Promotional communication for all audiences

SOCIAL IMPACT
ANNUAL IMPACT REPORT 2022

KEY FIGURES 2022

CPR Invest — Social Impact

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

128.1 X

CEO pay ratio in the portfolio[1] vs 242.9x for the index

47.2%

Companies in portfolio offering more than 20 hours of training on average per employee, compared with 29.2% for the index

35.7%

Companies in portfolio with more than 30% of women in their executive committee[2]

272

engagements conducted

99%

Participation at general meetings

432 €M

asset under management

1- The CEO pay ratio measures gaps in remuneration between managers and the average salaries of other employees within the same company. This ratio is the extra-financial indicator mentioned in the fund's legal documentation. 2- Source: Refinitiv.
Source: CPRAM, data as end of December 2022. Index: MSCI ACWI
At the time of its investment, the management company can only take note of the impact achieved in the past and communicated by the company itself when it publishes its annual report or any other communication support. This data is updated at least once a year.
The real impact data is not yet standardised. They are based solely on the declarations made by companies and are therefore not audited by a third party.

Foreword

YASMINE DE BRAY,
Thematic Equity Portfolio Manager CPRAM

The two major challenges of our century – reducing greenhouse gases and reducing social inequalities are closely intertwined.

One illustration is Russia's invasion of Ukraine, which triggered a major energy crisis in Europe. On the one hand, this crisis pushed the European Commission and its member-states to organise their energy sovereignty and to accelerate their investments in renewable energies. On the other hand, Europeans faced an immediate surge in their electricity and gas bills and, a little later, in consumer prices and interest on their debt. Across-the-board inflation and interest rate hikes to rein it in have hit both the most vulnerable persons and the middle classes. Governments are in the forefront in putting forth measures that will limit the blow to households, with, at times, different measures targeted to different categories of persons. While not stepping in for governments, companies have a major role to play in managing this type of crisis – by maintaining employment, by integrating young persons into the workforce, by sharing wealth, by adhering to responsible tax practices, etc.

Since work began on the methodology of an "inequalities" rating for companies and governments and the launch of Social Impact in 2019, events have constantly reminded us of what is at stake. In shifting its investments towards companies with the most virtuous social and societal practices, the fund has provided investors with a solution for accounting for their inequalities risks and for attenuating them through their investments.

Social cohesion is one of the Amundi group's major areas of engagement. A fair contribution to public finances, equitable wage scales, combatting discrimination, and respect for human rights are a few examples of avenues for dialogue and engagement with companies.

In this annual impact report of CPR Invest – Social Impact, we urge you to find out more about the responsible approach the fund has implemented and the results it has achieved with it, as well as some real-world illustrations of our investments and engagement initiatives with companies.

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, 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 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.

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 (Climate Action, Climate Action Euro and Climate Bonds Euro). Together, they account for 5 billion euros in assets under management[3].

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)[4], 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.

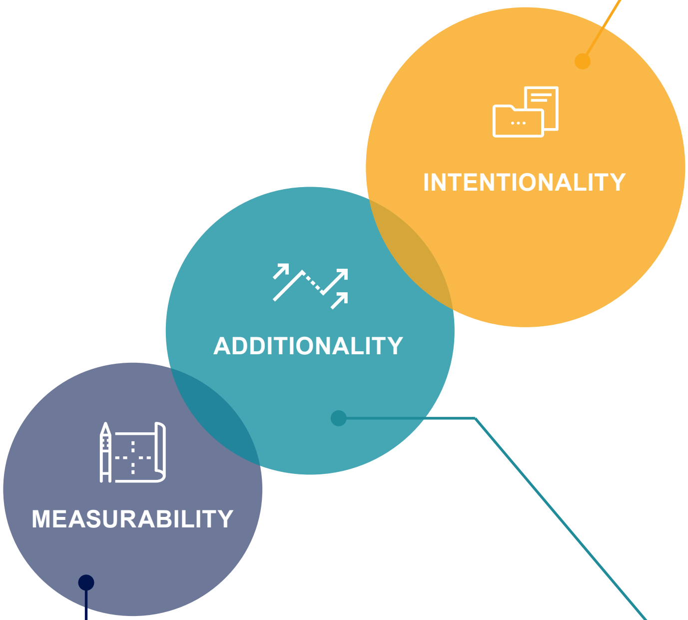
In 2021, Amundi developed a **proprietary classification methodology** to ensure that the most stringent standards are met before a fund is classified as an impact investment. The assessment is conducted by Amundi's ESG team, using a three-part questionnaire based on the impact investing benchmark pillars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

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[5]. 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.

3- Data as end of December 2022, source CPRAM
4- https://thegiin.org/
5- 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 specific governance instance

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. Climate Action, 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 figure of the impact range

4 themes

2 social &
2 environmental

€5 billions

of AUM[4]

100%

certified impact range[4]

Invest in Fair Growth

Since being launched in 2019, CPR Invest-Social Impact has strived to select those companies with the best growth prospects within a universe consisting of companies featuring the best social practices in helping to reduce inequalities.

To do so, the management team relies on a proprietary ratings methodology for companies and governments.

A complete and transparent approach to inequalities

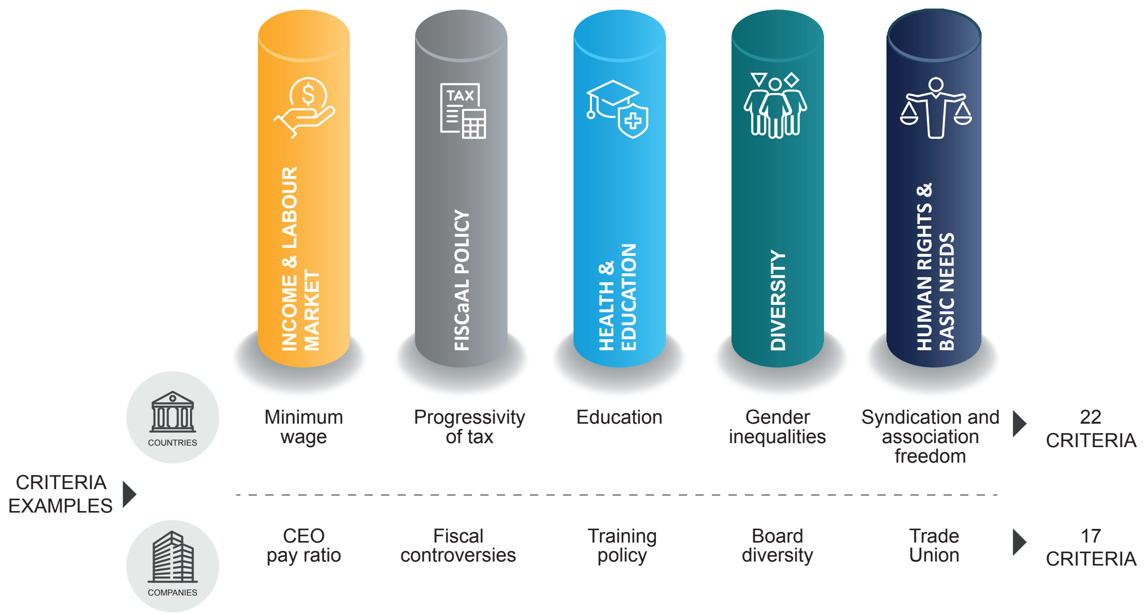
We believe that social inequalities are generated and regenerated by the combination of several factors. They must therefore be measured holistically and not just in terms of income discrepancies. Our evaluation methodology is therefore based on a complete and transparent approach to inequalities around five pillars that are transposable to the private sector and to governments: labour & income, taxes, education & healthcare, diversity and human rights.

Our analysis is currently based on 39 evaluation criteria – 22 for governments and 17 for companies – regrouped around these five pillars. The goal is to grasp both the challenges of reducing inequalities on the whole, and to measure and anticipate the related financial risks to investments.

A robust data-collection process

The quality of the datapoint (availability, reliability, etc.) is one of the major challenges currently facing our industry. It is one of our key concerns in the methodology for producing the rating. Our ratings are global, within the scope of the MSCI ACWI, the benchmark index of the equity markets, including both developed and emerging countries. As of the end of 2022, this encompassed a little more than 2,900 companies and 47 countries, including 23 developed countries and 24 emerging ones. We nonetheless excluded from our survey those countries and companies that, for regulatory reasons, we cannot evaluate (e.g., Iran).

The five pillars for assessing companies and governments



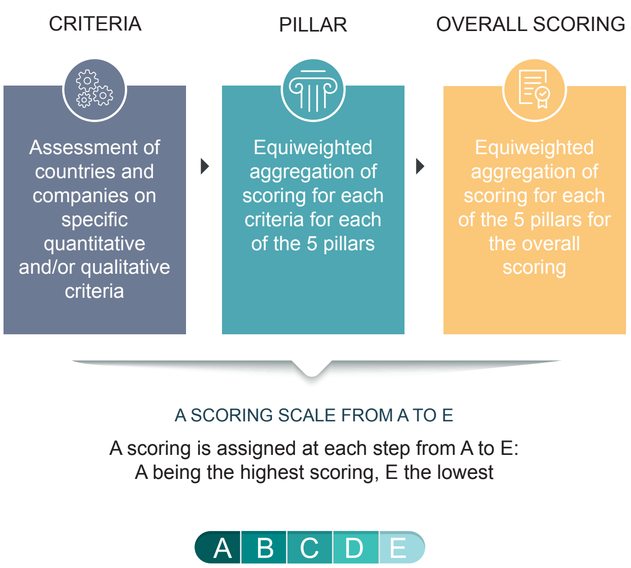
6- Source MSCI, more informations www.msci.com

To compile data on companies, we rely both on our normal providers of financial and extra-financial data, including data from Amundi's ESG Research team. For the CEO pay ratio, which measures gaps in compensation between managers and other employees within the same company, we have retrieved data directly from official sources in the US, Germany and the UK, as disclosure of such information is mandatory for companies listed in those countries. We supplemented our coverage with the backing of brokers for the rest of the universe and penalised companies that do not disclose this indicator.

For countries, we rely exclusively on public sources, such as the United Nations or the World Economic Forum.

Three levels of ratings

Scoring is done in three stages on a scale ranging from A to E, with A corresponding to the highest rating and E, the lowest. The scores assigned for each criterion are weighted equally to obtain ratings for each pillar, which are then, in turn, weighted equally to obtain final ratings. Each criterion and pillar accordingly has the same weight in the final rating. Lack of transparency by companies is penalised at the level of each criterion. As source data are disclosed once each year, the ratings are reviewed annually.



Stringent construction of the universe

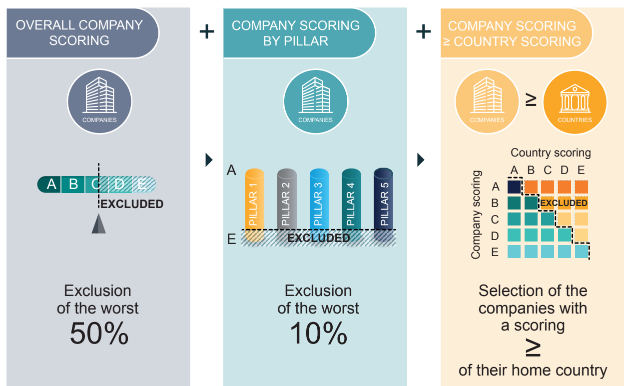
CPR Invest – Social Impact's thematic universe is defined quantitatively on the basis of this evaluation.

To be included in the universe, a company must have an above-average final "inequalities" score and not be in the lowest decile in each pillar. Moreover, it must comply with, or improved on, the practices of its home country (where it is headquartered) by obtaining a rating equal to, or higher than, that country's rating. This universe comprises around 1,200 companies.

Then comes our ESG approach. In addition to a filter for controversies (three external providers), companies are excluded if they have the worst ESG scores (based on Amundi's analysis) in both its overall rating, its S component, and in all social criteria.

The eligible universe resulting from these stages thus consists of about 1,100 companies. It is reviewed on a monthly basis.

The thematic universe definition based on our inequality scoring



In 2021, Social Impact was awarded the official French ISR France label and the Belgian Towards Sustainability [7] label.

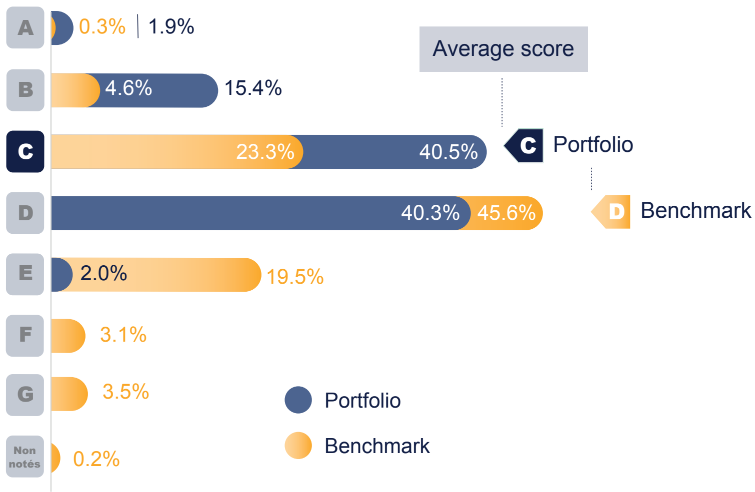
7- More informations: https://www.lelabelisr.fr/ and www.towardssustainability.be

Analysis of extra-financial results

The quality of the datapoint is one of your key concerns in evaluating companies on their social practices and defining an investment universe that is in accordance with the fund's philosophy. At the portfolio level, we also monitor several indicators, in order to ensure that CPR Invest – Social Impact has a more virtuous profile than the global average, as measured by the MSCI ACWI[8].

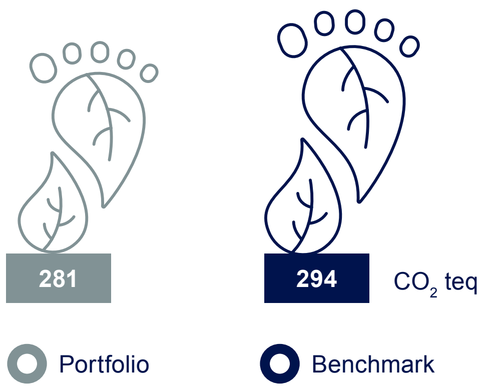
Decomposition of ESG rating

All in all, the portfolio's breakdown by ESG score shows how relevant and robust our methodology is in defining the "inequalities" thematic universe, combined with our ESG universe. Our findings show that companies whose practices are evaluated at E, S and G on the whole are, on the whole, below average are excluded from investments. 57.7% of portfolio investments thus have some of the best ESG ratings (A, B or C), vs. just 28.1% for the index.



Carbon intensity

The fund's thematic focuses on social challenges, but we felt it is essential to master potential negative externalities, such as the carbon emissions linked to our investments. Carbon intensity[9] is also one of the indicators to track in the fund's ISR France certification process. Social Impact has a carbon intensity of 281 tonnes of CO_2 equivalent, which is 4.4% better than the index.



8- The fund is managed actively and is not bound to this index, which is used solely on an ex post basis.
9- Source: Trucost, data as end of December 2022.

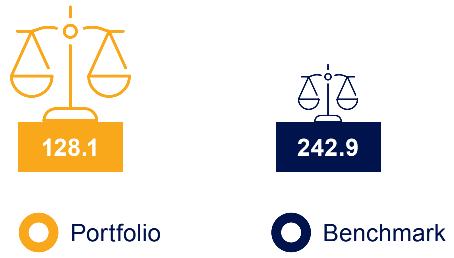
The "labour & income" pillar

The CEO pay ratio[10] is a key metric of inequalities at companies and is a factor in reinforcing the feeling of a widening of inequalities. We maintained our efforts to compile data in cooperation with brokers on this indicator, in order to keep the portfolio's coverage rate high, i.e., 97%.

The CEO pay ratio – i.e., the gap in compensation between managers and other employees – is far lower at companies in the portfolio. Managers earn on average 128.1 times their employees average wage, which is half as much as the benchmark ratio.

Keep in mind that the benchmark's average CEO pay ratio was measured without Amazon, Apple or Alphabet (Google), as they would completely skew the average, due to their very high market caps.

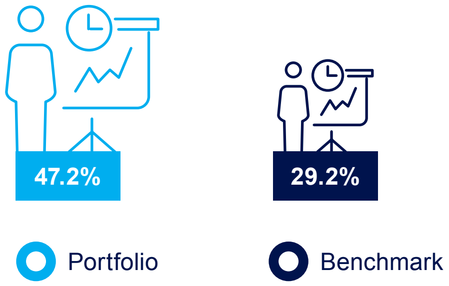
CEO pay ratio



The "education & healthcare" pillar

47.2% of portfolio companies offer more than 20 hours of training on average per employee. It is far higher than the benchmark's with 29.2%.

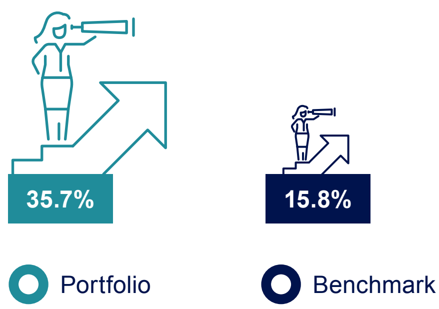
Share of companies in the portfolio offering more than 20 hours of training



The "diversity" pillar

35.7% of portfolio companies' executive committee membership consists of more than 30% of women[11], vs. just 15.8% for companies in the benchmark index. Likewise, the percentage of companies more than 30% of whose managers are women, is far higher in the portfolio, at 44.3% vs. 24.2% for the index.

Share of companies in the portfolio with more than 30% of women in their executive committee



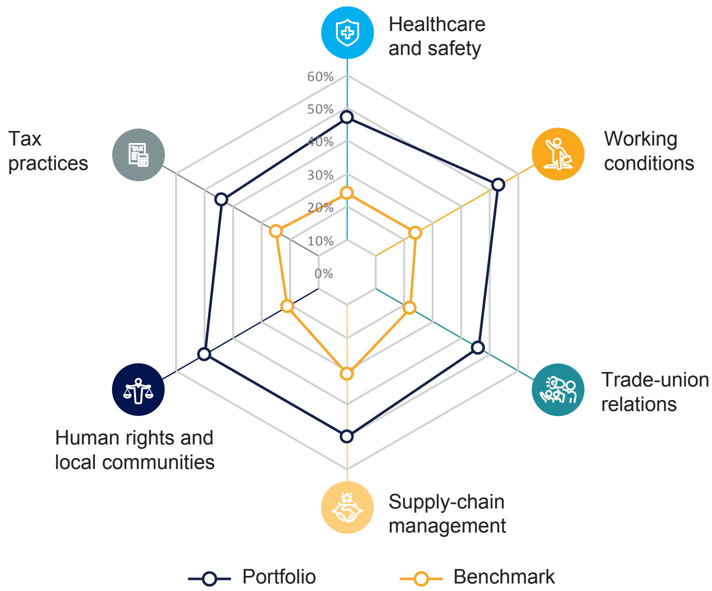
10- Official sources such as SEC (USA), IMU (UK) and HPC (Germany) and support of brokers
11- Source: Refinitiv, data as end of December 2022.

Analysis of criteria used in our ESG methodology

In our analysis of companies, we base ourselves on a selection of social and governance criteria from the Amundi's ESG evaluation methodology. Companies are assessed on the basis of a best-in-class approach on a rating scale of A to G, (with A representing the best practices).

For both the portfolio and the benchmark, this chart summarises and compares the percentage of investments having the top ratings (i.e., A, B or C) in a selection of five criteria. These criteria were chosen because they are the most relevant to the challenge of reducing inequalities and apply to all sectors.

Share of companies rated A, B or C on a selection of social and governance criteria



Evaluation elements by criterion (non-exhaustive)

Tax practices	Healthcare and safety	Working conditions	Trade-union relations	Human rights and local communities
Level of transparency, estimated gap between taxes actually paid and what should be paid in the jurisdiction concerned, controversies pertaining to tax practices.	Installation of hygiene and safety procedures to prevent work-related accidents and illnesses, while ensuring that employees are aware of, and comply with, said procedures.	Conditions for sustainable development of employment, and guarantees of employees' career development to match future employment needs.	Respect for, and promotion of, trade-union freedom and the right to collective bargaining. Existence of employee-representative bodies at the company with no interference or discrimination.	Implementing of practices and policies to guarantee the respect for basic human rights (prohibition of forced labour and child labour, combatting discrimination, etc.).

CASE STUDIES

ASML

An illustration of good practices

ASML has assumed world leadership in the production of lithography equipment for the semiconductor industry. The Dutch group supplies the world's main chipmakers with the capacity for mass production of silicon motifs, helping to make chips smaller, faster and more environmentally sound.

ASML is in the top 5% on our inequality score on average for the five pillars. It leads on all pillars with the exception of diversity and labour & income, where it is in the middle of the rankings. This makes ASML a good reference in terms of practices contributing to the reduction of inequalities.

In 2022, ASML joined the Tax Governance Code, which is meant to promote greater transparency by listed Dutch companies. It paid 1.7 billion euros in taxes in 2022, half of which in the Netherlands for an effective tax rate of 15.0%. As of the end of 2022, the company had more than 37,000 employees of 143 nationalities. It recruited more than 7,000 persons in 2022, 24% of whom were women.

ASML continually strives to recruit and train women in a sector dominated by men. Its employee engagement rate is 78%.

ASML has created intensive STEM educational programmes to boost interest in technology among young people and to expand the pool of talent in regions where it operates. It raises awareness of career prospects in a sector offering many opportunities for development. STEM skills (sciences, technologies, engineering and mathematics) are deemed key for helping children realise their potential, particularly in underprivileged communities. Meanwhile ASML works with associations to narrow the digital divide among the elderly. In 2022, it supported a total of 221 educational projects in the Netherlands, the US and Asia) in the amount of 900,000 euros.

This example aims to illustrate the investment universe. Source: CPRAM et https://www.asml.com/en

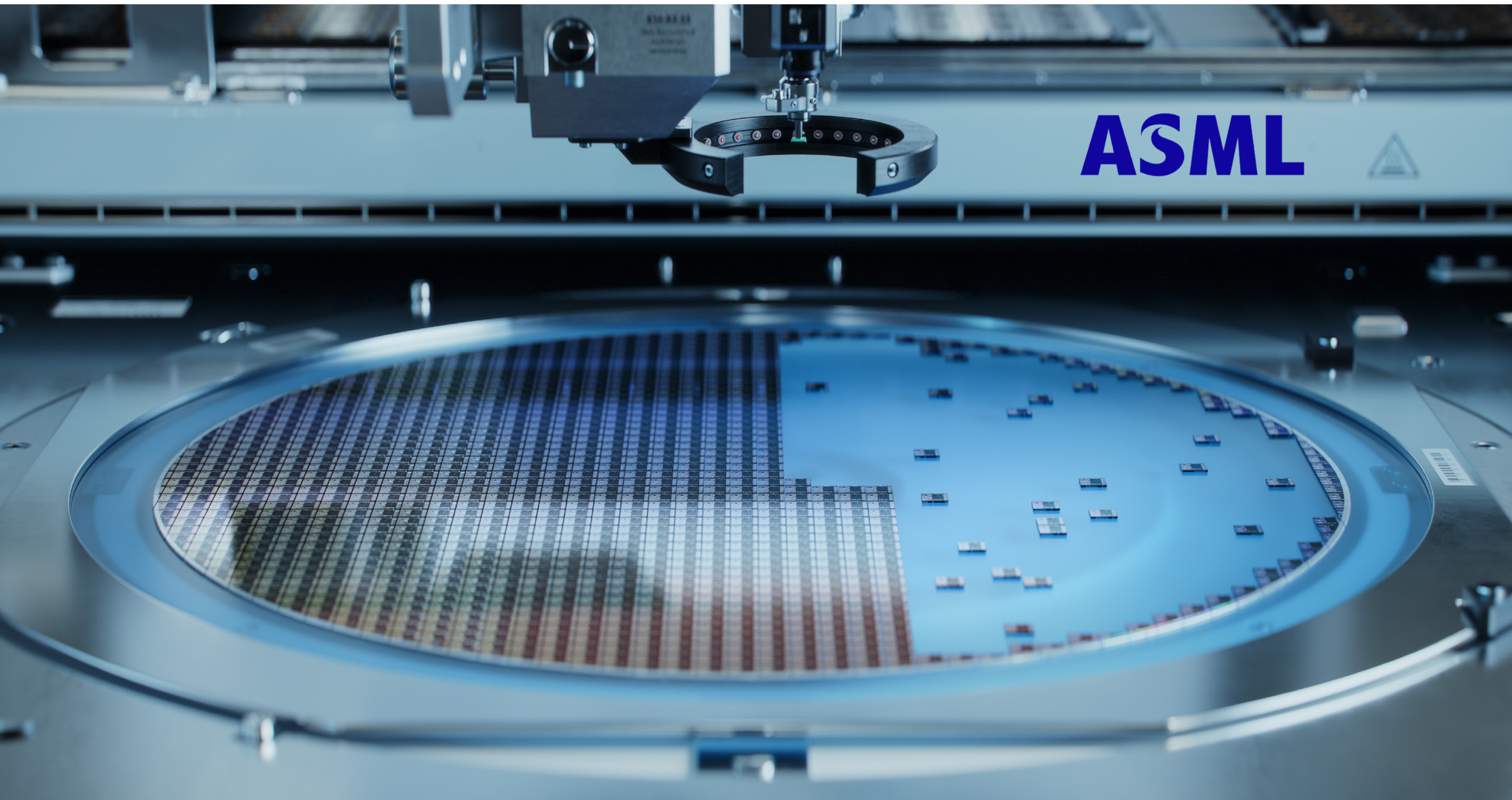


Illustration of a company excluded

The fund's investment philosophy leads to the exclusion of companies at several levels: the first being non-compliance with the minimum requirements for the "reduction of inequalities" profile, followed by ESG assessment and monitoring of controversies.

In some cases, a company's practices lead to exclusion at all levels. Let's take the example of an American video game developer and editor. It obtained the worst score on the overall inequality score, with a position in the bottom quartile on two pillars. In addition, the company received an unacceptable score on one of the social criteria, and the signal on controversies was activated for several months in 2021 and 2022.

The company has faced allegations of sexual harassment and discrimination in recent years: more specifically, a climate of constant sexual harassment suffered by women in the company, lower pay rates than men and reduced opportunities for career advancement. The management and human resources teams were also charged with covering up these practices.

Employee protests, the departure of several executives and the reactions of all stakeholders have had an impact on the company's development process and performance. A lawsuit filed in 2021 by the State of California led to a significant fall in the share price.

Amundi's ESG analyst in charge of the sector requested discussions with the company on working conditions. The people she spoke to (the legal, investor relations and health & safety departments) initially completely ignored the controversy, arguing that they were in the early stages of implementing their ESG strategy. The analyst was able to interact again on three occasions in 2022 to monitor how the company was going to react and define a remediation plan with concrete facts and indicators.

As mentioned during discussions with the analyst, the company did publish its first transparency report in 2023. This report describes the procedures put in place and the way in which investigations, carried out by an integrated investigation unit, and appropriate corrective measures were implemented. It also discloses the number and distribution of cases substantiated and investigated by the business units.

In particular, the company has set itself the target of increasing the proportion of women and non-binary employees by 50% by the end of 2026. It said it was investing $250 million over 10 years to accelerate opportunities for diverse talent, increase transparency on pay equity and implement surveys to measure employee engagement.

In addition, the company also hired its first Chief Diversity, Equity and Inclusion Officer in 2022, and appointed its first head of inclusive game design and a chief ethics and compliance officer in 2022.

Overall, we note that the company has put in efforts to improve its workplace culture and its policy on diversity, equity and inclusion. The publication of the first transparency report and the recent appointments are an important step in our view. We will be closely monitoring the publication of the next figures in order to assess the effectiveness of the measures put in place and the momentum on the targets set.

This example aims to illustrate the investment universe. Source: Amundi.

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.

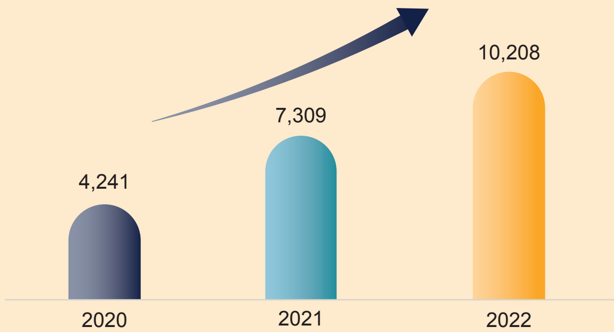
During the 2022 voting season, Amundi took active part in 10,208 general meetings, hence a 99% participation rate, voting on 107,297 resolutions. Amundi supported 87% of climate-rated resolutions and 81% of those dealing with human and social rights. On the whole, Amundi voted against 21% of management-sponsored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

+141% of participation in General Meetings in 3 years



Fund statistics

Vote

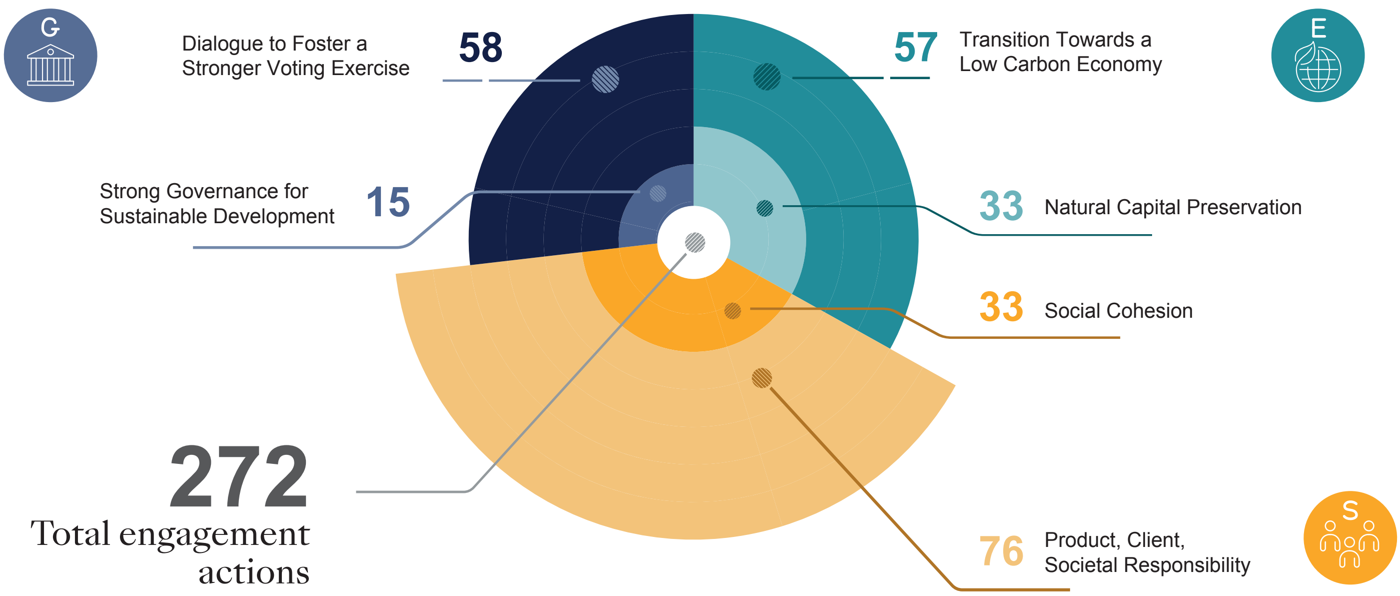
In 2022, the Social Impact fund took active part in 99% of general meetings, voting on a total of 1,146 resolutions. Amundi voted “no” at least once at 73% of general meetings.

Engagement

272 engagement actions were conducted with Social Impact portfolio companies. A least one engagement action conducted at 56 companies.

The reduction of inequality concerns different aspects of a company's practices, so our commitment actions are many and varied. In 2022, the analysts focused mainly on tax practices, inclusion, diversity and human rights.

Breakdown by engagement area



ENGAGEMENT EXEMPLE

Collaborative engagement "30% Club France Investor Group"

In 2020, Amundi joined forces with five French asset management companies to launch the "30% Club France Investor Group" in order to address the gender gap in executive leadership in the SBF 120. This coalition, initially created in 2010 in the United Kingdom, has since expanded to a dozen other countries, both developed and emerging.

The French investor group now has sixteen members representing more than €6,000 billion in assets under management at the beginning of 2023. By combining the engagement and voting power of its members, this investor group is calling on SBF 120 companies to draw up an action plan to have at least 30% women on their management boards by 2025. It also aims to promote transparency on the processes used to ensure parity and to initiate a dialogue with France's large caps to establish commitments and targets.

Progress in 2022

Companies are more and more open to dialogue and commitment since refusals to engage concern a minority of companies. The group wants to go further than its simple objective of 30% women within management bodies by dialoguing with companies which have already achieved this first objective. In 2022, 18 in-person meetings took place as well as an email campaign with SBF 120 members to share expectations of transparency regarding diversity in their reports.

The 30% Club France Investor Group has thus helped to create a positive dynamic in the form of action plans and targeted objectives. The promotion of economic and professional equality between female and male was supported by the strengthening of the Rixain law. Companies must have at least 30% female executives and members of governance bodies from March 1, 2026 then 40% from March 1, 2029.

The group distinguished several pillars considered as obvious strategies to put in place to promote parity: meritocracy, the representation of women in the best paid positions or even the fight against sexual harassment. The dialogues carried out made it possible to identify and share best practices for each of these pillars.

The Code of Ethics and the website set up by L'Oréal to report inappropriate behavior have, for example, been identified as among the best practices in terms of fighting harassment.

Next steps

The members of the coalition intend to continue the dialogue with the members of SBF 120 and the recommendations made to companies. Integrating new investors into the group will increase the capacity for action. The group would like to collaborate with Mercer on their Global Talent Trends survey by including parity practices in order to obtain more consistent data. The 30% Club France Investor Group finally aims to establish a CEO & Chair pillar. As the latest country where an investor group has been created, a pillar CEO & Chair will play a key role in raising awareness of the diversity and effectiveness of the policies and practices adopted.

30%+ Club
PATH TO PARITY

Source: Amundi Engagement report 2022
12- https://30percentclub.org/france-investor-group/ 13- https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/la-loi-rixain-accelerer-la-participation-des-femmes-a-la-vie-economique-et

Thematic campaign: Promotion of living wage and worker welfare in the USA

Amundi launched a US specific engagement campaign in 2020 on the topic of living wage because US companies often demonstrate high differences in the CEO pay ratio (ratio between the CEO pay and median worker pay).

There were three broad aims for this engagement that apply to all sectors:

- **Increase company awareness** on the material importance of fair wages for lowest paid employees with the ultimate aim to ensure all workers earn a living wage.
- **Improve company best practices** around worker pay and welfare including pay, nonwage benefits, training, job satisfaction, and promotion.
- **Increase corporate reporting** on employee related indicators such as turnover rates, internal promotion rates, rates of collective bargaining, and wage rates.

The example of a US Restaurant Company

Paying living wage is becoming key to ensure that employees are able to meet their basic needs, to stimulate the economy through increasing local spending but also to reduce the utilization of sick days, to reduce staff turnover and increase productivity. Because of its reliance on human capital for business operations, the consumer services is very exposed.

In particular, Amundi engaged with an American restaurant company with 380,000 employees. Even if they had a relatively robust benefit program, they did not report on key employee-related indicators or commit to a minimum wage above $15/hour.

In 2022, the company informed Amundi that in the US their average hourly wage is nearly $17/hour and that their internal floor is $15/hour. However, the company performance around employee welfare worsened during the year due to rising reported equity pay ratio and controversies of union busting in addition to stagnation on other engagement KPIs.

In 2023, we will monitor the company's progress in improving reporting on key employee indicators and reducing the CEO pay ratio. We would also like to see a formal commitment to a minimum wage that consider the current inflationary pressures. In addition, given the allegations of union pressure against the company, we would like to see a policy on freedom of association and collective bargaining, as well as information on how the company is working with unions to improve working conditions. Finally, we hope to see how the company engages its franchisees and licensees to follow best labor practices and to include them in the report.

Source: Amundi Engagement report 2022

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