supplier charter which aims to foster a more environmentally friendly and socially responsible approach among its main service providers. The latter must commit to respecting this charter by signing it and are required to complete a questionnaire to obtain a grade on their practices, which is reviewed over time.

47. Reference to a label has no bearing on the future financial performance of the fund.

3.1.2. Modelling

In order to strengthen the assessment of climate transition risks, Amundi performs a Paris Agreement alignment analysis of its investment portfolios. To do so, it relies on the International Energy Agency (IEA) sustainable development scenario. Sector-specific carbon budgets are used for comparison to determine a company's emissions trajectory. Amundi regularly monitors emerging approaches that have not yet stabilised.

In view to improving the transition risk management of the funds it manages, Amundi also relies on temperature scores developed by several providers, including Trucost, Iceberg Data Lab, and CDP[48].

Sections 4.1.2 and 4.1.3 provide further detail on this topic, as per the provisions of Article 29 of the Energy and Climate Law.

3.1.3. Carbon footprint of portfolios

Measuring the carbon footprint of portfolios is one way of identifying and assessing climate risk.

Amundi's carbon footprint analysis of companies is based on carbon emissions data from private issuers provided by Trucost, the world's leading provider of environmental and climate data. Where necessary, missing data is supplemented with data from the parent company of the issuer in question. Portfolio assets that can be rated (excluding derivatives and government securities, for example) are used to calculate the portfolio's carbon footprint. Amundi calculates two carbon footprint indicators: carbon emissions per million euros invested and carbon emissions per million euros of turnover. These data and methodologies are used in fund reports and inform Amundi's strategy of measuring and, where appropriate, reducing the carbon footprint of investment portfolios.

Sections 4.1.2 ("Amundi's 2022-2025 Climate Action plan: challenges and impacts") and 4.1.3 ("Process for identification and assessment of physical and transition risks, indicators and results") provide further detail on this topic, as per the provisions of Article 29 of the Energy and Climate Law. Methodological details are also presented in the methodology section of this report.

3.2. Integration of ESG risks into risk management processes

Mechanisms for identifying, assessing and responding to ESG risks and opportunities are fully integrated into Amundi's management processes. .

3.2.1. Organisation of risk management

Amundi's Responsible Investment team is a centre of expertise that provides ESG rating and assessment methodologies as well as qualitative analysis. As described in sections 2.3.1 and 3.1.1, a wide range of listed companies and issuers are assessed according to an ESG rating methodology. The team also provides research, support and knowledge transfer services for the company's investment platforms. All team members work hand in hand with investment professionals to help them integrate ESG factors into their investment processes and expertise.

Furthermore, ESG analysis is integrated into Amundi's portfolio management systems and made available in real time via portfolio managers' tools, offering them seamless access to the ESG scores of private and sovereign issuers in conjunction with financial ratings. Portfolio managers and investment analysts across all investment platforms therefore have access to issuers' up-to-date ESG scores and associated ESG analysis and indicators at all times. This configuration allows fund managers to take sustainability risks into account in their investment decision-making process and to apply Amundi's exclusion policy, where applicable. Managers are also able to design and manage their portfolios in accordance with specific ESG rules and objectives that can be applied to the investment strategies and products under their responsibility. Tools include the Sustainable Rating Integrator (SRI), an internal platform that aggregates financial and non-financial ratings data and is connected to Amundi's risk control tools.

As regards to risk management, ESG criteria are integrated into Amundi's control framework, and responsibilities are divided between the first level of controls, conducted by the Investment teams, and the second level of controls, carried out by the Risk teams. These latter may at any time verify the compliance of a fund with ESG objectives and constraints. The Risk department is part of the governance framework designed around responsible investment (see section 1.1). It

48. All trademarks and logos are shown for illustrative purposes in this document and remain the property of their respective owners.

monitors compliance with regulatory requirements and the management of risks related to these issues.

Responsible investment rules are monitored by the risk teams in the same way as any other rule within their purview, using the same tools and procedures. These rules include exclusion policies, eligibility criteria and fund-specific rules. Compliance checks for these rules are automated in the form of an internal compliance tool with pre-transactional or blocking alerts. These inform fund managers of potential breaches, after which they are required to restore portfolio compliance. This applies most notably to exclusion policies.

3.2.2. ESG risk management

Strategic risks

Regulatory and legal risks

Future legal or regulatory developments related to environmental and social issues, in particular climate change or biodiversity loss, could have a significant impact on the course of Amundi's strategy. More specifically, restrictive regulations in certain sectors may limit the activities that Amundi can finance. This is the case for carbon-intensive industries whose activities are increasingly under fire, particularly at the European level, in the context of the European Union's environmental strategy.

Reputation and competitive risks

This category of risk covers, *inter alia:*

- Failing to comply with investor expectations in terms of responsible investment or corporate social responsibility offerings;
- Engaging in poor marketing practices, contravening obligations to provide accurate, clear and non-misleading information that makes it possible to assess the proposed responsible investment approach;
- Situations of non-compliance at the portfolio level or specific securities not consistent with the ESG characteristics of the product by which they are held.

Any of these risks can potentially lead to a loss of clients and affect the brand image and reputation of Amundi.

Amundi takes steps to meet the expectations of its various stakeholders in terms of corporate social responsibility as defined in section 5.2.1.2 (“Business Risks”) of its 2021 Universal Registration Document.

Risks related to the Group's operations

As a company, Amundi is exposed to environmental and social risks. Indeed, Amundi's infrastructure, including its technological capabilities, data centres and workspaces, may be exposed to natural external events that could impact Amundi's ability to operate. Accordingly, Amundi makes every effort to ensure that it can continue to operate should such a situation arise. Regarding this topic, please refer to the section 5.2.2.1. of the 2021 Universal Registration Document.

4 Focus on Amundi's climate change and biodiversity strategy

Achieving greenhouse gas emissions reduction targets requires a rapid transition with clear inflection points in the short term, namely in 2025 and 2030. Similarly, given the unprecedented rate of biodiversity loss, it is necessary to make biodiversity a more integral part of internal analysis and investment processes. Amundi is mobilising its expertise to reinforce its efforts in these two areas.

4.1. Climate change strategy

On July 6th 2021, Amundi joined the Net Zero Asset Managers initiative [49] and announced its intention to gradually align its portfolios and operations with a net zero emissions target by 2050 to limit global warming to 1.5°C. The Net Zero Asset Managers initiative is a group of 273 global asset managers with $61.3 trillion in assets under management [50] who have pledged to support the goal of zero net greenhouse gas emissions by 2050 or sooner, consistent with global efforts to limit warming to 1.5°C, and to support investment aligned with this goal.

This announcement constitutes a key step in Amundi's strategy to fight climate change and reflects the Group's convictions in this area, namely that:

- The financial sector is a key catalyst for action;
- Amundi must undertake to fight climate change at every level of the company;
- The transition will have to be fair, respectful of the environment, and aim to preserve and restore the latter;
- Knowledge, data and analysis are major drivers of change.

Amundi's "Ambition 2025" plan provides a concrete roadmap for meeting the Group's stated commitment to help achieve carbon neutrality.

4.1.1. Amundi's *"Say on climate"* resolution

Amundi seeks to participate in the movement for transparency on climate strategies in its own right, just as it expects of companies in which it invests to do. For this reason, Amundi has decided to submit to advisory vote a Say on climate [51] resolution at its 2022 General Meeting as one of the ten commitments of the "Ambition 2025" plan, which is a world first for an asset manager. From 2023 onwards, Amundi will also call a consultative vote on its progress in implementing the strategy, which was announced in 2022.

With this unprecedented initiative, Amundi reasserts its belief in the financial sector's possible role in supporting the transition and reiterates the principles that guide its actions, seeking a balance between ambition and pragmatism.

Ascertaining a company's alignment with the objectives of the Paris Agreement remains a challenge today. Scientific knowledge and methodologies are still evolving and improving. Not all of the broad spectrum of asset classes and regions Amundi invests in benefits from the analytical frameworks and data necessary for a comprehensive action plan at this time. Nevertheless, resources can already be deployed. Contributing to market initiatives is a valuable way of making collective progress on this issue and Amundi, through its participation in many such efforts, plays an active role in this regard (see section 2.2.6.).

Amundi's climate strategy is thus bound to evolve alongside methodological developments, protocols for defining targets, regulatory frameworks and the data available for assessing alignment with a goal of reaching carbon neutrality by 2050.

49. This international initiative brings together asset managers who are committed to transitioning their investment portfolio to carbon neutrality by 2050.
50. Figure as of July 2021.
51. A *"Say on climate"* is a resolution presented for debate on the agenda of general meetings. It can be tabled by the company itself or by its shareholders. Its purpose is to invite shareholders to vote each year on the company's climate strategy and, in so doing, to ensure a recurring dialogue on the subject.

4.1.2. Amundi's 2022-2025 climate strategy: issues and impacts

This section summarises the main aspects of the 2022-2025 climate strategy, which is explained more fully in section 3.2.6 of the 2021 Universal Registration Document.

In Amundi's day-to-day business

Amundi's main objectives: to place climate at the core of its governance, to align and to empower.

Climate at the centre of Amundi's governance

The role of the Board of Directors

As presented in section 1.1.2, the Board of Directors decided at the end of 2020 to integrate social and environmental issues into its governance. This includes particular attention to climate issues. In 2021, a full-day strategy seminar afforded members of the Board an opportunity to consider the strategy to be deployed on this topic and the practical avenues for implementing the new "Ambition 2025" plan.

The Board is also supported by its Strategic and CSR Committee. For instance, in 2021 this body recommended that the Board of Directors adopt the plan in view of the Group's strategic ambitions on climate and ESG. In the future, the Strategic and CSR Committee will be asked to deliver its opinion on the progress report concerning Amundi's climate and ESG strategy.

The governance established at Board level is also reflected in the company's internal organisation, as explained in section 1.1.2.

Focus on the ESG & Climate Strategy Committee

As presented in section 1.1.4, this monthly Committee, chaired by the CEO, defines and approves the Responsible Investment and Climate Policy applicable to investments as well as the Amundi Group's strategic orientations in this area. Its role is thus particularly key in the area of climate change.

Remuneration policy

The integration of ESG criteria, including climate criteria, into the remuneration policy proceeds as described in section 1.2.2.

Direct and indirect emissions reduction targets

As part of its "Ambition 2025" plan, Amundi has set two objectives to control its direct environmental footprint:

- Reduce its own direct greenhouse gas emissions by close to 30% per employee in 2025 (vs. 2018);
- Incorporate climate change considerations into its procurement policy with a goal of reducing the carbon footprint so generated (Scope 3) starting in 2022. Suppliers will also be asked to calculate their CO_2 emissions with a view to setting decarbonisation targets.

Allocating the necessary means to achieve our objectives

Dedicating more resources to ESG and climate issues

Amundi is strengthening its Responsible Investment team, both in terms of integration and processing of extra-financial climate data, as well as in terms of digital data, and plans to continuously enhance its analytical toolset by integrating functionalities designed in-house by its experts. As described in section 2.3, Amundi deploys dedicated resources to implement its responsible investment strategy.

Amundi has almost doubled the size of its ESG team over the past three years to 40 employees and plans to increase this number by a further 40% in 2022. This increase will support Amundi's research focused on the risks and opportunities of climate and carbon neutrality and their impact on macroeconomic scenarios, sectors and companies. While "climate" research is already part of its ESG sector analysis for sectors with high exposure to climate change, its efficacy remains dependent on available data and credible net zero trajectory methodologies.

Amundi also invests in data and the development of decision-making tools. Amundi has significantly expanded its coverage by increasing the number of ESG data providers it calls upon to 14, providing its professionals with access to 100 million extra-financial data points per month. Separately, Amundi has increased its IT budget for ESG data fivefold over the past three years. The company's portfolio management tool, ALTO* [52], has been equipped with more efficient calculation engines and a brand-new set of Climate and ESG functionalities.

Ongoing employee training

Training is an essential complement to plans for increased

52. Amundi Leading Technologies & Operations.

resources and Amundi has prepared to deploy training programmes for all staff. For additional information on staff training, please refer to section 2.3.2. ("Actions taken to strengthen the institutions internal capabilities").

Contributing to industry efforts

Amundi values collaboration with its peers as a way to contribute to better practices within its ecosystem. Amundi is actively involved in the initiatives by professional organisations that are essential to the improvement and convergence of practices as described in section 2.2.6.

Implementing this strategy in a transparent manner

Amundi makes every effort to provide information that is transparent and clear. All of the company's ESG and climate-related policies and reports are public and can be consulted on Amundi's website, as explained in section 2.4.1.

In Amundi's management on behalf of third parties

Beyond its policy of excluding issuers exposed to certain activities, Amundi wishes to accompany, support and influence issuers' transition and thus positively impact the real economy through a broad range of actions.

Systematically integrating transition assessment into active open-ended funds

Amundi has developed its own ESG rating methodologies to measure issuers' non-financial performance, including climate-related performance indicators, which are assigned based on the sector under consideration and the materiality of their impact. Details of this methodology are presented in section 3.1.1 ("ESG analysis").

Since 2021, all actively managed open-ended funds have included an ESG rating target higher than that of their corresponding investment universe where technically feasible. As part of its "Ambition 2025" plan, Amundi has announced its intent to take the integration of extra-financial objectives into its active portfolio management even further in connection with the climate issue. Amundi is therefore working on a rating system – using a "best-in-class" approach – to evaluate the transition efforts of issuers in relation to a net zero scenario, taking into account both efforts to decarbonise their businesses and the development of their green activities. By 2025, all portfolios to which the methodology applies will have the stated goal of achieving a better environmental transition profile than their investment universe.

Develop net zero by 2050 transition funds for major asset classes

By 2025, Amundi will also offer open-ended transition funds for all major asset classes, in view to achieving the net zero objective by 2050. By making a range of actively managed transition funds available, Amundi hopes to guide savings towards investment solutions that promote the transition of issuers, while offering its clients a means to bring their portfolios in line with their net zero commitments. Individuals will thus be able to invest their savings in funds that fully integrate this net zero transition objective. Meanwhile, Amundi continues to develop its passively managed climate range.

Contributing to financing the energy transition

To help guarantee the capital and R&D[53] funds needed to achieve the net zero goal by 2050, Amundi has been accelerating its development of innovative solutions to finance climate-friendly innovations and energy transition for the past three years. At the end of 2021, Amundi's green bond solutions totalled €5.3 billion, covering both developed and emerging markets. In 2022, Amundi will continue designing solutions to invest in companies or finance projects that promise a positive environmental contribution.

In Amundi's actions towards companies to accelerate their transition

Undertaking active dialogue to accelerate and influence the transformation of business models

A major pillar of Amundi's vision as a responsible investor, the engagement policy's application involves regular exchanges between analysts and investee companies, as well as individual or collaborative engagement actions on major sustainable development issues to prompt concrete changes in the direction of an inclusive, sustainable and low-carbon economy. As described in section 2.2.3, climate change and ecosystem degradation, which threaten to cause destructive chain reactions, are among the priority themes of Amundi's engagement campaigns.

53. Research and Development.

In addition to engagement actions and as an extension of these, Amundi has made climate issues a priority in the exercise of its voting rights since 2019.

Promoting a socially acceptable energy transition

Amundi believes that a sustainable economy must not only be low carbon, but also inclusive. As such, it is necessary to consider the social impact of transition just as much as its impact on natural capital and its preservation. Because reliable impact analysis on these issues is still under development, Amundi has decided to dedicate specific engagement programmes to these themes based on its proprietary research. In parallel and to support collaborative efforts in this area, Amundi is a founder of "Investors for a Just Transition," the first investor coalition to focus on ensuring the fairness of transition.

4.1.3. Physical and transition risk identification and assessment process, indicators and results

Amundi has established indicators and targets to identify, qualify and effectively manage climate-related risks and opportunities. Using a wide range of indicators, Amundi is able to set short-, medium- and long-term targets. For this purpose, Amundi relies on a broad set of data providers to guarantee that its measurements and assessments are as accurate as possible.

The following table lists the various metrics employed, the type of data and the data provider:

METRIC	DATA	SOURCES[54]
Direct GHG Emissions (Scope 1+2) and Indirect GHG Emissions (Scope 3)	Carbon emissions for Scopes 1, 2 and 3	*Trucost*
Carbon Reduction Target	Short-, medium- and long-term targets	*CDP / SBTi*
Temperature Alignment		*ICEBERG DATA / CDP / Trucost*
Energy Transition (internal rating)	This measure assesses an issuer's exposure to transition risks and ability to manage said risks	*MSCI / Vigeo-Eiris / Sustainalytics / ISS-ESG*
Green Recipes	Company's involvement in activities generating significant positive impact on climate mitigation and/or adaptation	*MSCI / FT-Russell / Trucost*
Physical Risks	Physical risk exposure to 7 extreme weather events	*Trucost*
Just Transition	In-house evaluation	*MSCI / Vigeo-Eiris / Sustainalytics / ISS-ESG*

54. Any trademarks or logos shown in this document are presented for illustrative purposes only and remain the property of their respective owners.

Since 2020, Amundi has been working to diversify the indicators used to integrate climate-related risks and opportunities. These include portfolio temperature scores and Paris Agreement alignment indicators, as well as green- and brown-share indicators. As tools for calculating transition risks that complement issuers' carbon footprint, the introduction of these new indicators gives Amundi a more forward-looking and comprehensive view of its climate investment portfolio's performance.

Process for identifying physical climate risks

While Amundi has identified both short- and long-term physical risks that potentially have a significant impact on investment portfolios, the information available for assessing financial impact is limited and often lacks standardisation across sectors and regions. Therefore, Amundi's approach to physical climate risk assessment is applied to dedicated climate strategies. Investment portfolios are exposed to variably acute and chronic climate risk depending on companies' sectors and geography, and increased climate risk can have a significant impact on the financial performance of sectors with high climate risk.

Amundi's approach to physical climate risk assessment is based on data and methodology developed by Trucost [55].

Trucost maps the location data for companies' physical assets against seven climate hazards (fire, cold wave, heatwave, sea level rise, flood, tornado and drought) to analyse issuers' sensitivity to these different risks.

Process for identifying and managing climate, market and transition risks

Amundi's takes a threefold approach:

- **Calculate carbon risk:** the degree of exposure to risk should be assessed before taking action to reduce such risk;
- **Assess:** scoring in terms of energy transition to reflect a company's exposure to energy transition risk and how this risk is anticipated and managed by management;
- **Anticipate:** estimating the impact of non-convergence risk (+2°C objective) on the performance of a portfolio of securities.

Several tools are available to apply this approach in practice.

Environmental rating of issuers

Amundi has developed an ESG analysis methodology that takes into account climate change issues for sovereign issuers as well as listed private equity and debt issuers.

A detailed account of this methodology is provided in section 3.1.1 ("ESG analysis").

Portfolio carbon footprint and reduction targets

The scope covered by this section includes assets under management relating to Amundi group's internal or external product for which the financial management is carried out solely by the asset managers of the Amundi group, excluding JVs as financial companies. This scope excludes the financial managements carried out by the JVs and those that are delegated to external companies.

Amundi's ESG analysis of companies' carbon footprint relies exclusively on carbon emissions data from Trucost, the world's leading provider of environmental and climate data. Where necessary, missing data is supplemented with data from the parent company. All portfolio assets that can be rated (excluding, for instance, derivatives or government securities) are used to calculate the portfolio's carbon footprint. Amundi calculates two carbon footprint indicators: carbon emissions per million euros invested and carbon emissions per million euros of turnover. These data and methodologies are used in fund reporting and also inform Amundi's strategy for reducing the carbon footprint of investment portfolios.

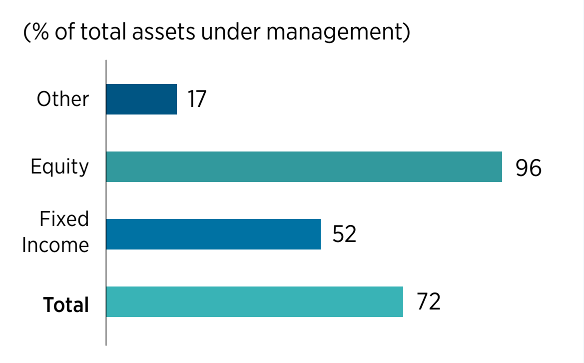
The Energy Transition (ET) rating is used to assess the carbon footprint of the portfolio as a whole.

Calculated for each individual issuer, the ET rating assesses not only their exposure to climate transition risk, but the ability to anticipate and manage such risk. For example, a company heavily involved in activities presenting a significant climate risk that lacks a divestment strategy may receive an ET rating of E or lower. Conversely, an issuer with an identified climate transition risk may receive a higher ET rating if they demonstrate a clear strategy for managing it.

Amundi uses open-source data to perform this assessment such as the *Science-Based Targets initiative* database. This additional layer, which incorporates an issuer's awareness and strategy to mitigate risk, is an important factor for Amundi's investment portfolio.

55. Any trademarks or logos shown in this document are presented for illustrative purposes only and remain the property of their respective owners.

Carbon footprint coverage by asset class



Source: based on Amundi analysis and Trucost data as of 31 December 2021. The scope covered by this section includes assets under management relating to Amundi group's internal or external product for which the financial management is carried out solely by the asset managers of the Amundi group, excluding JVs as financial companies. This scope excludes the financial managements carried out by the JVs and those that are delegated to external companies.

As of 31 December 2021, the carbon footprint of private issuers stood at 150.16 tCO_2e per million euros invested. More specifically, this amount can be broken down as follows:

- **99.23 tCO_2e/€m** invested for the equity asset class,
- **50.80 tCO_2e/€m** invested for the bond asset class,
- **0.12 tCO_2e/€m** invested for "other" asset classes, i.e., convertible bonds, foreign exchange, money market, OTC, reference entity, term deposit.

Enhancing the integration of temperature ratings

The scope covered by this section includes assets under management relating to Amundi Group's internal or external products for which the financial management is carried out solely by the asset managers of the Amundi Group, excluding JVs as financial companies. This scope excludes the financial managements carried out by the JVs and those that are delegated to external companies.

To reinforce its assessment of climate transition risks, Amundi performs a Paris Agreement alignment analysis of its investment portfolio.

Amundi relies on temperature scores developed by several providers, including Trucost, Iceberg Data Lab and CDP.[56] These three providers each have different methodologies and scopes of data collection, as, for instance, their inclusion of companies' past emissions trends in addition to carbon reduction targets, credibility discounts and their treatment of non-disclosure. Amundi has chosen to incorporate this methodological heterogeneity to perform the best possible assessment portfolio temperatures.

	Data	Scope	Type	Specificities
CDP	• Carbon reduction targets from the CDP questionnaire	Scopes 1 + 2+ 3	Absolute and intensity	• Carbon reduction targets only • Baseline temperature (3.2°C)
Iceberg Data Lab	• Background: GHG emissions since 2010 • Outlook: CDP and SBTi carbon reduction targets	Scopes 1 + 2 + 3	Intensity only	• Évaluation de la crédibilité de l'émetteur • Méthodologie sectorielle pour plusieurs secteurs non SDA
Trucost	• Background: Own GHG emissions since 2010 • Outlook: CDP & SBTs target + estimated production projections	Scopes 1 + 2	Intensity only	• S&P physical output data used to estimate trajectories

56. Any trademarks or logos shown in this document are presented for illustrative purposes only and remain the property of their respective owners.

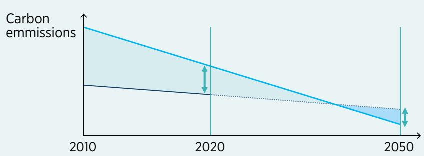
The three methodologies present several noteworthy differences:

- All three providers analyse issuers' ambitions. However, Trucost and Iceberg Data Lab include past emissions in their trajectory estimates.
- Iceberg Data Lab proactively considers the credibility of issuers, analysing the actions implemented in relation to issuers' commitments.
- Many issuers have yet to publish a carbon reduction target. As a result, CDP has chosen to apply a default +3.2°C degree trajectory for these issuers.
- Trucost has developed a different methodology for aggregating temperatures at the portfolio level. Instead of using a weighted average, Trucost weighs the carbon budgets of each company against a reference scenario in order to aggregate them at a portfolio level.

Focus on Iceberg Data Lab's SB2A methodology

Issuer's previous carbon emissions

Issuer's published carbon reduction targets

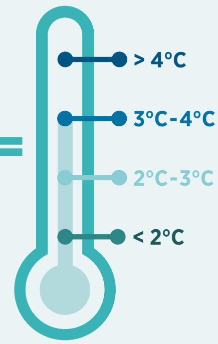


Comparison between issuer's trajectory and global climate scenarios

- Historical data and carbon reduction targets make it possible to calculate the issuer's carbon trajectory
- This trajectory may be compared to global climate scenarios
- The comparison with a climate scenario yields an implicit temperature rise for the trajectory of a particular issuer

=

ISSUER TEMPERATURE SCORE



Source: Amundi and Iceberg Data Lab

For the purpose of assessments and measurements, the GHGs taken into account are tonnes of CO_2 equivalent, i.e., primarily CO_2, CH_4 and N_2O.

Amundi's analysis indicates that achieving a portfolio temperature score below 2°C or 1.5°C remains a challenge in an economy that remains largely unaligned.

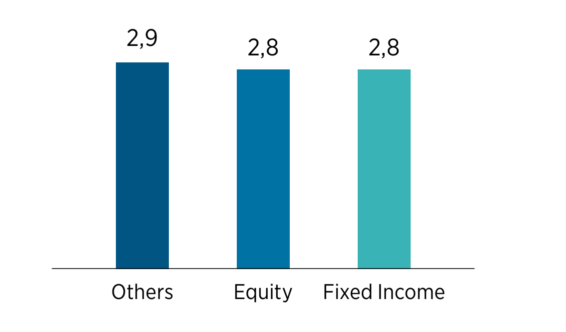
Share of assets for which the carbon temperature indicator is calculated in 2021

Asset Class	Fixed Income (excluding government bonds)	Equity	Others
% of AUM for which the carbon temperature indicator is calculated[57]	77%	99%	26%

57. The scope includes assets under management relating to Amundi group's internal or external product for which the financial management is carried out solely by the asset managers of the Amundi group, excluding JVs as financial companies. This scope excludes the financial managements carried out by the JVs and those that are delegated to external companies.

Temperature scores for Amundi's portfolios average between 2.8° and 2.9°C, broadly in line with those of the two benchmark indexes, these being the MSCI World Index[58] (2.89°C) and the Bloomberg Global Aggregate Corporate Index (2.91°C).

Temperature score by asset class (in °C)



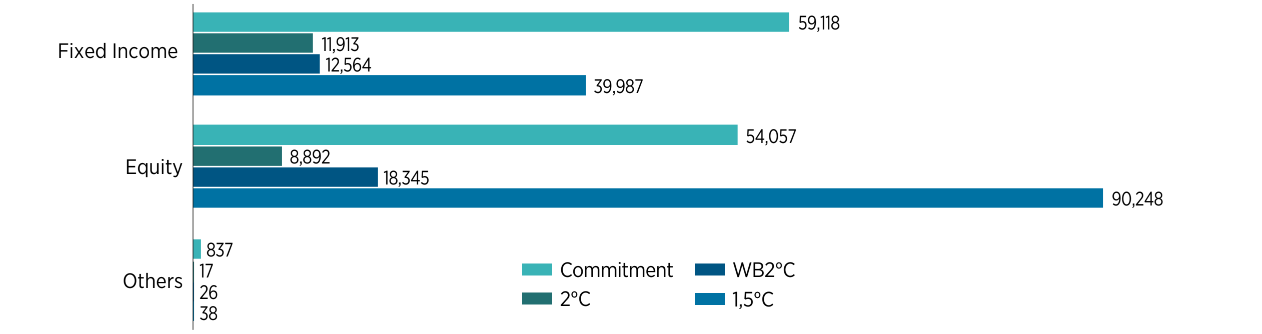
Source: Iceberg Data Lab for Amundi as of 31 December 2021. The "Other" category covers: convertible bonds, foreign exchange, money market, OTC, reference entity, term deposit.

Amundi calculates the alignment of portfolio companies using data from the Science Based Targets (see chart above), by assessing the gap between companies' emissions and those of the benchmark index. Amundi's methodology is based on the Sectoral Decarbonization Approach, a method approved by the SBTi.

Total aligned assets per scenario stand at €114,010 million of assets under management, exclusive of government debt.

AuM by scenario

(€m of assets under management excluding government bonds)



Source: Amundi based on Science-Based Targets data as of 31 December 2021 - Scope covered: assets that are in the perimeter described in footnote n°62 for which data was available in the SBTi database. The "Other" category covers: convertible bonds, foreign exchange, money market, OTC, reference entities and term deposits. The "Commitment" category refers to companies that have made a commitment to the SBTi to set an emissions reduction target within 24 months.

58. https://www.msci.com/World

Measuring the green share of portfolios

To measure the green and brown shares of the investment portfolio – the former being the amount invested in activities that contribute positively to the objectives of the Paris Agreement, while the latter is that deemed to have a negative contribution – Amundi relies on methodologies developed by three data providers: MSCI, FTSE and Trucost. To calculate the green share, the activities of issuers in the portfolio are qualified as either "green" or "brown."[59]

Complementarity of approaches to physical and transition risks

The following table summarises the objectives and metrics identified and used for physical and transition risks:

	Transition risks		Physical risks
	1. Mitigation	2. Contribution	3. Adaptation
Objectives	Continue efforts to limit global warming to less than +1.5°C vs. pre-industrial era	Make financial flows compatible with low GHG emissions trajectory and climate-change resilient development	Increase adaptive capacity to the adverse effects of climate change and promote climate resilience
Related metrics	• Carbon emissions • Energy Transition rating • Exposure to brown activity • Carbon reduction targets	Involvement in green activities	Physical risk exposure score
	Temperature alignment		
	Just Transition		

Exclusion policies as a complementary means of managing transition risks

In all its active management strategies Amundi applies targeted exclusion rules, applicable to companies that fail to comply with its ESG policy or with international and national conventions and frameworks. In addition, Amundi implements sector-specific exclusions specific to the coal and tobacco industries. These exclusions are regularly reviewed.

Thermal Coal Policy

Since 2016, Amundi has maintained and gradually extended a sector policy on thermal coal, resulting in the exclusion of certain companies and issuers. In 2020, Amundi extended this exclusion policy to include any company developing or planning to develop new thermal coal mining capacity.

As regards to actively managed strategies, Amundi currently excludes:

- Companies developing or planning to develop new thermal coal capacity (producers, extractors, power plants, transport infrastructure);
- Companies that receive more than 25% of their revenue from thermal coal mining;
- Companies extracting 100 MT or more of thermal coal, with no intention to reduce;
- All companies whose income from thermal coal mining and/or thermal coal-fired power generation exceeds 50% of total income;
- All coal-fired power generation or coal mining companies with a threshold between 25% and 50% of total revenue and a deteriorated energy transition score.

Amundi is committed to phasing out its investments from coal by 2030 in OECD countries and by 2040 non-OECD countries. In light of this, Amundi has challenged all companies in its portfolios exposed to coal to present a phasing out plan by 2030 / 2040 depending on the location of their activities.

59. Brown share: This criterion covers all thermal coal activities (mining and power generation) as well as oil and gas production or exploration, and fossil-fuel power generation.

As regards to passive management activities, the policy is as follows:

- Passive ESG funds: All ESG ETFs and index funds apply Amundi's thermal coal sector exclusion policy wherever possible (except for highly concentrated indices).
- Non-ESG index funds: As the fiduciary duty in passive management is to replicate an index as closely as possible, the portfolio manager has limited room for manoeuvre and must meet the contractual targets to arrive at a passive exposure fully in line with the assigned benchmark. Therefore, Amundi index funds and ETFs replicating standard (non-ESG) benchmarks cannot apply systematic sector exclusions.

Non-conventional hydrocarbons[60]

Amundi is committed to publishing its exclusion policy for the oil and gas sectors, following the announcement made in December 2021 to divest by end 2022 from companies with more than 30% of their activities from unconventional hydrocarbons[61].

4.1.4. Complementarity of the evaluation methodology retained for climate and other indicators on ESG criteria used more widely in the investment strategy

The complementarity of Amundi's evaluation methodologies is reflected in the table below:

Responsible Finance Indicators		Unit	2021	2020	2019	2018
Total assets under management		€bn	2,061	1,728.8	1,653.4	1,425.1
Responsible Investment	Assets under management	€bn	846.9	378.3	323.5	275.8
	Multi-ESG integration solutions	€bn	812.1	355.9	310.9	267.3
	Dedicated solutions related to environmental and social characteristics	€bn	34,8	21,9	12,3	8,2
	"Finance and Solidarity" Fund	€m	440	331	256	219
ESG analysis	Issuers rated on ESG criteria	Number	13,500	>10,000	>8,000	>5,000
	Number of issuers excluded	Number	833	617	319	214
	Specialists in ESG analysis, voting and quantitative analysis	Number	27	24	20	18
	Issuer engagement actions	Number	1,301	871	-	-
Portfolio Carbon Footprint *(corporates)*	Assets subject to a carbon footprint calculation	€bn	667.3	574.33	545	479.1
	Carbon emissions per million euros of turnover	tCO_2 e	216.8	243.82	254.2	231.3
	Carbon emissions per million euros invested	tCO_2 e	110.2	147.19	149.1	151.4
Calculation of portfolio exposure to thermal coal	Scope of the weighted portfolio exposure calculation	€bn	1,024	0,6702	1,006	-
	Portion of portfolios covered by the calculation of thermal coal exposure	%	0.1	0.07	0.09	-

60. Oil sands, shale oil and shale gas.
61. *Idem*

4.2. Biodiversity

The subject of biodiversity, which is intrinsically linked to climate change, is becoming increasingly featured, not only in the news and in research, but also in economic considerations. The economic implications of degradations to biodiversity or ecosystems and the depletion of finite natural resources constitute a clear risk for the economy and society. Moreover, this topic is especially complex because it is multi-dimensional and difficult to analyse

4.2.1. Strategy for alignment with long-term biodiversity objectives

Biodiversity is one of the themes of Amundi's ESG analysis. It is therefore reflected in our methodology via the Biodiversity & Pollution criterion.

This topic remains a particular focus in Amundi's dialogue with companies. For example, in 2021, Amundi launched a formal engagement campaign centred on biodiversity. In general, companies show a relatively low level of awareness and/or insufficient managerial action in the case of those already addressing the issue. For this reason, Amundi describes this topic as "emerging," which means that the objective of the engagement in year 1 is to establish a baseline for current practices, while identifying existing and emerging best practices. Amundi has engaged with over 67 companies and conducted 56 calls in the course of its engagement on biodiversity.

Despite the many risks associated with biodiversity loss, companies are not addressing their impact quickly enough. The main reason for this lies in the complexity of the subject: biodiversity impacts are not mutually exclusive, reporting is not standardised, and there exists no single metric for assessing biodiversity loss, as there is for climate change. Nor is biodiversity loss uniform. Some species and geographical locations are more vulnerable than others, which means that an approach at the level of physical assets in operation is needed to better prioritise efforts and preserve certain species and regions. And lastly, there is a general lack of analytical and guiding scenarios along the lines of what exists for climate-related issues. It is necessary to develop common measures and trajectories at the global level so that they can be translated into specific targets and thresholds for companies and investors.

This is why participating in collective initiatives makes sense. Building on years of increasing integration of biodiversity in strategic approaches and ESG analysis criteria, Amundi joined the *Finance for Biodiversity Pledge* in May 2021.

This pledge was created in 2020 by financial institutions from around the world and aims to challenge the leadership at major corporations to reverse the loss of natural capital in this decade. Signatories commit to working together, engaging fully, assessing their impact on biodiversity, setting targets and ensuring transparency on biodiversity issues in their own investment and financing activities by 2024. The *Finance for Biodiversity Pledge* has been signed by 98 financial institutions that together represent over €9 trillion in assets and 19 different countries. [62]

4.2.2. Measurement and impact on biodiversity

The metric used to express the biodiversity footprint is the MSAppb* per €bn.[63] This ratio quantifies the impact of companies' activities and their value chain on their environment. The biodiversity footprint of an entity is obtained by dividing the impact value (MSA.ppb*) by the enterprise value, yielding the "MSAppb*/EURb." To allocate the impact of a company to a portfolio, this footprint is multiplied by the total value held in the portfolio.

To quantify the biodiversity impacts of each company, the upstream physical inventories required to conduct its activities are modelled on the basis of regional and sector-specific sales, using the EXIOBASE input-output model. These physical flows generate pressures on biodiversity, which are modelled using the Commotools (raw materials analysis tool) developed by CDC Biodiversité. Finally, the GLOBIO model [64] is used to translate these pressures into impact on different ecosystems, using MSA data percentages.[65]

62. Data as of 13 June 2022.
63. MSAppb* / EURb (BIA, Biodiversity Impacts Analytics - Carbone 4 Finance): aggregates both static and dynamic data from terrestrial and aquatic environments:
 - Static impacts result from the past accumulation of biodiversity losses;
 - Dynamic impacts represent impacts taking place in the year under consideration.
 The MSAppb* relative to enterprise value is equal to the biodiversity footprint of a company, the MSA.ppb*/bEUR.
64. GLOBIO model: developed by a consortium established in 2003 consisting of PBL, UNEP GRID-Arendal and UNEP-WCMC. The model was designed to calculate the impact of environmental pressures on biodiversity in the past, present and future. It is based on pressure-impact relationships from the scientific literature. GLOBIO does not use species data as input to produce its results. Instead, spatial data on different environmental pressures are mobilised and an impact on biodiversity is estimated. These pressures are mainly derived from the Integrated Model to Assess the Global Environment (IMAGE).
65. MSA (GLOBIO): *Mean Species Abundance* is an indicator that displays the percentage of local biodiversity integrity.

The output is impact expressed in MSA.km^2,[66] the surface equivalent of MSA and a key metric in the GBS model. These impacts are divided into four "compartments" according to the biome (terrestrial, aquatic, freshwater) and the temporality of the impact (static, dynamic). To arrive at an aggregate metric, the MSA.km^2 undergoes a double standardisation:

- A normalisation of the difference between land area (~130 million km^2) and freshwater area (~10 million km^2), resulting in a MSAppb - MSA.km^2 translated into parts-per-billion and expressed as the surface fraction of their respective biome;
- A normalisation of the differential between static (initial state vs. the present) and dynamic (produced over the year of analysis) impacts, at the end of which the MSAppb* is obtained — a metric that integrates the static impact into the footprint of the year under analysis by amortising it over the time required to reconstitute the biodiversity on the surface in question (aka "time integrated").

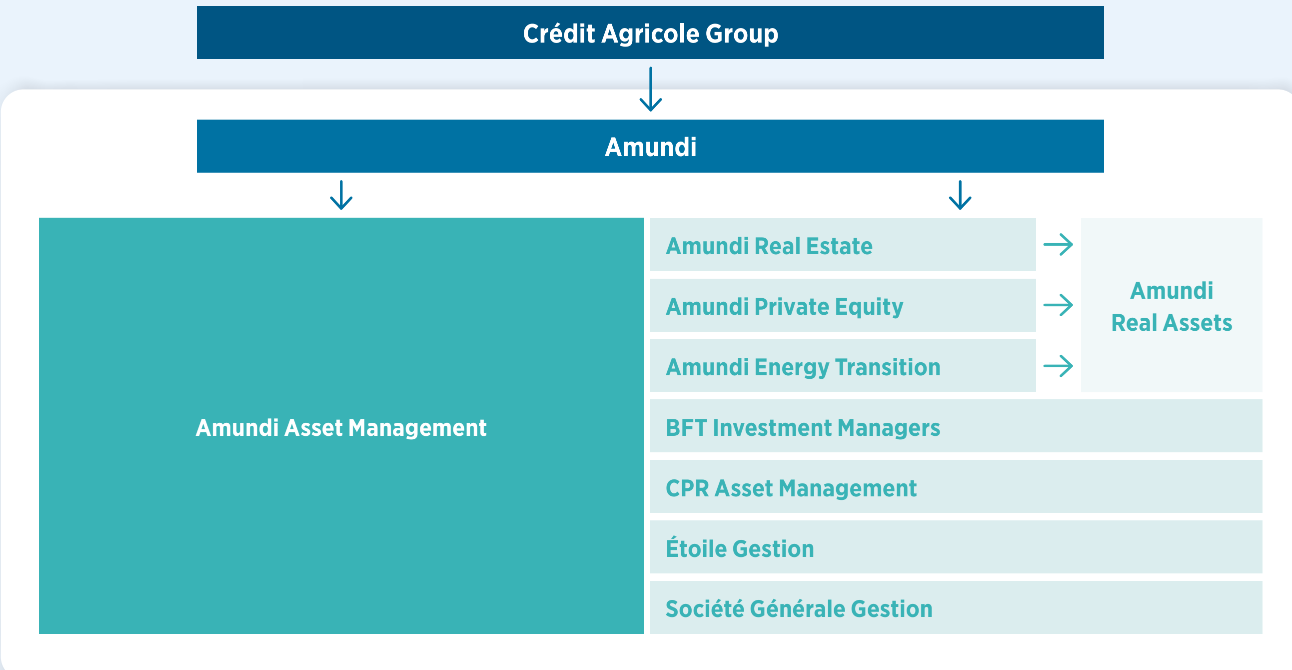
This double standardisation creates an indicator that takes into account multiple dimensions of the impact a company's activities has on biodiversity.

66. MSA.km^2 (GBS): surface version of MSA%. A loss of 1 MSA.m2 is equivalent to the artificialisation of 1m2 of a pristine natural ecosystem.

Methodological note

A General scope of the report

The scope of this report covers Amundi's constituent entities as described below:



Entity	Corresponding report sections
Amundi AM	1.1.1, 1.1.2, 1.1.3, 1.2.1, 1.2.2, 2.1.1, 2.1.2, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.3.1, 2.3.2, 2.4.1, 2.4.2, 2.2.6, 3.1.1, 3.1.2, 3.1.3, 3.2.1, 3.2.2, 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2
Amundi Real Assets	2.2.1, 2.2.2, 2.2.4, 2.2.5, 2.3.1, 3.1.1, 3.2.1, 3.2.2, 4.1.3
CPR AM	2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.3.1, 2.4.1, 2.5, 3.1.1, 3.1.2, 3.1.3, 3.2.1, 3.2.2, 4.1.2, 4.1.3
BFT IM	2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.3.1, 3.1.1, 3.1.2, 3.1.3, 3.2.1, 3.2.2, 4.1.2, 4.1.3
Étoile Gestion	2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.3.1, 3.1.1, 3.1.2, 3.1.3, 3.2.1, 3.2.2, 4.1.2, 4.1.3
Société Générale Gestion	2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.3.1, 3.1.1, 3.1.2, 3.1.3, 3.2.1, 3.2.2, 4.1.2, 4.1.3

B Methodology and scope for calculating the carbon footprint of portfolios under management

Amundi has chosen Trucost to provide carbon-emissions data (expressed in tonnes of CO_2) for private and public issuers.

For private issuers, these data cover Scopes 1 and 2 and part of Scope 3 corresponding to indirect emissions from first-tier suppliers ("Scope 3 upstream first tier"). Data received are integrated into Amundi's information system and assigned to an issuer. In the case of companies for which we have not received a value from Trucost, data are completed by assigning it the data of its parent company where available.

For public issuers, the relevant data concern national emissions (on its territory) and emissions resulting from international trade (imported emissions - exported emissions).

Calculating a carbon footprint for a portfolio consists, firstly, in calculating the value of stocks in the portfolio for which ratings are feasible. This excludes unrated and non-rated securities (government securities, derivatives, shares in mutual funds, etc.) and then, in a second step, determining the total value of rated assets under management, i.e., those for which we have Trucost data.

Carbon emissions per million euros invested for private issuers

This indicator is used to quantify the carbon emissions induced by investments in the portfolio. It is calculated according to the formula below:

$$\text{Portfolio emissions}\left(\frac{tCO_2e}{\text{€m invested}}\right) = \frac{\sum \text{Emissions of portfolio company } (tCO_2e)}{\text{AuM of portfolio being rated (€m)}}$$

Where:

Company's emissions in the portfolio (tCO2e) = Share of ownership (%) × Company's emissions (tCO_2e)

And:

$$\text{Share of ownership (\%)} = \frac{\text{Total invested in the company (equity or debt) (in €m)}}{\text{Enterprise Value (equity + debt) (in €m)}}$$

Carbon emissions per million euros invested for sovereign issuers

This indicator is used to quantify the carbon emissions induced by the investment in the portfolio. It is calculated according to the formula below:

$$\text{Portfolio emissions}\left(\frac{tCO_2e}{\text{€m invested}}\right) = \frac{\sum \text{Emissions of portfolio company } (tCO_2e)}{\text{AuM of portfolio being rated (€m)}}$$

Where:

Company's emissions in the portfolio = Share of ownership (%) × Country emissions (tCO_2e)

And:

$$\text{Share of ownership (\%)} = \frac{\text{Total invested in the country (in €m)}}{\text{Public debt of the company (in €m)}}$$

Carbon emissions per million euros of turnover for private issuers

This indicator is used to quantify the carbon intensity of the value chain for issuers within the portfolio. It is equal to the weighted sum of the carbon footprints of the stocks in the portfolio, i.e.:

$$\text{Portfolio emissions}\left(\frac{tCO_2e}{/€\text{m turnover}}\right) = \sum \text{relative weight of company as \% of rated universe in portfolio x } \frac{\text{Company emissions }(tCO_2e)}{\text{Company turnover (in €m)}}$$

C Methodology and scope for calculating the carbon exposure of portfolios under management

Based on Trucost data, Amundi identifies issuers with thermal coal activity (power generation, extraction).

In the absence of company data in the Trucost files, a rate of 0% is assigned to companies not identified as coal-related (notably based on their sector) or the percentage declared by the company is assigned (public report, website or direct information).

Two indicators are calculated, the methodology for which is detailed below:

Weighted exposure of portfolios in billions of euros

For each of the identified issuers, its coal exposure (i.e., the percentage of turnover in coal activities) is multiplied by the amount invested in the company under consideration:

$$\sum \text{Company exposure (in €) x (\% weighting of coal in Company turnover)}$$

Share of portfolios exposed to thermal coal as a percentage

The weighted exposure of the portfolios is related to the total amount of the Amundi Group's investments in order to calculate the share of the portfolios exposed to thermal coal:

$$\frac{\sum \text{Company exposure (in €) x (\% weighting of coal in Company turnover)}}{\text{Total value of Amundi Group's investments}}$$

Table of correspondences with the provisions of Decree No. 2021-663 of 27 May 2021 in application of Article L. 533-22-1 of the Monetary and Financial Code

Theme of Article 29 of the Energy and Climate Law	Required information	Corresponding section of the report
1° Information on the entity's general approach	1°a)	2.1.1. Assessment of the previous plan (2018-2021) 2.1.2. Presentation of the new 2022-2025 plan 2.2.5. Implementation of dedicated solutions
	1°b)	2.4.1. Presentation of ESG-related communication with policyholders 2.4.2. Actions undertaken to raise awareness
	1°c)	2.2.1. Integrating ESG into the investment strategy
	1°d)	2.2.1. Integrating ESG into the investment strategy
	1°e)	2.2.6. Advancing efforts at the national, European and international levels
2° Information on the internal resources deployed by the entity	2°a)	2.3.1. Resources dedicated to the implementation of the strategy
	2°b)	2.3.2. Actions carried out to strengthen the entity's internal capabilities 2.4.2. Awareness-raising actions carried out
3° Information relating to the approach to taking into account Environmental, Social and Governance (ESG) criteria at the level of the entity's governance	3°a)	1.1.1. General framework 1.1.2. Oversight of ESG issues by the Board of Directors 1.1.3. Management's role and expertise in addressing ESG issues
	3°b)	1.2.2. Remuneration
	3°c).	1.2.1. Consideration for ESG issues in the internal rules of the Board of Directors
4° Information on the issuer engagement strategy and its implementation	4°a)	2.2.1. Integrating ESG into the investment strategy
	4°b)	2.2.4 Integration of ESG and climate issues in Amundi's voting policies
	4°c)	2.2.1. Integrating ESG into the investment strategy
	4°d)	2.2.4 Integration of ESG and climate issues in Amundi's voting policies
	4°e)	2.2.2. Exclusion policy 2.2.3. Integration and management of ESG and climate issues within Amundi's engagement strategy
6° Information on the strategy to align with the international objectives of limiting global warming as set out in the Paris Agreement, in accordance with Article 4(2)(d) of the SFDR	6°a)	4.1.1. Amundi's 2022-2025 climate strategy: challenges and impacts
	6°b)	4.1.2. Process for identifying and assessing physical and transition risks 3.1.1. ESG rating methodology for private issuers of listed shares or debt 3.1.2. ESG rating methodology for sovereign issuers 3.2. Integration of ESG risks into risk management processes
	6°c)	4.1.3. Measuring portfolio alignment against scenarios and targets: indicators and tools
	6°d)	4.1.3. Measuring portfolio alignment against scenarios and targets: indicators and tools
	6e)	4.1.2. Process for identifying and assessing physical and transition risks. 1.3. Measuring portfolio alignment against scenarios and targets: indicators and tools
	6°f)	4.1.1. Amundi's 2022-2025 climate strategy: issues and impacts 2.2.2. Exclusion policy 2.2.3. Integration and management of ESG and climate issues within Amundi's engagement strategy
	6°g)	4.1.2. Process for identifying and assessing physical and transitional risks
	6°h)	4.1.2. Process for identifying and assessing physical and transitional risks

Theme of Article 29 of the Energy and Climate Law	Required information	Corresponding section of the report
7° Information on the strategy for alignment with long-term biodiversity objectives	7°a)	4.2.1. Strategy for alignment with long-term biodiversity objectives
	7°b)	
	7°c)	4.2.2. Measurement and impact on biodiversity
8° Information on the steps taken to take into account environmental, social and governance criteria in risk management	8°a)	3.1.1. ESG rating methodology for private issuers of listed shares or debt 3.1.2. ESG rating methodology for sovereign issuers 3.2. Integrating ESG risks in risk management processes

Table of correspondences with the TCFD recommendations

Themes	TCFD recommendations	Corresponding section of the report
Governance Describe the organisation's governance of climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe the role of management in assessing and managing climate-related risks and opportunities.	1. Dedicated governance for responsible investment
Strategy Describe the existing and potential impacts of climate-related risks and opportunities on the organisation's activities, strategy and financial planning, to the extent that the information is relevant.	a) Describe the climate-related risks and opportunities that the organisation has identified for the short, medium and long term. b) Describe the impacts of climate-related risks and opportunities on the organisation's activities, strategy and financial planning. c) Describe the resilience of the organisation's strategy taking into account different climate scenarios, including at least a 2°C scenario.	2. Taking action as a responsible investor 4. Focus on Amundi's climate change and biodiversity strategy
Risk management Describe how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's risk management.	3. Identification and management of ESG risks 4. Focus on Amundi's climate change and biodiversity strategy
Indicators & targets Describe the indicators and targets used to assess and manage climate-related risks and opportunities, to the extent that the information is relevant.	a) Describe the indicators used by the organisation to assess climate-related risks and opportunities in relation to its strategy and risk management process. b) Publish Scope 1, Scope 2 and, where relevant, Scope 3 greenhouse gas (GHG) emissions and associated risks. c) Describe the objectives used by the organisation to manage climate-related risks and opportunities, and its performance against the objectives.	3.1. ESG risk identification and assessment process 4.1.1. Amundi's "Say on climate" initiative 4.1.2. Amundi's 2022-2025 climate action plan: challenges and impacts 4.1.3. Physical and transition risk identification and assessment process, indicators and results 4.1.4. Complementarity between the assessment methodology used for climate and other indicators on ESG criteria used more widely in the investment strategy

Annex of products classified as Article 8 and Article 9

The full list of open-ended funds is available on the Amundi website at the following link.

The list of dedicated and discretionary funds is available on request.

Amundi Asset Management, a « Société par Actions Simplifiée » SAS (French Simplified share company). Portfolio management company approved by the AMF (French securities regulator) under no. GP 04000036 - Registered office: 91-93 boulevard Pasteur, 75015 Paris – France – Siren number: 437 574 452 RCS Paris.

Amundi Immobilier, a Société Anonyme (public limited company) - Portfolio management company approved by the AMF (French securities regulator) under no. GP 07000033 - Code APE: 6630Z - Registered office: 91-93 boulevard Pasteur, 75015 Paris - Siren number: 315 429 837 RCS Paris

Amundi Private Equity Funds - Société Anonyme (public limited company). Portfolio management company approved by the AMF (French securities regulator) under no. GP 99 015 - Code APE : 6630Z - Registered office: 91-93 boulevard Pasteur, 75015 Paris – France – Siren number: 422 333 575 RCS PARIS

Amundi Transition Énergétique - Société par actions simplifiée - Siret: 80475114700021 - VAT identification number: FR83804751147 – Code APE: 6420Z - Registered office: 91-93 boulevard Pasteur, 75015 Paris – France – Siren number: 804751147 RCS Nanterre.

CPR Asset Management, a Société anonyme (public limited company) with share capital of 53 445 705 euros, Portfolio management company approved by the AMF (French securities regulator) under no. GP 01-056 - Registered office: 91-93 boulevard Pasteur, 75015 Paris – France – Siren number: 399 392 141 RCS Paris.

BFT Investment Managers, a Société anonyme (public limited company) with share capital of 1 600 000 euros, Portfolio management company approved by the AMF (French securities regulator) under no. GP 98026 - Registered office: 90 boulevard Pasteur, 75015 Paris – France – Siren number: 334 316 965 RCS Paris.

Étoile Gestion, a Société anonyme (public limited company) with share capital of 29 000 010 euros, Portfolio management company approved by the AMF (French securities regulator) under no GP 97002 - Registered office: 91-93 boulevard Pasteur, 75015 Paris – France – Siren number: 784 393 688 RCS Paris.

Société Générale Gestion, a Société anonyme (public limited company) with share capital of 567 034 094 euros, Portfolio management company approved by the AMF (French securities regulator) under no. GP 09000020 - Registered office: 90 boulevard Pasteur, 75015 Paris – France – Siren number: 491 910 691 RCS Paris.

Composition : Atelier Art6 - Photos : ©Delporte / © IStockPhotos / Unsplash : coralie-meurice, jeremy-bishop, jon-tyson, mariana-proenca, mikael-kristenson.

Amundi
ASSET MANAGEMENT