

Promotional communication for all audiences

**FOOD FOR generations**  
**annual impact**  
**report 2022**



## CPR Invest — Food For Generations

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



**1.7** €bn

assets under management



**-15%**

Reduction of the portfolio's carbon intensity vs. its investment universe



**157**

engagements conducted



**64.6%**

Percentage of the portfolio with SBT-certified objectives



**2.5x**

Reduction of the portfolio's water intensity vs. its universe



**97%**

participation at general meetings

Source: CPRAM and Amundi, data as end of December 2022. More details and definitions on page 18.

The investment universe consists of companies doing business throughout the agro-food chain and is established prior to the implementation of our responsible investment approach.

Carbon data are supplied by Trucost and water intensity by Thomson Reuters for Refinitiv. SBT data are available at: <https://sciencebasedtargets.org/companies-taking-action>.



**STÉPHANE SOUSSAN,**  
Thematic Equity Portfolio Manager  
CPRAM

**2022** was marked by a number of crises that caused a steep rise in food prices, which had already been high since the start of the Covid-19 crisis<sup>1</sup>.

While farming is undeniably one of the main causes of global warming, with its heavy contribution to greenhouse gas emissions, it is also one of its victims and is paying a heavy toll for it<sup>2</sup>. Each year brings a new batch of record temperatures, leading to droughts and water shortages. Meanwhile, other extreme climate events are becoming increasingly frequent and more violent, in some cases wiping out harvests completely. 2022 was no exception, with a heat dome in Canada, Hurricane Ian in Florida, intense hailstorms in France, flooding in China and spectacular wildfires worldwide.

But the main event of 2022 was Russia's invasion of Ukraine in late February. Wheat was wielded as a new geopolitical weapon, just like oil and natural gas. This conflict at the gates of Europe led to across-the-board inflation that had a heavy impact on the entire agro-food chain, from higher food prices to hyperinflation in packaging material, to a spike in energy and transport costs.

In such circumstances, assisting all actors throughout the agro-food chain is therefore essential but must come with strong commitments from businesses, including the addressing of environmental challenges. Accordingly, since the launch of Food For Generations in 2017, carbon and water intensity have been added to the fund's targeted returns as additional objectives. Moreover, preservation of natural capital is one of Amundi's six priority engagement themes, with which we are associated. Agro-food is targeted in particular, given its impact on biodiversity, oceans and the pressures exerted on natural resources.

In this third annual impact report of CPR Invest - Food For Generations, we invite you to find out more about the responsible approach that has been implemented and concrete illustrations of the results achieved through this approach, as well as our engagements with companies.

1. The FAO index of food prices is a measure of the monthly change in international prices of a basket of basic foods (grains, dairy produce, vegetal oils, meat and sugar). <https://www.fao.org/worldfoodsituation/foodpricesindex/fr/>

2. <https://www.unep.org/news-and-stories/press-release/our-global-food-system-primary-driver-biodiversity-loss>

The Encore Tool identified Consumer Staples as having "very high materiality rating" for terrestrial ecosystem use, water use, freshwater ecosystem use, marine Ecosystem use and "high materiality rating" for GHG emissions, non-GHG air pollutants, water pollutants, soil pollutants, solid waste, and other disturbances

# From thematic investment to impact investment

## Rethinking a philosophy

As a pioneer of thematic investment and with currently almost 20 billion euros in assets under management<sup>4</sup>, CPRAM is among the main European players in this asset class. **As far back as 2017, newly launched strategies had integrated a responsible approach in addressing the major challenges of our century**, whether demographic, social, technological or climatic. These strategies were the CPR Invest sub-funds: Food For Generations in 2017, Education and Climate Action in 2018, and Social Impact (for reducing inequalities) in 2019. Since then, **CPRAM has constantly structured itself around responsible investment and has innovated in adjusting its strategies** and methodologies as data, investor awareness and the market's maturity as a whole have improved.

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

## Reference frameworks and painstaking research

To date, CPRAM regards **four major strategies as impact investments**: Food For Generations, Education, Social Impact, and the Climate range. Together, they account for 5 billion euros in assets under management<sup>4</sup>.

The funds' investment philosophies are enshrined in **benchmark frameworks such as the Paris Agreement and the UN Sustainable Development Goals (SDGs)**. Their management processes meet market standards, such as those set by the Global Impact Investing Network (GIIN<sup>5</sup>), whose main features deal with the intention to contribute to, or generate, a positive social or environmental impact, to manage impact performance and to provide evidence of the impact of investments.

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

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

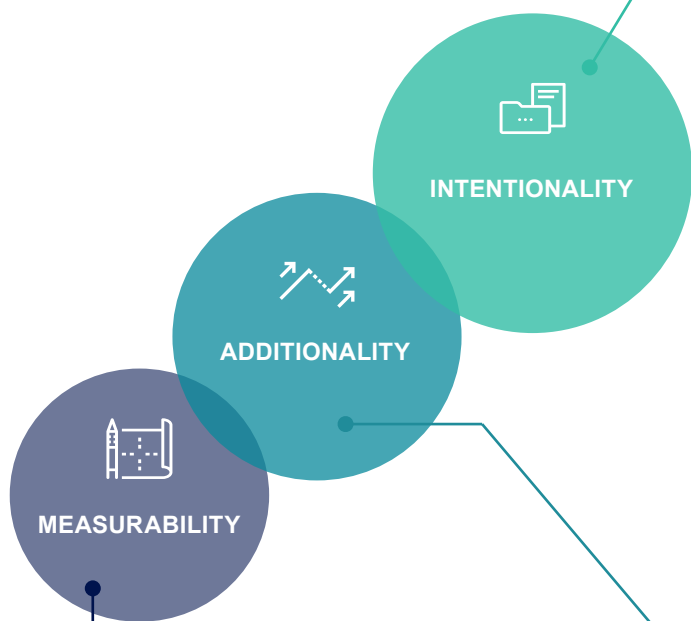
To meet its 2025 ESG ambitions, Amundi has set a goal of 20 billion euros of AuM in impact investment by widening its offering of solutions<sup>6</sup>. CPRAM currently accounts for almost one quarter of this objective, and adheres fully to the Group's ambitions. Our experts take active part in projects currently being conducted to reach this objective together.

4- Data as end of December 2022, source CPRAM

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

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

# The three pillars of impact investing by Amundi and CPRAM



## INTENTIONALITY Impact thesis

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

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



## MEASURABILITY impact measurement & reporting

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

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



## ADDITIONALITY Commitments that go beyond

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

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



# Governance that encompasses all business lines

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

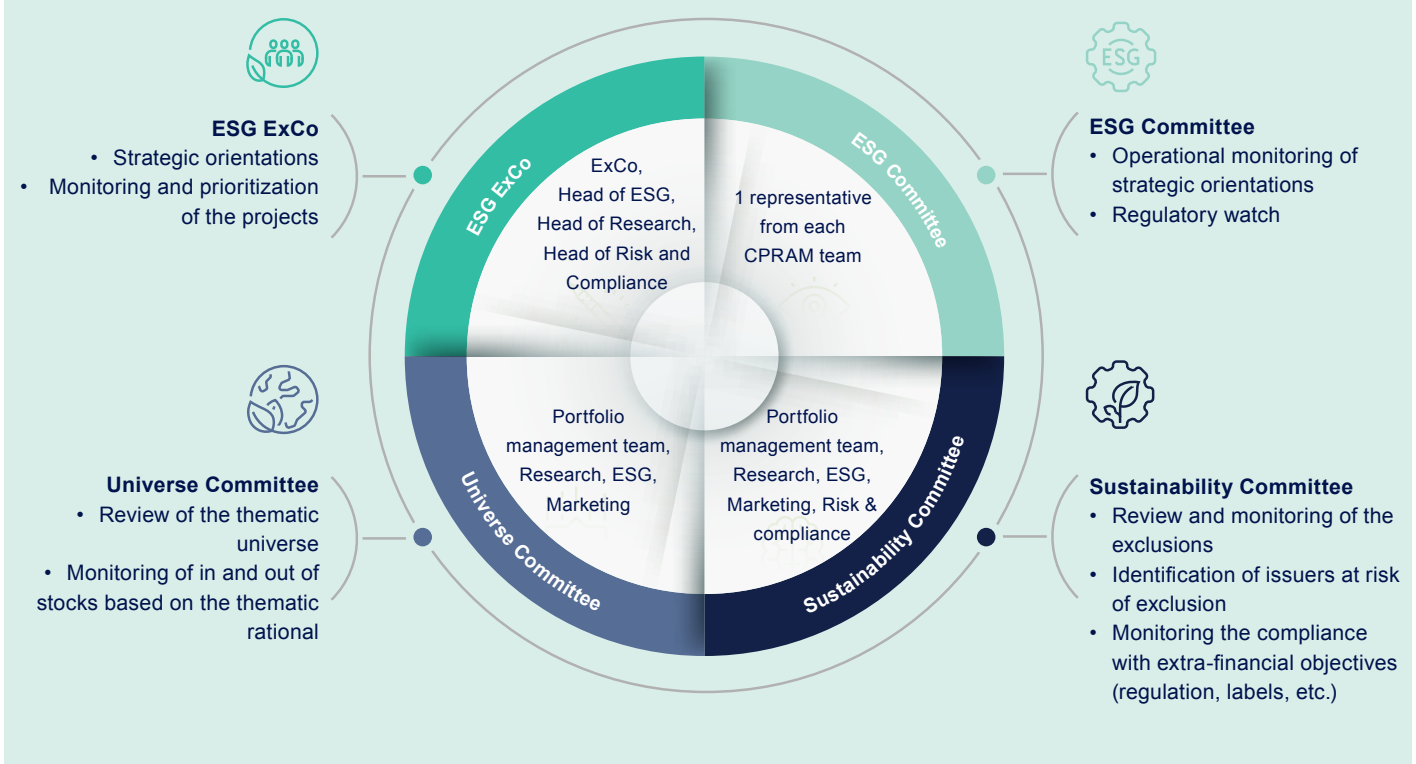
While the three-person Responsible Investment team coordinates projects and monitors compliance with, and consistency of, decisions, all CPRAM teams are made aware of, and are involved in, the implementation of the responsible investment policy.

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

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

In 2022, **CPRAM also expanded its research team to six financial and extra-financial analysts**. They can fall back on the Group's tools and resources and contribute to implementing Amundi's engagement policy while addressing the specific challenges of our impact range. The first engagement initiatives are being conducted in 2023.

## CPRAM's independent governance bodies



# 100% certified impact range

There currently exists no impact investment certification label on the market. CPRAM has nonetheless conducted an exacting SRI certification process since 2019. It has been gradual and targeted, in order to address clients' wishes for readability and transparency. Currently, almost 20 billion euros in assets under management have been certified, or one third of total AuM<sup>4</sup>. The Climate range, Food For Generations and Social Impact have been awarded the official French ISR [SRI] label. Education, Food For Generations and Social Impact have obtained the Belgian Towards Sustainability label.

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

## Training for all: a prerequisite

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

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

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

## Key figures of the impact range



**4** themes

2 social &  
2 environmental



**€5** billions

of AUM<sup>4</sup>



**100%**

certified impact range<sup>4</sup>

# Investing in the AGRO-FOOD CHAIN

## Our approach

CPR Invest – Food For Generations aims to address the challenge of balanced nutrition that exists in sufficient quantities, while protecting the planet from the impact of a fast-growing population. Through its investments, the fund seeks to support developments and adaptations necessary for businesses in the entire agro-food ecosystem. This investment solution is part of the 2nd United Nations “zero hunger” Sustainable Development Goal.

To accomplish this, the fund's universe is global, including emerging market economies, and encompasses companies working throughout the agro-food chain, from farm to table. We have classified them into three pillars, from upstream to downstream – production, processing and food distribution.



### Production

- Farm producers, distributors and processors
- Livestock
- Farm machinery and fertiliser
- Water-management processing, equipment and infrastructures
- Forestry



### Processing

- Fresh and processed food preparation
- Production of prepared dishes
- Water and beverages (excluding alcohol)
- Packaging



### Food distribution

- Brick & mortar food stores
- Agro-food chain technologies
- Traditional food preparation and catering
- Online reservation platforms

After defining our thematic investment universe, we then incorporate our sustainable approach at each stage. First of all, the worst ESG practices are filtered out of the thematic universe both on an average basis and using a set of criteria deemed the most material with regards to thematic challenges, including Biodiversity, Pollution & Waste, Nutritional Value, Water Management, Forestry Management, and Supply-Chain Management. This stage is based on data from Amundi's extra-financial research teams.

Next comes monitoring of controversies based on research data provided by three external providers. If a company is determined to be lacking at one level at least – i.e., on its overall, ESG or controversy score – it cannot be included in the portfolio. If it is already in the portfolio, it is excluded from it within no more than 45 days. The eligible universe is reviewed monthly under the supervision of a dedicated committee.

And, third, in constructing the portfolio and monitoring it on a daily basis, the management team's monitoring, enhancing and transparency practices are based on three impact indicators:

- Enhancing the portfolio's **water and carbon intensities** in comparison with the levels of its thematic investment universe;
- Maintaining a **high waste-recycling rate**.

Prior to approving any share buying or selling transaction, the managers measure the impact that such a transaction may have on all three indicators and thus ensure that the objective is achieved at all times.





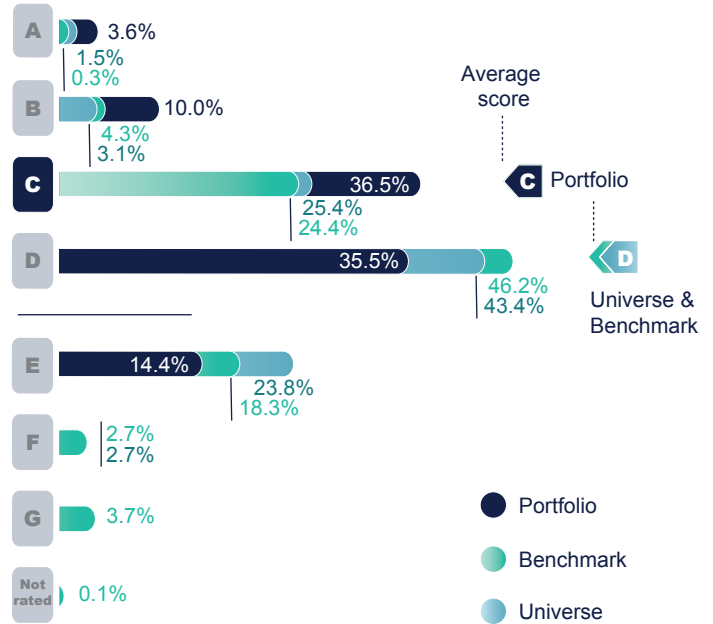
**"the destructive power of the climate crisis has been turbocharged by the COVID-19 pandemic and increased conflicts."**

**UN Secretary-General, ANTÓNIO GUTERRES**

The ESG profile of CPR Invest - Food For Generations reflects the portfolio managers' sustainable approach while excluding the worst practices. Moreover, companies chosen are among their sector's top performers, with half of the portfolio rated between A and C, vs. just 30% for the universe<sup>3</sup> and, incidentally, 29% for the MSCI World<sup>4</sup>.

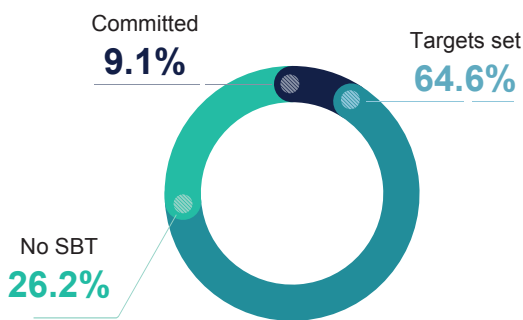
For information purposes, the portfolio features a very robust engagement profile with companies on a trajectory of alignment with the Paris Agreement. Almost three quarters of the portfolio is under an SBTi approach, and 65% of has even been certified for its objectives. The managers' selection approach tends to prefer companies committed to an SBT approach, whereas 58% of companies in the universe have not yet made such a commitment. The portfolio does not currently have an improvement target for this indicator.

### Breakdown by ESG rating

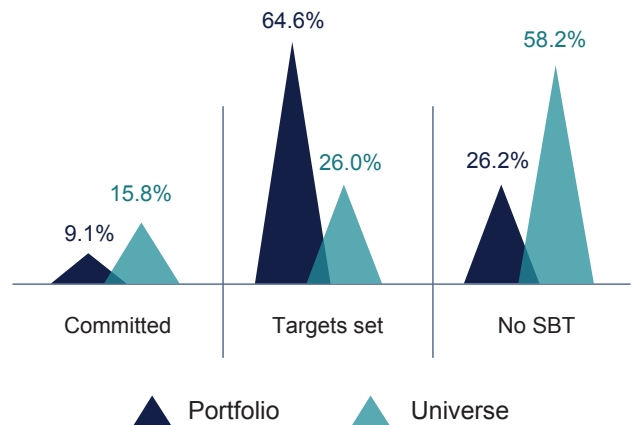


### Breakdown by SBT commitment

#### Portfolio



#### Portfolio vs universe



3. The investment universe consists of companies doing business throughout the agro-food chain prior to the implementation of our responsible investment approach.

4. The MSCI World is a benchmark index used on an ex-post basis to assess the subfund's performance and calculate returns without constraining portfolio construction.



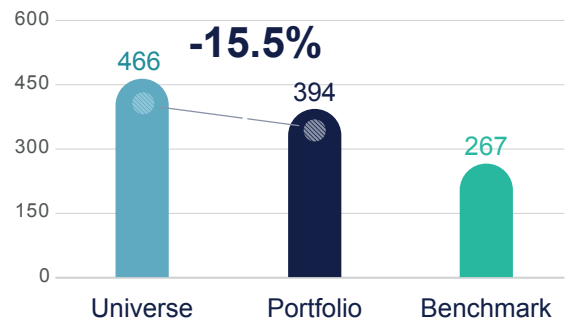
# IMPACT metrics monitoring



## Carbon intensity

At the end of December 2022, the portfolio has **15% lower carbon intensity** than its thematic universe but does have higher carbon intensity than the MSCI World index. This is due to the **intrinsic characteristics of the agro-food chain**. Over the past year, Food For Generations has reduced its carbon intensity by 13.8%. The share of companies with validated SBT targets should enable this momentum to continue in absolute terms. The ten main contributors to carbon intensity account for 61% of total carbon intensity and are in the Consumer Non-Cyclicals or Materials sectors. Only one of these companies is among the portfolio's ten main positions.

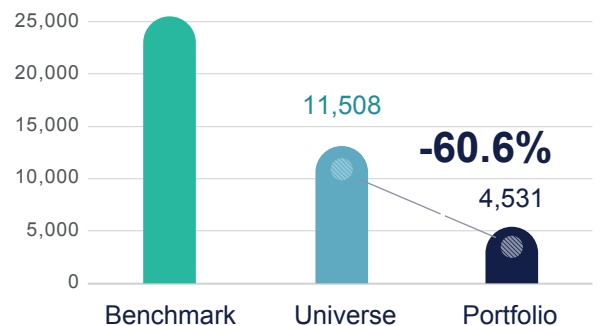
Carbon intensity  
(in tonnes of CO<sub>2</sub> equivalent)



## Water intensity

The fund has a **far lower water intensity** than its benchmark or universe. Moreover, coverage of this datapoint is higher for the portfolio, at more than 73% vs 60% for the universe. It measures average water use in m3 per unit of company revenues (i.e., millions of euros of company revenues). This is an indicator of water intensity generated by portfolio companies.

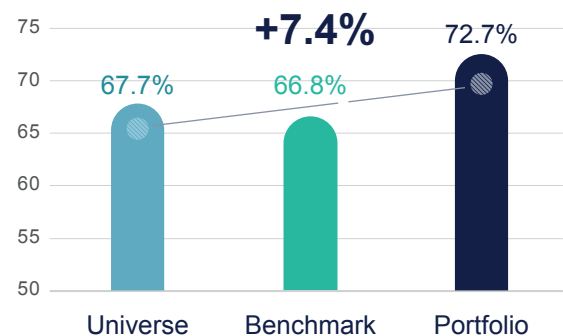
Water intensity  
(in thousands of m<sup>3</sup> per million of revenues)



## Waste recycling ratio

The fund has a **waste-recycling ratio** of 72.7%. It is 7.4%, or 5 percentage points better than its thematic universe. Moreover, coverage of this datapoint is far higher for the portfolio, at 63% vs 45% for the universe.

Waste recycling ratio (in %)



Data as of 31 December 2022. Past performances are not a reliable indicator of future performances. To find out more about the funds' characteristics, please refer to the Key Investor Information Document (KIID) available on our website at [www.cpram.com](http://www.cpram.com), or on request from CPRAM. Carbon data are provided by Trucost. SBT data are available at <https://sciencebasedtargets.org/companies-taking-action>. See page 18 for more details.

# Associated British Foods

Associated British Foods (ABF) is a food group offering a vast array of food staples and ingredients in an internationally known brand portfolio.

ABF operates in five areas that are at the heart of the Food For Generations investment thematic:

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

- Groceries, including products such as flour, rice, tea (e.g., Twinings), breakfast cereals, (Jordans), sauces (Pataks), etc.;
- Production of sugar and sugar-derived products, with businesses in Spain, the UK, Africa and China;
- The animal feed supply chain (livestock, aquaculture, horses and domestic pets);
- Production of ingredients for baked goods, such as yeast and mixes for both industrial and craft bakers.

ABF must face many challenges in its various businesses, including water use, mainly for its sugar-growing business, greenhouse gas emissions, its products' nutritional profile, and the circular economy.

As these challenges are its priority engagement channels, analysts interact regularly with the company to obtain details on their strategies and objectives on various challenges, as well as greater transparency by publishing impact indicators.

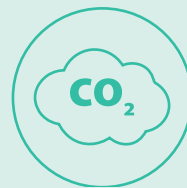
**Associated  
British Foods**  
plc

This example aims to illustrate the investment universe. Source: <https://www.abf.co.uk/investors>



## 796

million m<sup>3</sup> of water drawn mainly by the AB Sugar division



## -30%

objective of reducing scopes 1+2 scopes 1 and 2 carbon emissions by 2030 (base: 2018)

Committed to the SBTi initiatives (objectives not yet certified)

# CHINA MENGNIU DAIRY

Mengniu is the world's seventh-largest dairy group and the leader in China<sup>5</sup>. It supplies liquid milk (78% of its sales), powdered milk, yogurts, cheese and ice cream. Mengniu owns about 40 production facilities in China and three production hubs elsewhere (in New Zealand, Australia and Indonesia). Its annual output capacity is more than 12 million tonnes and addresses the needs of more than 2 billion consumers worldwide.

Mengniu has undertaken ambitious environmental initiatives to reduce the pressure it exerts on natural resources. It does so by implementing strategies in three themes – “dual-carbon action”, “green operation” and “recycle” – which address management of greenhouse gas emissions, water use, waste management and packaging.

As of end-2022, Mengniu was guiding livestock cooperatives in replacing their coal-fired boilers, adopting water conservation measures, and implementing clean-energy projects, with the goal of reducing CO<sub>2</sub> emissions by about 180,000 tonnes. In addition, Mengniu has installed more than 14.6 MW in solar photovoltaic capacity, or an 8.96% increase vs. 2021.

5. Global Dairy Top 20, published by Rabobank in August 2022

This example aims to illustrate the investment universe. Source: Mengniu Sustainability Report 2022, <https://api.aconnect.com.hk/Attachment/103573>

As for green operations, Mengniu invested more than RMB 200 million in ecological and environmental protection in 2022. It completed 21 key environmental protection renovation projects and monitored emissions at its 38 water-treatment plants in order to bring its wastewater up to pollution standards. Mengniu reduced its fresh water consumption per unit produced by 1.54% vs. 2021 and its annual water savings came to 859,700 tonnes.

In recycling, Mengniu has set a 100% sustainable packaging target by 2025 and aims to become the industry leader in low-carbon packaging for its entire product range.



好品质 绿生活



# engagement: an essential PILLAR OF OUR IMPACT APPROACH

CPRAM plays an integral part of Amundi's responsible investment policy, one of whose essential pillars is engagement.

With the purpose of promoting the transition to a sustainable and low-carbon economy, Amundi engages with issuers around **six main themes**:

- The transition towards a low-carbon economy;
- Preserving natural capital (protection of ecosystems and combatting the depletion of biodiversity);
- Social cohesion through protection of direct and indirect employees and promotion of human rights;
- Customer, product and societal responsibility;
- Solid governance practices promoting sustainable development;
- Engagement promoting increased exercising of voting rights and enhanced corporate governance.

It does so by constantly engaging with companies and by voting at general meetings. In recent years, Amundi has doubled the size of its ESG, Voting and Corporate Governance Research team, which has allowed it to expand considerably its engagement initiatives with companies. **More than 5,400 engagement initiatives were conducted in 2022, with 2,115 unique issuers** engaged with last year, up from 1,364 in 2021 and 878 in 2020.

During the 2022 voting season, Amundi took active part in 10,208 general meetings, hence a 99% participation rate, voting on 107,297 resolutions. Amundi supported 87% of climate-rated resolutions and 81% of those dealing with human and social rights. On the whole, Amundi voted against 21% of management-sponsored resolutions and voted against at least one of these resolutions at 69% of general meetings.

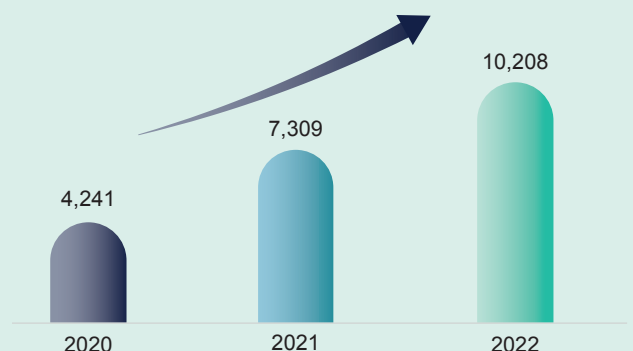
**At the level of CPRAM, that amounts to 21,933 resolutions passed at 1,476 companies and 1,728 general meetings.**

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

## 6 main areas of engagement



**+141%** of participation in General Meetings in 3 years



# Fund statistics

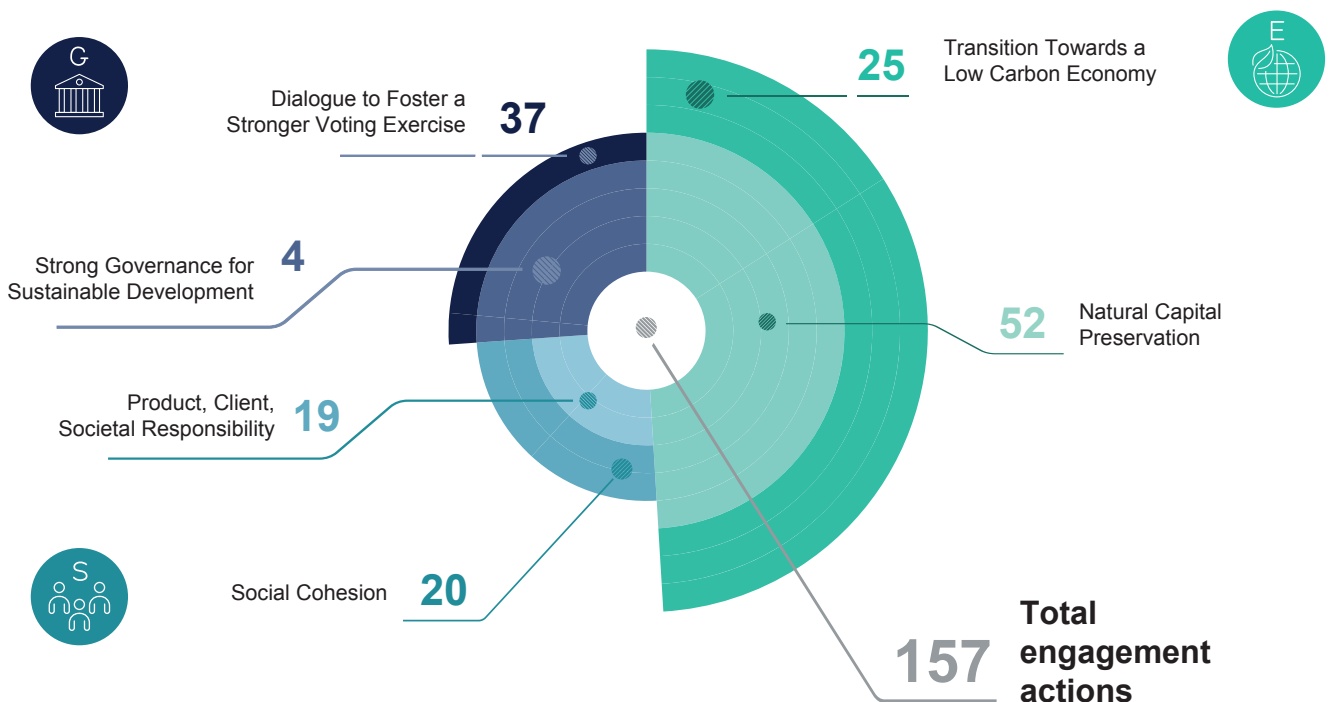
In 2022, the Food For Generations fund took active part in 97% of general meetings, voting on a total of 1,038 resolutions. Amundi voted “no” at least once at 81% of general meetings.

157 engagement actions were conducted with Food For Generations portfolio companies. A least one engagement action conducted at 43 companies.

The food value chain alone encompasses many issues: greenhouse gas emissions, water (consumption & pollution), waste.... In 2022, the analysts focused in particular on the SBT initiative (11 companies involved), biodiversity (9), water consumption and use of resources (4), plastics (3), the circular economy (3) and the living wage (3).



## Breakdown by engagement area



Sources: Amundi and CPRAM as of December 2022

# ADDRESSING BIODIVERSITY LOSS IN FOOD & FOOD retail

The rapid rate of biodiversity loss that we are currently observing poses significant risks for society and in turn for the corporates we invest in, via risks to food security, human health, and the severity of physical events. To accelerate action, Amundi launched in 2021 an engagement campaign on biodiversity with an initial pool included 56 companies across 8 sectors and 18 countries. In 2022, Amundi expanded the engagement pool to 92 issuers. The objectives of the campaign are dual: raise awareness of the growing topic of biodiversity loss to accelerate corporate action and, identify current industry best practice and disseminate these recommendations to corporates. Food-based sectors (food, food retail, restaurants & catering) account for almost 20% of the panel.

The global food sector is often cited as one of the primary sectors driving biodiversity loss globally<sup>6</sup>. While the sector heavily exacerbates biodiversity loss<sup>7</sup>, it is also heavily dependent on biodiversity and faces significant associated risks. The impacts to biodiversity are often indirect, primarily through the sourcing of raw materials, making the topic difficult to manage and measure in part due to the sheer scale of global supply chains.

Overall, most companies in our study were in the early days of addressing the topic of biodiversity as a specific strategic topic, with some companies having almost no awareness of the subject altogether. However, they did demonstrate some awareness and action through commodity specific strategies (i.e. coffee, cattle, palm oil, etc.) or specific impact drivers (such as deforestation, climate change, and packaging). Consequently, biodiversity at the board level is often addressed through these other issues, but not as a specific strategic topic that requires board oversight. The one exception was for European companies who performed better, likely due to existing pressure from regulation.

We therefore recommend that top management be trained in this area to raise awareness. Moreover, at the management teams' level, we recommend that this subject



be integrated into the strategic priorities, and that experts be hired to define a coherent strategy in order to integrate risks and opportunities in the new business-model of the company.

Risks need to be better defined, assessed and better taken into account by companies. Besides, opportunities must be promoted by companies who have a role to play in educating consumers so that they change the eating habit consumptions (more vegetables, less meat, etc.).

The food sector also needs to keep collaborating in order to develop a tool or a KPI that would allow to assess the biodiversity score of a product or of a company.

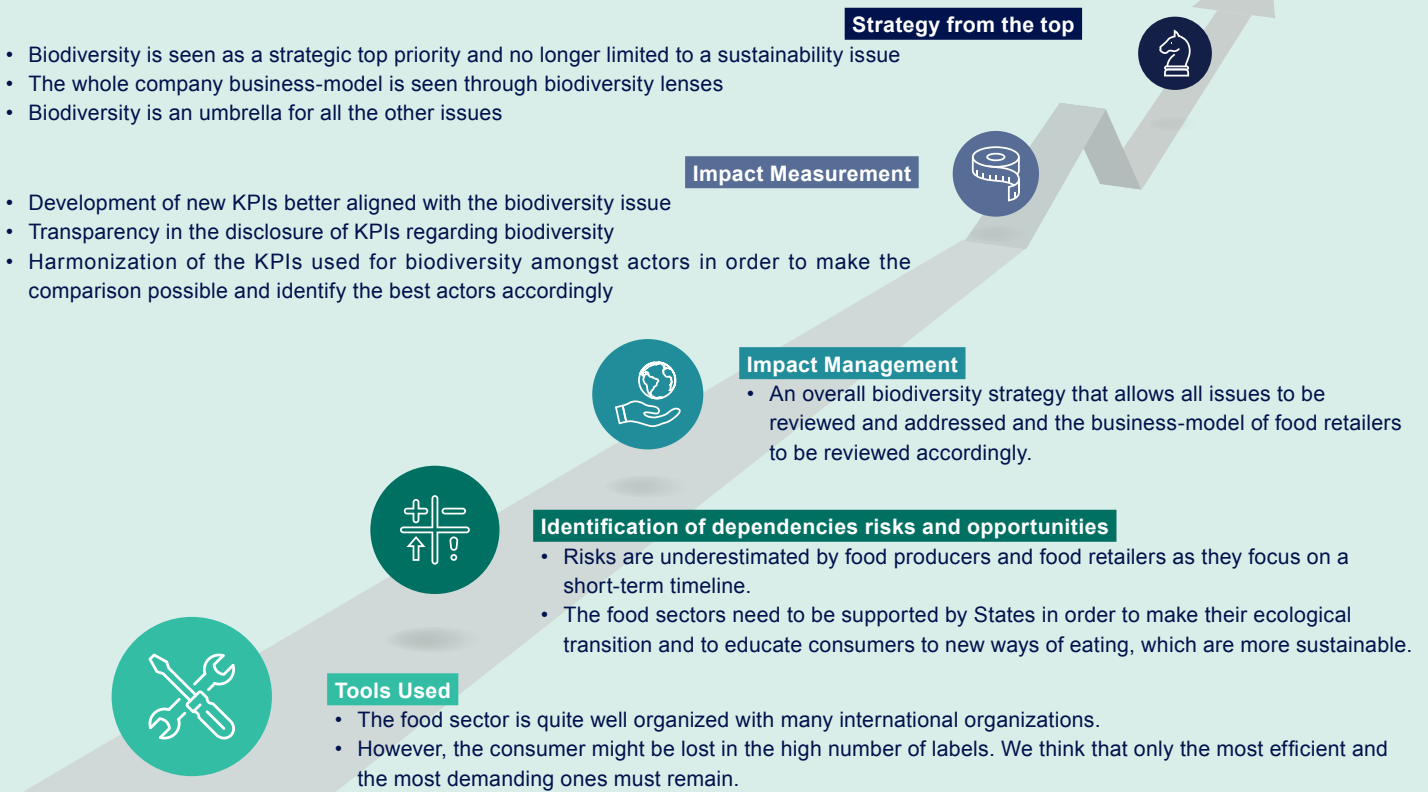
6. <https://www.unep.org/news-and-stories/press-release/our-global-food-system-primary-driver-biodiversity-loss>

7. The Encore Tool identified Consumer Staples as having “very high materiality rating” for terrestrial ecosystem use, water use, freshwater ecosystem use, marine Ecosystem use and “high materiality rating” for GHG emissions, non-GHG air pollutants, water pollutants, soil pollutants, solid waste, and other disturbances. Sources: Amundi Engagement Report 2022, Thematic Paper Biodiversity: It’s Time to Protect Our Only Home - N°4 Addressing Biodiversity in Food-based Sectors | Amundi Research Center.





# Amundi's Recommendations for the Food and Food Retail Sectors



## CASE STUDY WITH CARREFOUR

### Interview with LORNA LUCET, ESG Analyst, Food Retail

**1** What was one company in your engagement study that you want to highlight? What are they doing on biodiversity currently?

Food retailers have a lot to do in terms of biodiversity as issues are increasing. Carrefour started working on biodiversity-related issues years ago, such as commodities at risks (cocoa, coffee, beef, palm oil, etc.). If the company has not yet issued a very structured strategy on biodiversity, it has addressed some of the issues with structured and specific policies, action plans and KPIs that are followed yearly. This is a first good step.

**2** What was particularly interesting about Carrefour?

The company is well aware of the progress that needs to be done, especially a structured strategy on biodiversity. The company is trying to have a pragmatic way of doing it by addressing the main issues, hiring experts, collaborating

with peers and other stakeholders to better assess risks and opportunities to then build a coherent strategy. Besides, the company has been implementing for a few years a CSR and food transition score on four thematics - sustainable supply chain, shopping activities and logistics, client satisfaction and employee commitment – that is integrated into the top managers' remuneration. If this kind of index needs to be more focused on biodiversity, it helps into the integration of CSR issues into the business strategy.

**3** Any recommendations for improved practices?

The company needs to identify all the facets of the biodiversity issue in order to better assess them and then to address them. We think that it is time for biodiversity to be seen as an issue per se and not only through other issues. Consequently, a biodiversity strategy needs to be written and to integrate top business priorities. However, we think the company is going in the right direction as a member of many working-groups, in particular on how to find KPIs to better assess the impact of its activities on biodiversity.

Page 18:

Datas CPRAM and Amundi, as of December 2022

Carbon emissions data are supplied by Trucost. It shows companies' annual emissions, expressed in tonnes of CO<sub>2</sub> equivalent, i.e. it covers the six greenhouse gases listed in the Kyoto Protocol and converts the global warming potential (GWP) for each one into an equivalent amount of CO<sub>2</sub>.

**Definition of the scopes:**

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

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

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

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

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

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

**The water intensity and waste recycling data are provided by Reuters for Refinitiv.**

The water intensity measures the portfolio's average withdrawal in cubic meters per unit of a company's revenue (in million euros).

The waste recycling metric measures the ratio of waste recycled by the portfolio's companies over their total produced waste.

SBT data are available at: <https://sciencebasedtargets.org/companies-taking-action>.

**SBT:**

The Science Based Targets (SBTi) initiative is a joint project of CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the WWF. It aims to encourage companies to set objectives (also called targets) for reducing their greenhouse gas (GHG) emissions, based on their business sectors and consistent with scientific recommendations.

The objective is to promote strategies aligned with the level of decarbonisation required to contain the increase of global temperatures. SBTi has developed a methodology to assess a company's climate alignment on the basis of its GHG-emissions targets. The criteria it uses are scopes 1 and 2, including all Greenhouse Gas Protocol emissions, an objective targeted and achieved during a period between five and 15 years and a floor objective consistent with scientific data, to maintain an average global temperature increase of less than 2°C compared to pre-industrial levels, with the IPCC's highly recommended objective being 1.5°C.

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

This promotional non-contractual information is intended to be distributed to the general public and does not constitute investment advice, a recommendation, or a contractual offering. This publication is not intended for use by residents or citizens of the United States or by “U.S. Persons” as defined by the Securities and Exchange Commission’s Regulation S in accordance with the U.S. Securities Act of 1933.

Past performance is not a guarantee or a reliable indicator for current or future performance. Investment involves risk. For full details please refer to the fund prospectus available in the website [www.cpram.com](http://www.cpram.com).

The information provided is believed to be accurate as of 30 June 2023. The information and analysis contained herein are based on sources that CPRAM believes to be reliable. However, CPRAM cannot guarantee that all information is accurate or complete or up to date at all times. It may be amended, removed or supplemented without prior announcement. That information is necessarily partial and incomplete and shall not be considered as having any contractual value. All or part of this publication may not be copied or distributed to third parties without CPRAM’s prior consent.

CPR Asset Management, limited company with a capital of €53 445 705 - Portfolio management company authorised by the AMF n° GP 01-056 – 91, 93 boulevard Pasteur, 75015 Paris - France – 399 392 141 RCS Paris.

---

Report finalised in June 2023

Design & conception : Karine Matteotti - Marketing CPRAM

Photos : Shutterstock®, iStock.com

---

cpram.com  
in cpr-asset-management  
X @cpr\_am

CPR Asset Management, société de gestion de portefeuilles approved by the AMF (Autorité des Marchés Financiers 17, place de la Bourse, 75082 Paris) under n°GP 01-056 as of December 21, 2001.

Société Anonyme with a share capital of euros 53 445 705

399 392 141 RCS Paris – N° TVA: FR37399392141

91-93, boulevard Pasteur – 75730 Paris – Cedex 15 – Tel: 01 53 15 70 00

**CPRam**

**Amundi**  
ASSET MANAGEMENT

