

Green Solutions

Financing the transition
to a Net Zero economy

With increasingly visible impacts, climate change has become the largest challenge that humanity has ever faced. The 2021 Global Risks Report of the World Economic Forum has continued to perceive climate action failure as the «most impactful» and the second «most likely» long term risks¹.

Fighting against climate change will require the world to radically shift its greenhouse gas emissions pattern. Although the Covid-19 pandemic has caused a decrease in carbon emissions in 2020, emissions will have to decrease by 7% annually to reach zero net global greenhouse gas emissions by 2070 and stay within the 1.5°C limit set by the Paris Agreement. Achieving this tremendous shift will require a generalized mobilization of actors across societies, countries and sectors.

More generally, global warming considerations are part of a set of broader concerns over the preservation of the environment. Recent environmental scandals, civil society and regulator mobilization have brought heightened awareness on the need to preserve the environment, orienting the debate towards new frontiers with regards to consumption mechanisms, growth models and production patterns.

1. The Global Risks Report 2021, 16th Edition, World Economic Forum.



ESG Ambition 2025

With the ambition of further strengthening its commitments, Amundi's 2022-2025 action plan comprises an ambitious set of goals which supports its clients to address their current and future needs.



Strengthening Amundi's offer in RI¹ solutions serving sustainable development

- 100% of actively managed open funds² will integrate the assessment of companies based on their decarbonization efforts and their development of sustainable activities.
- Establish a broad "Net Zero" range of actively managed funds and services to address growing demand from investors.
- Expand impact investment solutions to reach €20bn of assets invested in environmental and social impact strategies.
- Enlarge responsible investing in passive management : 40% of the total EFT range will be ESG to support investors looking for passive investments.
- Provide clients with access to cutting edge ESG & climate analytics through a modular technology solution, ALTO Sustainability.



Deepening its engagement towards investee companies

- Deploy a climate engagement plan to align with the Paris Agreement extended to more than 1,000 companies in order to accelerate the required global transformation.
- By 2022, progressively reduce investment from companies of which unconventional hydrocarbon and exploration and production represent more than 30% of their activities³.



Setting internal objectives in line with Amundi's commitments

- Extensive integration of ESG criteria in the remuneration policy: ESG and CSR related KPIs are now taken into account for the 200 most senior executives, sales and portfolio managers.
- Reduction of Amundi's operational emissions by -30% per employee by 2025 on scope 1 & 2 as well as in business travel.
- Presentation and advisory vote of "Say on climate", allowing our shareholders to give their opinion on Amundi's climate objectives.

► [More details available on our website](#)

1. Responsible Investment - 2. Scope of actively managed open-ended funds when a transition rating methodology is applicable

3. Unconventional extraction: oil sand, shale oil & gas

Amundi, at the forefront of green innovation

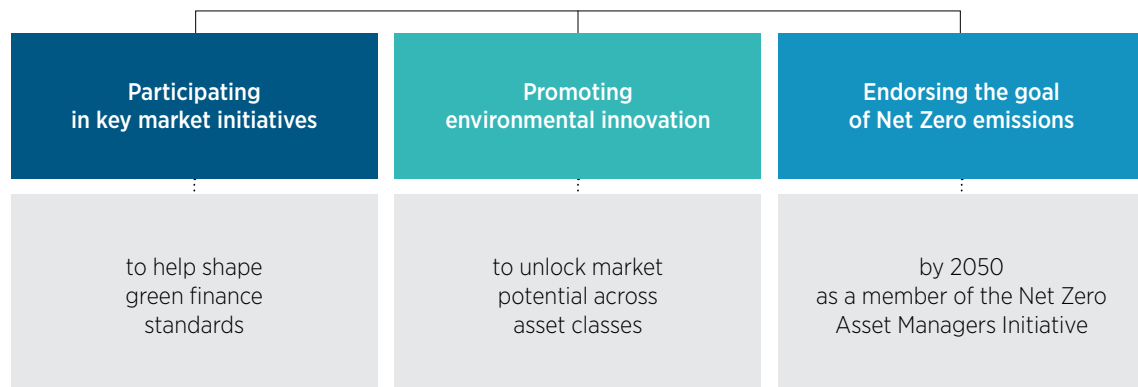
Investors are now faced with challenges likely to impact asset prices, with transition risks and physical risks being the most material threats. Nonetheless, green solutions can be devised to generate impact through investments and ultimately achieve sustainable long-term performance.

Six years after the Paris agreement, the objective is still clear: limit the temperature rise to 1.5°C above preindustrial averages. If implemented, the policies and targets announced at COP26 in November 2021 in Glasgow could put the world on a trajectory of +1.8°C, compared to +2.6°C back in 2020.

In this context, Amundi aims to help its clients turn climate ambition into reality: innovate to best accompany investors in the design, management and monitoring of their green solutions. Amundi's climate product range has two overarching goals:

- (i) helping clients decarbonize their portfolios to mitigate negative impact from climate risks and
- (ii) providing investors with opportunities to finance the energy transition.

AMUNDI SUPPORTS AND JOINS INVESTORS IN THE FIGHT AGAINST CLIMATE CHANGE VIA THREE CHANNELS:



1 Amundi is an active stakeholder in shaping market standards through several initiatives

- Co-founder of the Portfolio Decarbonization Coalition



- Member of the Executive Committee of the Green Bond Principles






- Active participant in Finance for Tomorrow's taskforces



2 Amundi is also at the forefront of environmental innovation across asset classes to sustain the fight against climate change and unlock market potential



From innovative partnerships with leading public entities, to Net Zero strategies to help investors meet climate goals.

Europe	Low-carbon indexes	Corporations
		Mitigating climate risk exposure through low-carbon indexes with MSCI on behalf of FRR & AP4.
	2014	

Emerging Markets	Green Bonds	Financial Corporations
		AP EGO focuses on green bonds issued by financial corporations in Emerging Markets .
	2018	

Asia	Climate Bonds	Corporations
		AIIB Climate Bonds Strategy focuses on climate-aligned corporations in Asia .
	2019	

Europe	Green FI	Corporations
		GRECO focuses on new segments of the European green fixed income market .
	2019	

Europe	Low-carbon indexes	Equity
		Launch of the first Indexing solution in Europe fully aligned with the EU PAB label.
	2020	

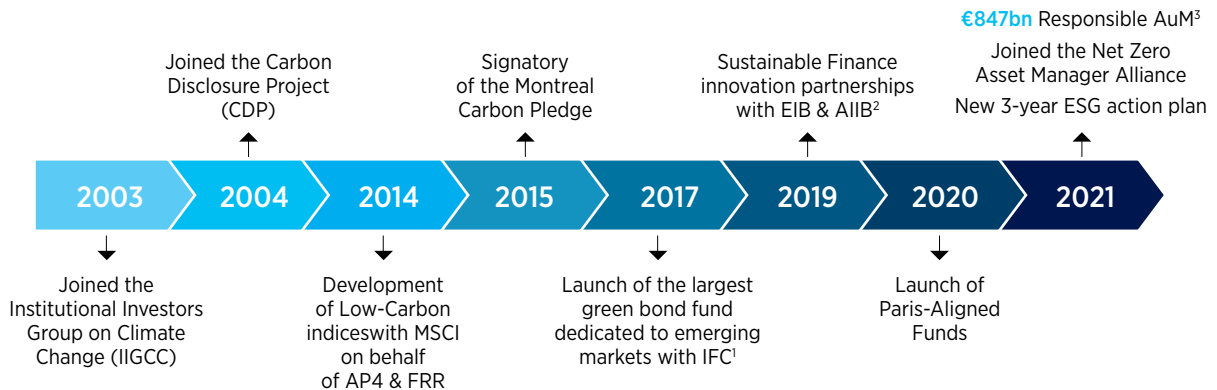
Amundi is a pioneer on the social dimension of the transition, having launched its first Just Transition strategy, a Paris-aligned strategy that aims to mitigate the social impacts of the transition to low-carbon economies.

3 Leading the way on the path to net zero, Amundi is joining the Net Zero Asset Manager Alliance

- Amundi supports the goal of net zero greenhouse gas emissions by 2050, in line with the EU's commitment to global climate action under the Paris Agreement.
- With this in mind, Amundi is joining the Net Zero Asset Managers Alliance, an international initiative which aims to encourage the asset management industry to commit to a goal of net zero emissions.

Amundi's Net Zero Commitment

Since the early 2000s Amundi has mobilised capital for the **transition to a sustainable and a low-carbon economy.**



Supporting the goal of net zero emissions by 2050, Amundi has become a member of the Net Zero Asset Managers Initiative.

AMUNDI'S FOUR NET ZERO CONVICTIONS...

1 The financial sector is a key catalyst for action

At the end, the goal is to decarbonize the economy as a whole. Amundi will support global neutrality by engaging with companies on Net Zero trajectories, mobilizing capital in ambitious climate strategies, and designing new and impactful solutions focusing on critical technologies, regions and segments of the economy.

2 Amundi must embrace change at every layer of its organization

Amundi's Net Zero commitment needs to be supported throughout the organisation, from portfolio management to human resources, with each being given the correct tools and knowledge to be an actor of change.

3 The transition will need to be socially just, respectful of our environment, and aim to preserve and restore natural capital

Amundi is convinced that making the transition to a low-carbon economy socially acceptable is a condition of success. A sustainable transition also needs to be respectful of our environment, and investing in nature-based solutions will be an important variable of the Net Zero equation.

4 Knowledge, data and analytics are significant drivers of change

Companies and investors have a common interest in building meaningful and reliable analytics that are necessary properties of well-functioning capital markets and to aligning financial flows with carbon neutrality objectives.

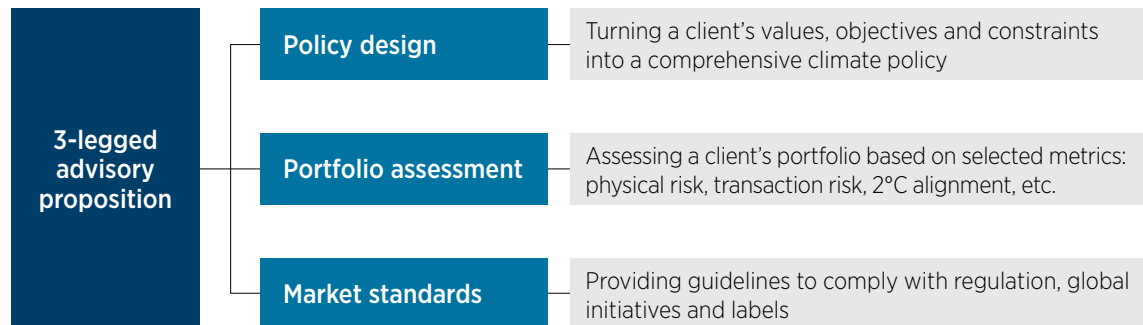
A 3-pillar Green Offer

Amundi is committed to joining forces with its clients to pursue their environmental endeavours. Today, our green offering spans across three pillars.



PILLAR 1 - GREEN ADVISORY: DESIGNING A FRAMEWORK TO SUPPORT CLIENTS' ENVIRONMENTAL BELIEFS

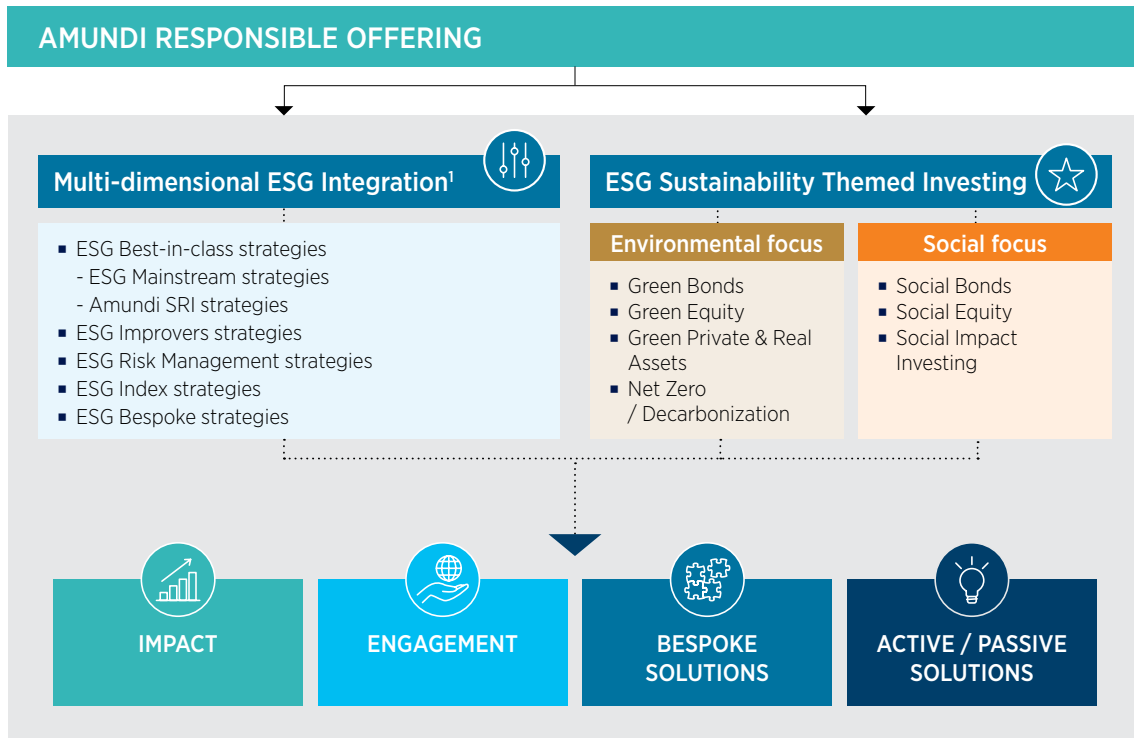
Amundi helps clients design their climate framework through a highly customizable offering. The advisory offer is based on three main components.



Asset owners are increasingly being required by regulators to integrate climate risks into their investment strategies and to disclose information related to their preparedness to climate change. In light of these growing regulatory and reporting requirements, investors can rely on Amundi's green advisory solutions, which aim to provide guidelines to align portfolios with global, regional and local regulatory standards.

PILLAR 2 - GREEN PORTFOLIO MANAGEMENT: A COMPREHENSIVE OFFERING EMBEDDED INTO AMUNDI'S RESPONSIBLE INVESTMENT SET-UP

Amundi relies on the Group's expertise in order to offer its institutional clients a wide range of open-ended funds and tailor made responsible investment solutions that incorporate ESG factors into investment decisions.



1. In accordance with Amundi repository, benchmarks and/or customers' reference values

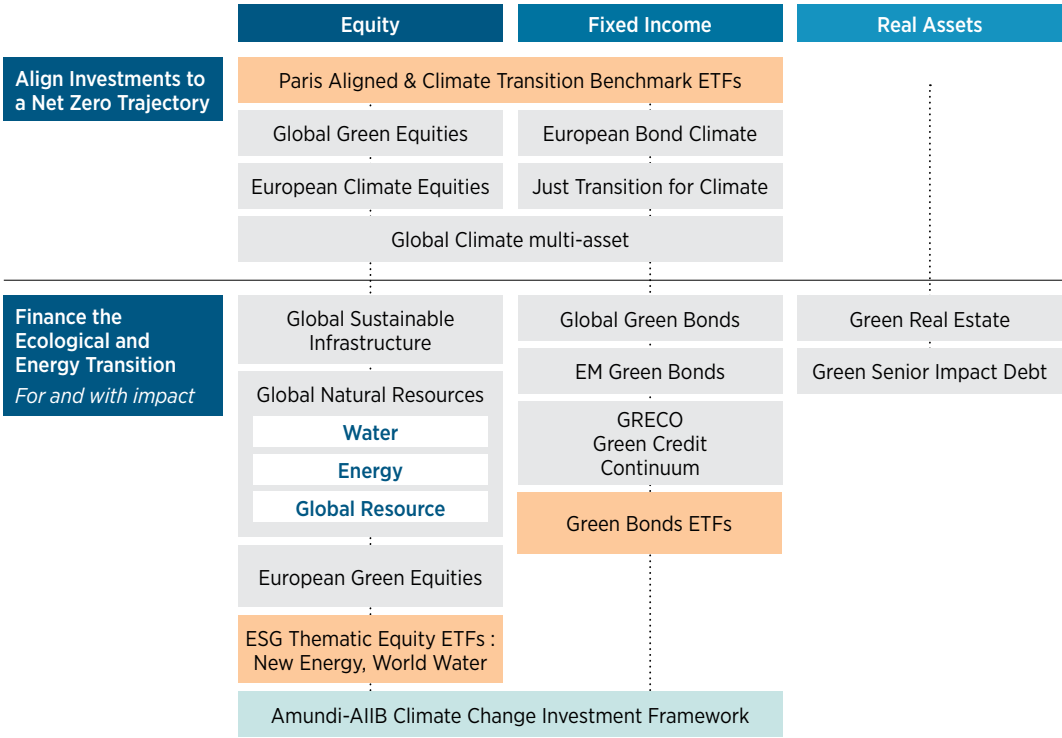
OFF-THE-SHELF AND CUSTOMIZED GREEN SOLUTIONS

At Amundi, we believe that there are several paths for investors to consider when integrating green criteria in their investments. This is why Amundi’s investment teams have developed a range of green investment solutions spanning across asset classes and regions.

Amundi can provide a twofold green offer to best manage clients’ assets through (i) its off-the-shelf green solutions and (ii) its tailor-made green solutions.

■ **Providing Off-the-Shelf Green Solutions:**

- An extensive range of strategies spanning across asset classes to best answer clients’ concerns regarding:
 - (i) Aligning investment portfolios to a Net Zero trajectory to meet decarbonization objectives;
 - (ii) Actively financing the ecological and energy transition.
- Amundi’s newest Just Transition strategy goes beyond alignment to a 2°C trajectory to address social impacts resulting from the transition to low-carbon economies.



■ **Providing Customized Investment Solutions:**

Designing an investment solution that best reflects clients’ green objectives, in order to ensure that our management is 100% suited to their expectations.

- What are the client’s green objectives? Amundi provides solutions to align portfolios to Net Zero trajectories or to finance the transition to low-carbon economies.
- Where does the client want to invest ? Amundi provides investment solutions in all geographies.
- In which asset class does the client wish to invest? Amundi’s green expertise spans across all asset classes.

PILLAR 3 - GREEN SERVICES: SUPPORTING TRANSPARENCY FOR THE IMPLEMENTATION OF CLIENTS' GREEN PHILOSOPHY

To complete Amundi's large range of advisory services and investment solutions, Amundi provides clients with green services that can reinforce their commitment to meeting ambitious climate objectives.

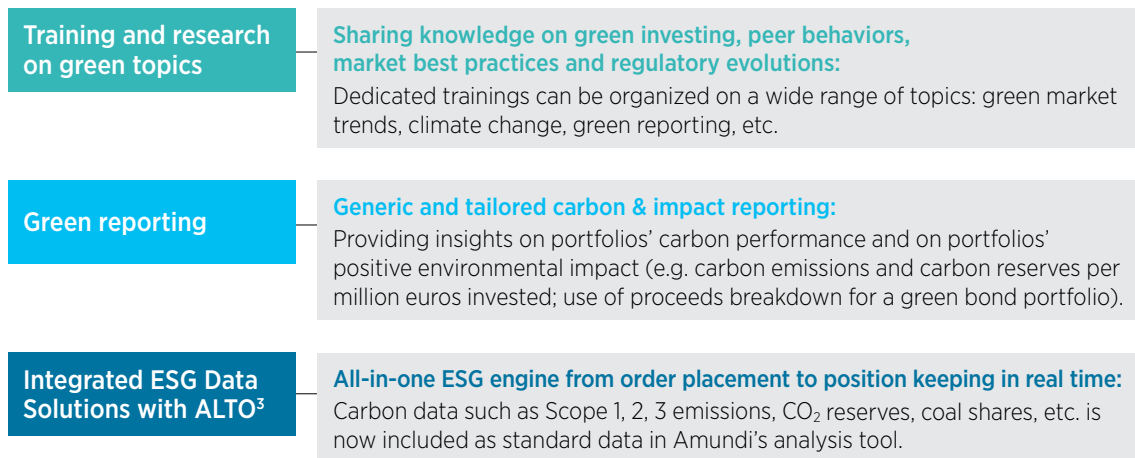
ENGAGEMENT & VOTING ON GREEN TOPICS

Defining and implementing a dedicated engagement & voting policy to reflect a client's objectives on green

themes: Amundi's engagement philosophy rests on the belief that it can drive the adoption of company best practices on climate issues that will reinforce the sustainability of long term growth for investees.



OTHER GREEN SERVICES INCLUDE...



Initiatives and Partnerships

Benefit from the full suite of ESG capabilities as an ambassador or developer: Participate in existing partnerships or develop a new one to tackle challenges related to the financing of green opportunities and the fight against climate change.

MARKET INITIATIVES



Co-founding member of the Portfolio Decarbonization Coalition.



Member of the Executive Committee of the Green Bond Principles.

NET ZERO ASSET MANAGERS INITIATIVE

Member of the Net Zero Asset Managers Initiative supporting the goal of net zero greenhouse gas emissions by 2050 or sooner.



Signatory of the Finance for Biodiversity Pledge to take ambitious action on biodiversity.

INNOVATIVE PARTNERSHIPS



Strategic partnership with IFC, a member of the World Bank Group. Launch of AP EGO, a targeted green bond fund focusing on emerging markets and of BEST, an EM sustainable bond initiative supporting COVID-19 recovery.



The Asian Infrastructure Investment Bank and Amundi have announced a USD500 million portfolio dedicated to Asia Climate bonds.



This partnership, centered on the Green Credit Continuum Project, aims to foster the development of the green debt market beyond existing green bonds.



Partnership with Caisse des Dépôts to launch the first Indexing solution in Europe fully aligned with the EU PAB label.

OTHER STRATEGIC PARTNERSHIPS ON GREEN TOPICS INCLUDE...



A recognised green expertise

AMUNDI'S GREEN & CLIMATE AWARDS

Amundi Just Transition for Climate

- ESG Investing Awards *ESG Investment Fund of the Year 2022*

Amundi-AIIB Climate Bond Portfolio

- ESG Investing Awards *Best ESG Investment Fund: Climate / Green Bonds 2021*

Amundi EM Green Bonds

- ESG Investing Awards *Best ESG Investment Fund – Emerging Markets Debt 2021*

GRECO¹

- Environmental Finance *Green Bond Fund of the year 2020*
- ESG Investing Awards *Most Innovative ESG Initiative 2019*

AP EGO²

- Environmental Finance *Initiative of the Year 2019*
- PRI Awards Real World *Impact Initiative of the Year 2019*

Amundi

- Environmental Finance Bond Awards *Personality of the Year: Isabelle Vic Philippe 2021 for Impact Green Bonds*
- Global Capital Sustainable and Responsible Capital Markets *Awards Award for Most Impressive Green/SRI Investment Firm, 2018-19*



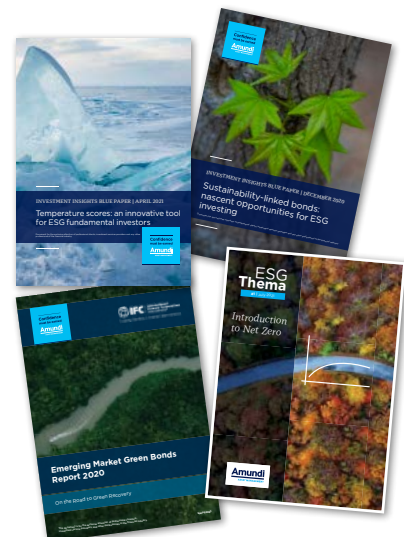
DEDICATED GREEN RESEARCH

With a research-driven investment culture, Amundi offers dedicated sector-wide and topic-specific green research to institutional investors.

Some of the most recent green and climate insights include³:

- Sustainability-linked bonds
- Temperature scores as decarbonization tools⁴
- Emerging market green bonds
- An “ESG Thema” series focusing on ESG topics and sectoral trajectories to Net Zero

► [More information available on the Research Center](#)



1. Green Credit Continuum - 2. Amundi Planet Emerging Green One 3. Climate insights and resources are all available on Amundi's Research Centre
4. Recipient of Pensions for Purpose's Best Strategy Thought Leadership Award in 2021

ESG: The essence of who we are

Responsible Investment has been part of Amundi's DNA since its creation. Now more than ever, Amundi is committed to supporting you navigate ESG by leveraging on its long-standing experience as a Responsible Investor and its ambitions to become a catalyst for sustainable change.

A RESPONSIBLE INVESTMENT POLICY EMBEDDED INTO OUR INVESTMENT SOLUTIONS

Since the launch of its first ethical fund in 1989, Amundi has constantly improved its commitment to ESG which is well illustrated in its Responsible Investment Policy:



A dedicated organization composed of more than 40 people including experts in ESG analysis, voting and engagement, and rating methodology with +10 year track record.



A robust ESG analysis process based on Amundi's own ESG scoring methodology benefiting from 14 main data providers. Thanks to a thorough proprietary ESG tools & methodology in combination with our robust data & research capabilities supporting new ESG capabilities, +13,500 companies have an ESG rating on a seven-notch scale from A to G (as of December 2021).



A targeted exclusion policy applied to all investment strategies, whenever it is feasible, leading Amundi to exclude any company in violation of our ESG policy, international conventions, internationally recognized frameworks or national regulations. In addition, Amundi applies sectoral exclusions to controversial industries: coal and tobacco (more details available on our website).



Stewardship activity including voting and engagement with issuers through:

- ongoing engagement on specific challenges or sustainability risks faced by an issuer or a sector,
- thematic engagement including cross-sectorial engagement on key topics such as climate or the living wage,
- collaborative engagement favoring collective efforts to encourage issuers to act collectively on key sustainability issues.



At the forefront of ESG financial innovation:

- By creating new sustainable markets, co-developing sustainable finance partnerships and engaging in thought leaderships
- Tailoring Amundi's know-how to your ESG journey with the support of Amundi's multi-experts to meet your ESG objectives and constraints.
- Fostering meaningful changes thanks to our global reach and local expertise.

In 2020, Amundi took part in more than 4,250 general meetings of European and international companies and engaged with issuers on six main areas, including the transition towards a low carbon economy, natural capital preservation, social cohesion and strong governance practices that strengthen sustainable development. Amundi's dedicated team votes on behalf of its clients for all its actively and passively managed solutions.

► [More details available on our website](#)

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