



Implementing the PRI at Amundi Group

When signing the Principles for Responsible Investment on May the 2nd, 2006, Amundi asserted its commitment to responsible finance.

The Principles were developed under the aegis of the United Nations Environment Programme Finance Initiative (UNEP FI). The signatories to these Principles commit to taking into account environmental, social and governance (ESG) issues in all of their investment decisions and analyses. Aware of the growing importance of ESG considerations, they also commit to encouraging ESG practices among issuers and within the investment industry, and to collaborate towards the implementation of these Principles.

Amundi subscribes to this initiative that meets its conception of the investor as a central player with the fiduciary duty to consider all elements material to its investment processes, including ESG issues.

The financial crisis only strengthens Amundi's conviction that the implementation of the PRI helps understanding market risks and favours long-term investment. The PRI participate in establishing a strategic reflection, and in formalising the integration of ESG criteria in Amundi's management processes.

The 6 Principles for Responsible Investment (PRI)

- 1. We will incorporate ESG issues into investment analysis and decision-making processes.
- 2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4. We will promote acceptance and implementation of the Principles within the investment industry.
- 5. We will work together to enhance our effectiveness in implementing the Principles.
- 6. We will each report on our activities and progress towards implementing the Principles.



The duties involved in signing the PRI

At the beginning of every year, the Secretariat for the Principles for Responsible Investment sends each signatory a questionnaire on the progress made in implementing each of the 6 Principles.

A "Governance, Policy and Strategy" (GPS) section was introduced in 2009 so as to assess the general framework in which each signatory addresses SRI and ESG issues.

The PRI Initiative collates and analyses all of the signatories' responses and informs each one on how it performed.

PRI assessment method

Each signatory is given for each Principle:

- o An absolute score on 100 percent
- A relative score, or "quartile", comparing the signatory with its peers (for Amundi, asset managers)

A colour code is used for the quartiles for quick reference: from a light blue for the first quartile to a dark blue for the last quartile.

Amundi's position compared with the 345 other investment managers

Amundi's individual scoring is significantly improving: it is placed in the top quartile for 4 of the 6 Principles, and in the second quartile for the other 2 Principles.

Amundi is maintaining its position on the first Principle and making important progress on Principles 2, 3 and 4, thereby scoring among the best asset managers under review.

	2010			2011		
	Score Amundi	Score médian	Quartile Amundi	Score Amundi	Score médian	Quartile Amundi
GPS	54%	78%	4	69%	79%	3
Principe 1	63%	57%	2	74%	73%	2
Principe 2	63%	68%	3	74%	73%	2
Principe 3	82%	70%	2	87%	74%	1
Principe 4	71%	58%	2	79%	59%	1
Principe 5	100%	75%	1	100%	75%	1
Principe 6	96%	58%	1	85%	62%	1



Listed below are the actions undertaken by Amundi in respect of the 6 Principles for Responsible Investment:

PRINCIPLE NO.1: WE WILL INCORPORATE ESG ISSUES INTO INVESTMENT ANALYSIS AND DECISION MAKING PROCESSES

Amundi has centralised its extra-financial and sustainable research at Amundi SRI Expertise, its department dedicated to Socially Responsible Investment. Its extra-financial analysts have developed a data and rating platform known as SRI, for "Sustainable Rating Integrator". SRI interfaces with Amundi Group's existing databases and management tools so that all the fund managers in the Group have access not only to corporate credit and financial ratings, but also to extra-financial ratings.

SRI managers working alongside mainstream managers, and periodic meetings between Amundi SRI Expertise specialists and Amundi managers accelerate the integration of ESG criteria in an increasing number of funds.

PRINCIPLE NO.2: WE WILL BE ACTIVE OWNERS AND INCORPORATE ESG ISSUES INTO OUR OWNERSHIP POLICIES AND PRACTICES

Amundi has pursued an active policy of voting at AGMs since 1996 and incorporated ESG issues in 2003.

As a responsible shareholder, Amundi set up a shareholder dialogue process at a very early stage. We engage in pre-AGM dialogue with companies to alert them about agenda items on which we might cast a negative vote. We gradually extended these arrangements from SBF 120 companies to the international level, covering around one hundred European companies.

This dialogue has enabled us to obtain better information on agenda items, further commitments from companies, changes to resolutions or the relinquishment of controversial resolutions.

Our shareholder dialogue approach has been commended by the PRI Initiative, which made it a case study for its PRI Report on Progress 2010.



PRINCIPLE NO.3: WE WILL SEEK APPROPRIATE DISCLOSURE ON ESG ISSUES BY THE ENTITIES IN WHICH WE INVEST

Amundi has pursued this goal through a range of internationally coordinated investor initiatives intended to encourage companies to improve CSR and sustainability practices, while supporting progressive public policies in the areas of climate change, healthcare in emerging markets and transparency in relationships between companies in the extractive industries (oil, gas and mining) and host governments.

These initiatives include the Carbon Disclosure Project (CDP), the Institutional Investors' Group on Climate Change (IIGCC), the Forest Footprint Disclosure Project, the Water Disclosure Project, Access to Medicine Index, the UN Global Compact Engagement on Leaders and Laggards and the Extractive Industries Transparency Initiative (EITI).

Also, extra-financial analysts in Amundi SRI Expertise routinely organise meetings with companies to inquire about their ESG practices.

PRINCIPLE N4: WE WILL PROMOTE ACCEPTANCE AND IMPLEMENTATION OF THE PRINCIPLES WITHIN THE INVESTMENT INDUSTRY

Amundi is a founding member of the chair in sustainable finance and responsible investment. Sponsored by the French Asset Management Association (AFG), the chair is co-run by two academic institutions, Institut d'Économie Industrielle (IDEI) in Toulouse and the economics department of École Polytechnique.

Amundi also sponsors the chair in climate economics, a joint initiative of CDC Climat and the Paris-Dauphine University, as a partner of the research unit on the carbon market and prices.

Amundi is on the steering committee for the Finance and Sustainable Development (FIR) awards, which go to the best academic work on these subjects in Europe.

Amundi's other commitments in this area include its contribution to work led by the Médicis Committee, a think-tank focused on sustainable development and its financial applications.

First created in 2002, the Committee is a forum for investors, finance community representatives, sustainable development experts and philosophers to talk about the fundamental issues of SRI. This approach gives us a global vision of corporate risks over the long term.



PRINCIPLE NO.5: WE WILL WORK TOGETHER TO ENHANCE OUR EFFECTIVENESS IN IMPLEMENTING THE PRINCIPLES

Amundi is a member of the Responsible Investing Forum (FIR), and a founding member of the Study Centre for Corporate Social Responsibility (ORSE). We are also part of the European Social Investment Forum (Eurosif). Our analysts take part in several workgroups in these organisations and in the SRI and Corporate Governance committees of the French Asset Management Association (AFG) and the French Institute of Corporate Directors (IFA).

Amundi has taken an active participation in the ORSE Guide on "SRI promotion for financial institutions", a collection of best practices on the subject, in France and abroad, and in the mini-guide on SRI published by the French Banking Federation (FBF).

Amundi is also part of the steering committee for the SRI Week, placed under the High Patronage of the Ministry for the Environment and Sustainable Development, and organised by the FIR and other market-place organisations.

PRINCIPLE NO.6: WE WILL EACH REPORT ON OUR ACTIVITIES AND PROGRESS TOWARDS IMPLEMENTING THE PRINCIPLES

Amundi has added a Responsible Investment section to its corporate website. Every year, we publish our General Meeting voting policy and a report on our voting campaign and shareholder dialogue.

We publish a report, "ESG inventory and footprint", on our website, in which we analyse SRI portfolios with regard to Environmental, Social and Governance criteria in the form of scores and charts. We also publish the composition of these portfolios on our website.

Disclaimer PRI

Scores have been calculated based on signatories' self assessment and using the scoring methodology approved by the PRI Assessment Group. Although a limited verification exercise was undertaken with a proportion of signatories, responses have not been independently audited by the PRI Secretariat, PRI Assessment Group, or any other third party. Individual results including comparisons to the overall results (quartiles) are indicative and do not imply an endorsement of signatory activity. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability can be accepted for any error, omission or inaccuracy in this information



MENTIONS LÉGALES Amundi		
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