European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of asset classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on DATE.

REVISION OF THE CODE

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.
2. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

• The order and exact wording of the questions should be followed;
• Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
• Funds should report data in the currency that they use for other reporting purposes;
• Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
• Responses should be updated at least on an annual basis and should have a precise publication date;
• Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code;
• Signatories are solely responsible for the answers to the questions, and should state this in their response.

**Statement of Commitment**

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Amundi Asset Management. We have been involved in SRI since 1986 and welcome the European SRI Transparency Code.

This is our nine statement of commitment and covers the period 01.07.2019 to 30.06.2020. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

**Compliance with the Transparency Code**

Amundi Asset Management is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. Amundi Asset Management meets the full recommendations of the European SRI Transparency Code

01.10.2019

**Eurosif classification of Sustainable and Responsible Investment strategies**

**Sustainability Themed Investment**: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.

**Best-in-Class Investment Selection**: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

**Norms-Based Screening**: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

**Exclusion of Holdings from Investment Universe**: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This approach systematically excludes companies, sectors or countries from the permissible investment universe if they are involved in certain activities based on specific criteria. Common criteria include

1 Sustainable and responsible investment ("SRI") is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016
weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

**Integration of ESG Factors into Financial Analysis**: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

**Engagement and Voting on Sustainability Matters**: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

**Impact Investing**: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances. Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French *fonds solidaires*.

**Contents**

1. List of funds covered by the Code
2. General information about the fund management company
3. General information about the SRI fund(s) that come under the scope of the Code
4. Investment process
5. ESG controls
6. Impact measures and ESG reporting

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1. **List of funds covered by the Code**

| Name of the fund(s): AMUNDI RESPONSIBLE INVESTING – IMPACT GREEN BONDS |
|---|---|---|---|---|---|
| **Dominant/preferred SRI strategy** (Please choose a maximum of 2 strategies) | **Asset class** | **Exclusions standards and norms** | **Fund capital as at 31 December 2018** | **Other labels** | **Links to relevant documents** |
| □ Best-in-Class Investment section | □ Passively managed | ☒ Controversial weapons | 283 M€ | □ French SRI label | - KIID |
| □ ESG Integration | Passive investing – ESG/SRI benchmark: specify the index tracking | □ Tobacco | | □ French CIES label | - Management report |
| ☒ Exclusions | Actively managed | □ Arms | | □ Luxflag Label | - Financial and non-financial reporting |
| □ Impact Investing | | □ Nuclear power | | □ FNG Label | - Corporate presentations |
| □ Norms-Based Screening | ☒ Leading to exclusions | □ Human rights | | □ Austrian Ecolabel | - Other (please specify) |
| ✓ Leading to risk management analysis/engagement | | □ Labour rights | | | All legal documentation is available on Amundi website (https://www.amundi.de/privatanleger/product/view/FR0013411741) |
| □ Sustainability Themed | ☐ Passive investing – core benchmark: specify the index tracking | □ Gambling | | | |
| | Passive investing – ESG/SRI benchmark: specify the index tracking | □ Pornography | | | |
| | | □ Animal testing | | | |
| | | □ Conflict minerals | | | |
| | | □ Biodiversity | | | |
| | | □ Deforestation | | | |
| | | □ CO2 intensive (including coal) | | | |
| | | □ Genetic engineering | | | |
| | | □ Other (please specify) | | | |
| | | □ Global Compact | | | |
| | | □ OECD Guidelines for MNCs | | | |
| | | □ ILO Conventions | | | |
| | | □ Other (please specify) | | | |

- KIID
- Prospectus (https://www.amundi.lu/professional/document/download/FR0013188729/Prospectus/EN)
- Management report
- Financial and non-financial reporting
- Corporate presentations
- Other (please specify)

All legal documentation is available on Amundi website (https://www.amundi.de/privatanleger/product/view/FR0013411741)
2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)
Amundi Asset Management,
French "Société par Actions Simplifiée"- SAS with capital of 1 086 262 605 euros
Portfolio Management Company approved by the AMF under number GP 04000036
Registered office: 90, boulevard Pasteur - 75015 Paris - France
437 574 452 RCS Paris
Website: [http://www.amundi.com/](http://www.amundi.com/)
Email: rodolphe.desaint-seine@amundi.com
Tel: +33 1 53 15 70 24

2.2. What are the company’s track record and principles when it comes to integrating SRI into its processes?
Amundi is one of the pioneers of Socially Responsible Investment and has strongly developed the implementation of ESG criteria in its investment decisions.
During its history, Amundi has been involved in favor of Responsible Investing development:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>1st SRI fund launch</td>
</tr>
<tr>
<td>2006</td>
<td>Signatory of The Principles for Responsible Investment (PRI)</td>
</tr>
<tr>
<td>2013</td>
<td>SRI process officially certified by AFNOR</td>
</tr>
<tr>
<td>2016</td>
<td>1st Asset Manager to obtain the French SRI label for several of its funds</td>
</tr>
<tr>
<td>2018</td>
<td>1st place in the ranking by Extel/UKSIF in the category « Best AM for SRI/ESG »</td>
</tr>
<tr>
<td>2021</td>
<td>ESG policy will apply to 100% of fund management &amp; voting practices within Amundi</td>
</tr>
</tbody>
</table>

In 2018, Amundi announced an ambitious 3 years plan that aims to implement ESG integration within all its investments. This announcement supports and reinforces the commitment the group has made since its inception to the company and its investors.

All information regarding to Amundi commitment toward Responsible Investing are available on Amundi’s website (https://www.amundi.lu/professional/ESG )

2.3. How does the company formalise its sustainable investment process?
Amundi is convinced that the responsibility of an asset manager goes beyond the purely financial framework. Aware of the growing importance of Environmental, Social and Governance (ESG) issues, Amundi integrates the criteria of sustainable development into its analysis processes and its investment decisions (see following chapters). For Amundi, considering these criteria is a major area of progress.

Amundi was one of the 1st signatories of the Principles for Responsible Investment (PRI), since their creation in 2006.
Its policy and strategy in this area and all the answers to the annual PRI questionnaire are available at this https://www.amundi.lu/professional/ESG.

**A targeted exclusion policy**

As the leading European asset manager, Amundi must put its expertise at the service of sustainable performance. Amundi applies targeted exclusion rules throughout its management that form the basis of its fiduciary responsibility. Exclusions are applied in all management strategies and exclude companies that do not comply with our ESG policy, international conventions and internationally recognized frameworks, or national regulatory frameworks.

Amundi excludes the following activities:

- Companies involved in the production or sale of anti-personnel mines and cluster munitions, pursuant to the Ottawa Treaty and the Oslo Convention on Cluster Munitions
- Companies involved in the production or sale of chemical, biological and depleted uranium weapons
- Companies that seriously and repeatedly violate one or more than one for the 10 UN Global Compact principles, without implementing suitable corrective measures

These issuers are rated G on the Amundi scale.

In addition, Amundi practices sectoral exclusions specific to the controversial industries: coal and tobacco.

**Coal**

In 2016, Amundi made the decision to withdraw from issuers that generate more than 50% of their turnover in coal mining, in line with the Crédit Agricole Group's commitments to combat climate change and management of the energy transition.

In 2017, the threshold was lowered to 30%, supplemented by a qualitative and prospective analysis of companies producing 100 million tons or more of coal per year.

In 2018, Amundi continued its proactive divestment initiative in the coal sector, with a 25% cut in the threshold.

**Tobacco**

In December 2018, the Amundi ESG rating committee decided that the ESG rating of companies with more than 10% of its income coming from tobacco could not be greater than E (suppliers, manufacturers, distributors). SRI funds that exclude companies rated E, F or G, will therefore not be able to hold tobacco in their assets.

**AMUNDI SRI GUIDELINES**

Amundi chose the Best-in-Class approach as the foundation of its SRI strategy. This approach consists of comparing the players in the same sector with each other in order to bring out the best practices and to include all issuers in a process of progress. Amundi is convinced that SRI must be broad and encouraging, a factor of progress and not of stigmatization.

For a portfolio to be considered SRI, it must comply with the following rules:

- Exclusion of issuers rated E, F and G (on a scale from A to G) in order to avoid a financial and reputational risk
- Portfolio ESG overall rating has to be greater than or equal to C
- Average portfolio ESG rating has to be greater than or equal to the ESG rating of the investment universe or benchmark
• A minimum threshold of 90% of listed issuers rated on ESG criteria

A FORMAL ENGAGEMENT POLICY

Amundi’s engagement policy focuses on three main areas: Engagement for influence, ongoing engagement and engagement through voting. It is an essential part of Amundi’s fiduciary responsibility and responsible investor role.

Engagement for influence

Engagement for influence is built around cross-sectoral themes to understand existing practices, promote best practices, and recommend improvements and measure progress. Since 2013, the team of ESG analysts has been particularly active on 7 themes:

• Respect for human rights in the oil and mining sectors
• Access to food and the fight against food waste in the food and food retail sectors,
• The responsible exercise of the influencing practices of pharmaceutical groups and the automotive industry,
• Conflict over mining,
• The environmental impact of coal in the electricity generation sector,
• Child labour in the tobacco and cocoa production sectors,
• The living wage in the textile, food and semiconductor sectors

This work is the subject of a commitment report published by the ESG Analysis and Corporate Governance teams and available on https://www.amundi.lu/professional/ESG/Documentation

In addition to sectoral reviews, analysts produce in-depth studies on topics related to major issues of sustainable development, such as water, unconventional hydrocarbons, endocrine disruptors, palm oil, etc. These studies allow us to position ourselves on controversial activities. Some of them are the subject of ESG Discussion Papers and are available on Amundi’s website dedicated to its research publications (Amundi Research Center).

Amundi also supports international collective shareholder initiatives. The aim is to encourage public authorities to adopt measures for sustainable development. The areas concerned may be climate change, water, deforestation, health problems in developing countries.

Ongoing engagement: voting at General Assemblies and pre-assembly dialogue

Meetings with companies are a key step in our ESG analysis methodology. This allows us to refine our rating while deepening our expertise in sectoral issues and dynamics.

In order to give a rating to all the securities belonging to its investment universe (more than 6,000 issuers), Amundi has set up a partnership with nine non-financial data providers. To refine these ratings, ESG analysts annually meet about 300 companies, selected according to the weight of portfolio securities or benchmarks.

Engagement through voting:

• Vote

Corporate Engagement team votes systematically at general meetings of the shareholders’ meetings in 2018. French companies, or of which Amundi holds more than 0.05% of the capital for international companies, i.e. more than 2,900.

• Pre-assembly dialogue
Amundi has set up a formal system of dialogue, warning the companies in which its positions are the most important of its voting intentions, to initiate a dialogue and contribute to the improvement of their practices.

In addition to this proactive approach, Amundi is also open to all requests for meetings initiated by issuers to discuss the topics of meetings or, more generally, governance. This second element is becoming more and more important as it allows for an upstream and constructive dialogue.

In 2018, the Corporate Governance team met and dialogued with 230 issuers, leading to substantial improvements (justifying a change in our voting intentions) of corporate practices in 15 to 25% of cases.

In its 3-year action plan, Amundi indicates that ESG issues will be systematically integrated into the shareholder dialogue of companies.

A CERTIFIED SRI APPROACH
Amundi has decided to have an independent third party certify its SRI approach, in order to provide proof of the robustness of its process.

In July 2013, Amundi obtained the first "SRI approach" certification issued by AFNOR, renewed in 2016 for a period of three years.

This certification validates compliance with a standard that describes service commitments for all customers, which may be distribution networks, institutional investors or individuals. Each of the seven commitments contained in the repository is translated into a series of criteria to be respected, control points to be put in place, while constantly seeking to progress the device. This certification gives rise to permanent control and an annual external audit on the spot.

It is a pledge of confidence for all customers.

The diagram below illustrates the seven commitments contained in the repository:

Amundi was also, in 2016, the first management company to obtain the SRI Label created by the Ministry of Finance and Public Accounts for its four SRI funds presented.

Created with the support of asset management professionals, the label aims to contribute to a better visibility of the SRI fund offer to investors, especially individuals who show a growing interest in this type of investment.

Amundi provides investors, on its website, with all the information on its ESG policy.
PROMOTION AND DISSEMINATION OF SRI

In general, Amundi promotes the organization of events around responsible finance and contributes to initiatives aimed at better informing society, its companies and its investors of developments in sustainable development.

Partner of the Chair “Finance Durable et Investissement Responsable”, Amundi supports academic research.

At the same time, Amundi supports the development of a think tank devoted to the study of the responsibility of the economic and financial actors, the Medici Committee, which relies on a network of academics, intellectuals, leaders companies, personalities from different sectors of civil society.

Amundi takes part and actively participates in the numerous working groups led by the local organizations to develop responsible finance, sustainable development and corporate governance. Amundi is a member of:

- l’Association Française de Gestion financière (AFG) / French Asset Management Association
- European Fund and Asset Management Association (EFAMA)
- l’Institut Français des Administrateurs (IFA) / French Administrators Association
- l’Observatoire de la Responsabilité Sociétale des Entreprises (ORSE) / French CSR Association
- la Société Française des Analystes Financiers (SFAF) / French Financial Analysts Society
- Sustainable Investment Forums (SIF) French, Spanish, Italian, Swedish, Canadian, Japanese and Australian
- l’Association française des Entreprises pour l’Environnement (EpE) / French Companies Association for Environment

Amundi is also a member and a director of Finansol (French association to promote actions vs. social issues).

2.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?

The environmental, social and governance challenges that companies face have a major impact on society. They also have financial consequences for companies, both in terms of risks and opportunities.

Monitoring ESG risks and opportunities is one of the key tasks of ESG analysts. Within each sector, the analysts’ mission is to:

- monitor trends (macroeconomic, regulatory, etc.)
- establish the weights assigned to each criterion, based on the performance vectors methodology
- meet a representative panel of companies
- write analysis reports

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3 Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)
• validate all the ESG notes for each sector

Our ESG analysis, based on a quantitative and qualitative analysis, both enriched by a formalized engagement policy, allows us to better appreciate the company as a whole and promotes a better understanding of the risks and sectoral opportunities that are specific to it. In addition, Amundi’s ESG governance (see question 2.5) allows analysts to present to the members of management the case of the most controversial companies and to follow the evolution of social issues and emerging themes.

Challenges related to climate change

The Paris agreement on the climate marked a turning point in the indispensable fight against global warming. To achieve the goal of maintaining global warming below 2°C, significant funding must be committed. Investors and asset managers have a major role to play as key players in financing the energy transition.

With increasingly visible consequences, private actors alone can no longer apprehend the risks associated with climate change. Evidence is now made of the impacts of climate change on the environment and the 21st Conference of Parties (COP21 held in Paris from November 30 to December 12, 2015, and resulted in the signing of the Paris Agreement) has helped focus the debate around the global energy transition.

Amundi believes that asset managers and investors can no longer ignore the risks of climate change. While the management and reduction of these risks are aligned with long-term objectives, we also have a key role to play in financing the energy transition. Our responsibility as a management company is to ensure that investors take into account long-term risks. To do this, we promote positive impact investments and encourage responsible practices in the companies in which we invest.

If one of the main obstacles to the fight against climate change and, more generally, the financing of the energy transition, has until now been the lack of large-scale solutions, we are trying to make the fight against climate change accessible to all investors. To do this, our strategy focuses on two aspects: (i) bringing stakeholders together in coalitions to foster the sharing of experiences and the transmission of good practices; and (ii) to design innovative financial products across the main asset classes to support the financing of the large-scale energy transition.

In addition, Amundi has organized itself in order to be able to provide a service within the framework of the application of Article 173 of the French Law on the Energetic and Ecological Transition for Green Growth (LTECV). Amundi chose Trucost, the world leader in environmental research and carbon data delivery, to calculate the carbon impact of its funds. Direct and indirect emissions (scopes 1, 2, and part of scope 3 corresponding to indirect emissions related to first-tier suppliers) as well as carbon reserves are covered.

In its investment strategies, this translates into three main asset classes:

On the equity market, index and ETF solutions "low carbon" aim to reduce the carbon footprint of the portfolios, and thus exposure to investors’ carbon risk. SRI equity funds are also invested in European companies active in green technologies (energy, water, waste).
Within the bond universe, Amundi has launched strategies to finance the energy transition through green bonds and allow investors to measure the impact in tones of CO2 avoided per million invested. Amundi has been chosen by the International Finance Corporation to launch a fund exclusively dedicated to emerging markets.
Finally, in the real and alternative asset market, the partnership with EDF within Amundi Energy Transition targets the financing of projects related to renewable energies or energy efficiency. Activities that will prove ultimately beneficial to society as a whole.

2.5. How many employees are directly involved in the company’s sustainable investment activity?

Amundi mobilizes many ways to deploy its SRI management:

**ESG dedicated teams**
Since its creation, Amundi has chosen to integrate ESG into the heart of management, and has a Responsible Investment department that brings together specialists in these issues:

- **12 ESG analysts.** Based in Paris and Tokyo, they meet companies, engage and maintain dialogue to improve ESG practices and are in charge of rating them.
- **Corporate Engagement and Voting team.** Based in Paris, this team defines the voting policy for the General Meetings of the companies in which Amundi is invested.
- **An ESG promotion team** in charge to promote the development of SRI expertise in France and around the world.

**New Governance dedicated to ESG policy**
With the support of these teams, Amundi leads five committees that are regularly monitored by the Amundi CEO:

**ESG Strategic Committee**
Chaired by the CEO of Amundi, the ESG Strategy Committee meets quarterly and defines Amundi’s ESG policy and its key orientations for France and abroad. It validates the policy and the themes of commitment.

**ESG Rating Committee**
The ESG Rating Committee meets monthly and is chaired by Amundi’s Head of Responsible Investment. It defines and validates the ESG rating, and decides on issuers likely to be excluded from Amundi’s active management portfolios because of their rating.

**ESG voting committee**
Amundi’s Head of Responsible Investment usually chairs and meets the ESG Voting Committee once a year. Its role is to review and validate Amundi’s commitments and voting rights, and to ensure consistency with key ESG engagement themes.

**ESG Management Committee**
The ESG Management Committee, chaired by Amundi’s Head of Responsible Investment, monitors key initiatives, customer inquiries and new business opportunities, and defines the objectives and priorities of the voting and ESG rating teams.

**Social Impact Committee**
The Social Impact Committee meets every two months and is chaired by the Head of Solidarity Management. It covers investment strategies on social and solidarity issues in unlisted companies (private equity and private debt).

As of December 31, 2018, around 60 analysts and portfolio managers are dedicated to SRI.
2.6. **Is the company involved in any RI initiatives?**

Active participation in local authorities

<table>
<thead>
<tr>
<th>General Initiatives</th>
<th>Environmental/Climate Initiatives</th>
<th>Social Initiatives</th>
<th>Governance Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ EFAMA RI WG</td>
<td>☐ Climate Bond Initiative</td>
<td>☒ Access to Nutrition Foundation</td>
<td>☒ Other (please specify)</td>
</tr>
<tr>
<td>☐ European Commission’s High-Level Expert Group on Sustainable Finance</td>
<td>☒ Green Bond Principles</td>
<td>☐ Accord on Fire and Building Safety in Bangladesh</td>
<td>-ACGA – Asian Corporate Governance Association</td>
</tr>
<tr>
<td>☐ ICCR – Interfaith Center on Corporate Responsibility</td>
<td>☒ IIGCC – Institutional Investors Group on Climate Change</td>
<td>☒ Other (please specify)</td>
<td></td>
</tr>
<tr>
<td>☒ National Asset Manager Association (RI Group)</td>
<td>☒ Montreal Carbon pledge</td>
<td>-Clinical Trials Transparency</td>
<td></td>
</tr>
<tr>
<td>☐ PRI - Principles For Responsible Investment</td>
<td>☐ Paris Pledge for Action</td>
<td>-Human Rights Reporting and Assurance Frameworks Initiative</td>
<td></td>
</tr>
<tr>
<td>☐ SIFs - Sustainable Investment Fora</td>
<td>☒ Portfolio Decarbonization Coalition</td>
<td>-PRI Human Rights Engagement</td>
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<td>☒ Other (please specify)</td>
<td>☒ Other (please specify)</td>
<td>-WDI – Workforce Disclosure Initiative</td>
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<td>- Finance for Tomorrow</td>
<td>-Water Disclosure Project</td>
<td>-Finansol</td>
<td></td>
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<tr>
<td>- Pensions For Purpose</td>
<td>-Climate Action 100+</td>
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<tr>
<td>- The Embankment Project for Inclusive Capitalism</td>
<td>-TCFD – Task Force on Climate-related Financial Disclosures</td>
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<tr>
<td>- IFC Operating Impact Principles</td>
<td>-OPSWF – One Planet Sovereign Wealth Fund Social Initiatives</td>
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</tbody>
</table>

2.7. **What is the total number of SRI assets under the company’s management?**

Amundi’s Responsible Investment (RI) assets are investment solutions that integrate environmental, social and governance (ESG) considerations into investment decisions to better manage risk and generate long-term sustainable returns over the long-term, and solutions to specific challenges (social impact, preservation of natural resources, energy transition, fight against global warming...).

As of December 31, 2018, the Amundi Group's total IR assets totaled € 276 billion, of which € 168 billion complied with Group-specific SRI rules.

3. **General information about the SRI fund(s) that come under the scope of the Code**

3.1. **What is (are) the fund(s) aiming to achieve by integrating ESG factors?**
To evaluate the extra-financial quality of issuers of green bonds and funded projects, the management team relies on an analysis of ESG criteria including the environmental dimension of the latter. It is also based on social and governance criteria. The purpose of the ESG analysis is to raise awareness and encourage companies to adopt a sustainable development logic while giving them an ESG (Environment, Social, Governance) rating. This note is based on a reference of criteria, as for example:

- energy consumption and CO2 emissions, waste management, water consumption ... on the environmental dimension (E);
- respect for human rights, the accident rate ... on the social dimension (S);
- the structure of the board of directors, the rights of shareholders, the fight against corruption ... on the dimension of governance (G).

The analysis finally leads to an overall non-financial rating of the issuer on a scale ranging from A (best score) to G (lowest rating). There is only one rating for the same issuer, regardless of the chosen universe of reference.

The consideration of the ESG rating of the issuer aims to limit the risk of controversy on projects financed through green bonds. As such, the manager will invest at least 50% of the net assets in green bonds whose issuers have an ESG rating between A to D.

This fund is a sub-fund of the Amundi Responsible Investing SICAV. It is mainly invested in green bonds or "Green Bond" which are debt securities issued on a financial market and intended to finance projects to fight global warming, support energy transition, etc.

The objective of the sub-fund is to select green bonds, which (i) comply with the Green Bonds Principles and (ii) whose issuers and funded projects comply with the defined Environmental, Social and Governance (ESG) criteria defined by the management company.

The sub fund invests 100% of net assets excluding cash (money market funds and cash) in all types of green bonds traded on a regulated market, issued by governments, supranational organizations, private or public companies.

### 3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

Amundi's ESG analysis is done internally, based on a solid quantitative base, supplemented by a thorough qualitative analysis.

12 ESG analysts are dedicated to ESG analysis of issuers (companies and governments). These analysts rely on 9 non-financial data providers, in order to have a plurality and complementarity of information over a wide investment universe.

Using multiple vendors has several advantages:

- obtaining several points of analysis on the same company and on the same criterion: the suppliers can have a different approach to analyze the same criterion, the use of several suppliers offers a real complementarity and ensures a 360 vision issues and behavior of companies in managing these issues.

- access to an updated analysis with a higher frequency compared to the use of a single supplier (each supplier carrying out an annual update of their analyzes on a given sector but according to a schedule specific to each).

- the identification of strong differences of opinion, requiring the intervention of the analyst.

Among the research providers:

As a first step, a dedicated software developed internally in order to apply the values of our repository and our own weights processes the data provided. Then the team evaluates the issuers qualitatively and analyzes the consistency of the information in a systematic way.

Analysts may also use other external sources:
- Sustainability reports published by companies
- Scientific reports
- Regulatory texts
- Industry data and studies provided by brokerage firms as well as information from NGOs and trade unions

Finally, and this is fundamental for their work, Amundi’s extra-financial analysts regularly meet with companies during ESG interviews (around 300 per year).

3.3. What ESG criteria are taken into account by the fund(s)?

Amundi has developed two ESG criteria references, one dedicated to the evaluation of companies, the other dedicated to the evaluation of the States. The methodology used to select ESG criteria is common to all funds.

Corporate ESG Analysis Criteria
ESG business analysis is based on texts of universal scope such as the United Nations Global Compact, the OECD Guidelines on Corporate Governance, the International Labor Organization (ILO), etc.
Our internal reference frame is composed of 36 criteria, including 15 generic criteria, common to all issuers regardless of their sector of activity, and 21 specific criteria specific to the challenges of the different sectors.
The criteria are weighted according to the sector of activity, the regional and legislative context. The higher the risk associated with a criterion, the more weighted this criterion is.

The table below presents the Amundi benchmark of analysis:

| 15 generic criteria | 21 sector-specific criteria |

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### States ESG Analysis Criteria

The rating and ESG analysis of the States relies on the CAR? methodology (Compliance, Actions and Results) with the purpose of measuring and comparing how deeply sustainable development issues are incorporated in the institutional and public policy systems of States in all three aspects of ESG.

Those three aspects are subdivided into nine issues: three for the environment, four for social, and two for governance, which are analyzed from three perspectives: Compliance, Action and Results, which cover the following areas:

- **Compliance**: ratification of treaties (Kyoto Protocol for aspect E, Chemical Weapons Convention for aspect S, etc.)
- **Actions**: public spending, decisions, and implementation (share of renewable power in the energy mix for aspect E, share of GNP spent on health care for aspect S, etc.)
- **Results**: quantifiable and measurable (CO2 emissions for aspect E, Corruption Perceptions Index for Transparency International for aspect G, etc.)

The nine issues cover about a hundred criteria.

This methodology is based on sources of public data:

- **UNDP** - United Nations Development Program
  - Coordination of efforts aimed at achieving the Millennium Development Goals, which aim to reduce poverty in half by 2015
  - Areas for action: promoting democratic governance, sustainable management of resources, preventing the spread of HIV/AIDS
- **WHO** - World Health Organization: A UN institution that specializes in health
- **WRI** - World Resources Institute: An environmental defense think tank
- **Transparency International**: An NGO that specializes in fighting corruption

The rating is established on a scale from A to G (A being the best, G the worst).

### 3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?

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*Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code:*

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power consumption and greenhouse gas emissions</td>
<td>Labour conditions and non-discrimination</td>
<td>Independence of advice</td>
</tr>
<tr>
<td>Water</td>
<td>Health &amp; safety</td>
<td>Audit and control</td>
</tr>
<tr>
<td>Biodiversity, pollution, and waste</td>
<td>Social relations</td>
<td>Compensation</td>
</tr>
<tr>
<td></td>
<td>Client/supplier relations</td>
<td>Shareholders’ rights</td>
</tr>
<tr>
<td></td>
<td>Product responsibility</td>
<td>Ethics</td>
</tr>
<tr>
<td></td>
<td>Local communities and human</td>
<td>ESG strategy</td>
</tr>
</tbody>
</table>

- Green vehicles (Automotive)
- Development and production of alternative energy and biofuels (Energy/Utilities)
- Responsible forestry (Paper & Forests)
- Eco-responsible financing (Banks/Financial Services/Insurance)
- Green insurance (Insurance)
- Sustainable construction (Construction Industry Products)
- Packaging and eco-design (Food and Beverages)
- Green chemistry (Chemistry)
- Paper recycling (Paper & Forests)
- Bioethics (Pharmaceuticals)
- Access to medicine (Pharmaceuticals)
- Vehicle safety (Automotive)
- Passenger safety (Transportation)
- Healthy products (Food)
- Digital divide (Telecommunications)
- Responsible marketing (Pharma/Banking/Misc. Financial)

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*Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code:*

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The elements linked to climate change are taken into account in the Environment criterion of our ESG criteria reference frame (see question 3.3). In addition, the extra-financial analysis ensures that the green bonds selected in the portfolio are well aligned with at least one of the two market standards: the ICMA Green Bond Principles (GBP) or the Climate Bond Standard (CBS) of the CBI, through external and independent studies. In the event that such a study is not available, the extra-financial analysis team may conduct the study itself to determine whether the obligation complies (or not) with these market standards.

3.5. **What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?**

**ESG valuation of companies**
The issuer analysis is based on evaluation grids with a set of ESG criteria relevant to the industry and weighted according to their level of importance.
The first step of the analysis is to study the business sector of the company to identify the risks and opportunities related to this sector.
The second step is to determine the weightings of the three Environmental, Social and Governance (ESG) criteria according to their respective degree of importance. The weight attributed to the ESG criteria depends on the sectors.
The table below shows examples of E, S and G weightings in three different sectors: Automotive, Bank and Mining

<table>
<thead>
<tr>
<th>E</th>
<th>S</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Bank</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Mining</td>
<td>41%</td>
<td>36%</td>
</tr>
</tbody>
</table>

**ESG Rating**
The extra-financial analysis of an issuer results in an ESG rating on a 7-point scale ranging from A (best score) to G (worst).
There is only one rating for the same issuer, regardless of the chosen universe of reference. Concerning the rating of companies, this one is "neutral sector", that is to say that no sector is privileged or disadvantaged.
The diagram below shows the distribution of issuers rated according to ESG criteria worldwide:

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

The ESG ratings are updated monthly from the data provided by the rating agencies, integrated into the expert software and enriched, where appropriate, by the qualitative analysis. The news of issuers is monitored continuously, controversies and alerts are taken into account instantly to update analyzes. On average, the full update is done annually. In addition, analysts regularly adjust their analysis methodology based on the ESG Rating Committee's conclusions.

Controversies analysis
At Amundi, issuers are monitored on an ongoing basis and any news on controversies is factored in the ESG analysis. Controversy analysis may or not lead to a change of rating at the concerned criteria level or at the final ESG rating level.

The ESG analysis team has set up a dedicated tool for identifying, analysing, and tracking controversies. This tool makes it possible:
- To ensure exhaustive coverage of all companies in the Amundi investment universe
- To detect new trends and identify rising controversies (in industries, topics, geographical areas, etc.)
- To identify the most controversial companies in order to initiate a dialogue with them or to exclude them from portfolios, as a last resort
- To adopt a proactive approach in handling controversies so as not to be caught off-guard
- To protect clients from reputational risk (associated with companies held in their portfolio)

The model put in place is a hybrid assessment model that combines supplier indices and internal analysis, which makes it possible to assess the level of controversy as objectively as possible:
- The analysis is based on screening four data suppliers
- It is supplemented by a deep analysis performed by specialists in each sector:
- Expertise to specifically track major controversies
- Periodically updated dynamic analysis (identifying variations, new additions or removals, etc.)
- Periodical review of the 100 most controversial issuers (the largest controversies and/or the risk of controversy is growing the most)
- Qualitative and quantitative assessment of each controversy:
  - Number of controversies
  - Size and scope of the controversies
  - Potential impact on the company
  - Potential impact on stakeholders
  - Source (Quality and Visibility)
  - Duration/effect of the controversy

**Controversy screening tool**

A tool combining the controversy alerts of RepRisk, Sustainalytics and MSCI enables ESG analysts to monitor severe controversies, integrate them when relevant to the single name ESG ratings and to the sectorial ESG factors. This screening is done quarterly and is accessible to all ESG Analysts. When an issuer has to be excluded of the portfolio, the manager has the obligation to sell the security in question within 3 months.

4. **Investment process**

4.1. **How are the results of the ESG research integrated into portfolio construction?**

The investment universe consists of green bonds, respecting the Green Bonds Principles, with no currency restrictions whose positive impact on the energy and ecology transition is assessable.

**Criteria for eligibility of securities in the investment universe**

Green bonds are intended to finance projects aiming at an environmental benefit. They are qualified as such by the issuer and must comply with the criteria defined by the Green Bonds Principles relating to:

1. the description and management of the use of funds:
   - The objects of financing must be clearly identified and described in the regulatory documentation relating to the issue of the title and provide an easily identifiable environmental benefit.

2. the project evaluation and selection process:
   - A green bond issuer must specify (i) the processes, (ii) selection criteria and (iii) target environmental objectives that led to the selection of funded projects.

3. the management of the funds raised:
   - The funds raised must be managed according to a cantonment principle (dedicated accounts or portfolios) or be the subject of a mechanism to trace the financing operations. The level of funding achieved must be able to be regularly monitored.

4. reporting:
   - Issuers must publish regularly (at least on an annual basis) information on the actual use of funds and the impact of eligible projects financed.
   - Financing objects must be related to environmental categories such as alternative energies, energy efficiency, etc. These criteria, which are subject to change, are in line with the best practices guide for the issuance of a Green Bonds as defined by the Green Bonds Principles. They are likely to change over time.
In addition, the positive impact on the energy and ecological transition of the green bonds of the investment universe must be assessable. To do this, the manager will have to study the regulatory documents and the activity reports of these bonds. To this end, the portfolio manager will conduct an analysis of the environmental dimension of the projects financed by green bonds. It will take into account the impact estimates made by the issuers, such as the reduction of energy consumption or energy production, measured in tones of CO2 equivalent avoided. The portfolio manager will exclude from the eligible universe all green bonds whose impact is not assessable, whose data from issuers on funded projects are not disseminated and/or are deemed not estimable. Impact indicators measure the environmental impact of funded projects. Its focus on the good governance of the projects and data provided by the issuer, its do not take into account the sector of activity of the issuer and do not constitute exclusion criteria for issuers by evaluating companies in function ESG best practices and/or sectors as a whole. The selection criterion relates to the financing of green bonds and does not result in any sectoral exclusions and, consequently, the universe and the portfolio will potentially include companies that emit CO2 significantly.

As of June 2019, there are currently 200 issuers and 400 issuances in the investment universe (Global Green Bonds). We do not exclude Green Bonds due to exclusion restrictions as long as they are in adherence with the Green Bond Principles. To be noted, the bonds selected need to report on the impact indicator (tCO2 Emissions avoided), which limits the investible investment universe to 60% to 70% of the investment universe.

4.2. **How are the criteria specific to climate change integrated into portfolio construction?**

All elements related to climate change are taken into account in the ESG criteria (See question 3.3).

4.3. **How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?**

Certain sovereign, supranational or agency issuers are not rated. These issuers are the subject of a specific qualitative analysis by the extra-financial analysis team. The team relies on all documents published by the issuers as well as external and independent studies to ensure that the issuer and the green bond meet the investment standards.

4.4. **Has the ESG evaluation or investment process changed in the last 12 months?**

In December 2018, the ESG rating committee decided that the ESG rating of a company with more than 10% of its revenue coming from tobacco cannot be greater than E (suppliers, manufacturers, distributors). SRI funds, which exclude companies rated E, F or G, will therefore not be able to hold tobacco in their assets.

4.5. **Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?**

No.
4.6. **Does (do) the fund(s) engage in securities lending activities?**

The fund may engage in securities lending by reference to the Monetary and Financial Code. In order to exercise voting rights, the securities of French companies are automatically repatriated. Securities from issuers in other areas are repatriated to the extent possible.

4.7. **Does (do) the fund(s) use derivative instruments?**

The use of forward financial instruments, whether conditional or not, is an integral part of the investment process, in particular because of their liquidity and/or cost-effectiveness advantages. They make it possible to intervene quickly in substitution of shares, particularly during the flow of subscriptions/redemptions flows or in special circumstances such as major market fluctuations. They thus enable the overall risks of the portfolio to be controlled, as well as to synthetically reproduce an exposure to dynamic assets.

4.8. **Does (do) the fund(s) invest in mutual funds?**

The fund is allowed to hold up to 10% of its assets in mutual funds.

5. **ESG controls**

5.1. **What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?**

The Risk Department continuously monitors - independently of the operational departments - that the portfolios are managed in compliance with Amundi’s rules. A control tool is developed and set to alert when a rule is no longer respected on a portfolio and a blocking system prevents managers to buy the title of a rated issuer G. In addition, if the rating of an issuer is downgraded to G, when it is already present in certain portfolios, the manager has the obligation to sell the security in question within 3 months.

6. **Impact measures and ESG reporting**

6.1. **How is the ESG quality of the fund(s) assessed?**

The Green Bonds quality assessment of the portfolio is provided monthly with the fund’s financial reporting. The ESG reporting includes a "Green Bonds lexicon" heading and "Impact reporting" section that presents:

- The tons of CO₂ avoided (Emissions avoided per million € invested per year) and Breakdown by tons of CO₂ avoided by obligation

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5 Reference to Article 173 of the French TECV Act
Top 15 Green Bonds & Portfolio use of proceeds breakdown by project category

Portfolio use of proceeds breakdown by project category:
- Energy Efficiency (EE): 10.89%
- Renewable Energy (RE): 16.86%
- Mix RE & EE: 66.44%
- Other: 1.58%

Renewable Energy: More than 70% of the green bond proceeds were allocated to RE projects.
Energy Efficiency: More than 70% of the green bond proceeds were allocated to EE projects.
Mix: More than 70% of the green bond proceeds were allocated to RE & EE projects combined.
Other: Less than 70% of the green bond proceeds were allocated to RE & EE projects combined and more than 50% of proceeds were allocated to other types of projects (water, waste, etc.).

Portfolio use of proceeds' geographic breakdown:
- Asia: 48.79%
- Emerging: 4.42%
- Europe: 6.42%
- Global: 4.42%
- North America: 0.79%
- Under review: 30.08%

Portfolio ESG rating breakdown
6.2. **What ESG indicators are used by the fund(s)?**

N/A

6.3. **What communication resources are used to provide investors with information about the SRI management of the fund(s)?**

Beyond the legal documentation (prospectus, KIID, etc.) and reporting including the ESG dimensions, Amundi provides investors with rich documentation on its SRI approach and the issues of ESG. This covers research papers, sector analyzes, engagement reports, SRI and ESG brochures, etc. This documentation is available on the Amundi website.

The table below summarizes the available documentation:

<table>
<thead>
<tr>
<th>Document’s name</th>
<th>Contain</th>
<th>Frequency</th>
<th>Diffusion channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brochure IR</td>
<td>Amundi philosophy and process</td>
<td>Annually</td>
<td>Website <a href="https://www.amundi.lu/professional/ezjsco/recall/eziscamundibuzz::sfForwardFront::paramsList-service=ProxyGedApi&amp;routerld=dl_MmZmOGQyZDk5YWQzMGJjY2U1NDdkNzNiYTMAYTc4NmU/download">Link</a></td>
</tr>
<tr>
<td>RI Transparency Report</td>
<td>Amundi annual report regarding its ESG reporting obligations arising from its adherence to the Principles for Responsible Investment (PRI)</td>
<td>Annually</td>
<td>Website <a href="https://www.amundi.lu/professional/ezjsco/recall/eziscamundibuzz::sfForwardFront::paramsList-service=ProxyGedApi&amp;routerld=dl_ZWE5YjjZDnhNDikMWU1NWIyN2RhYzE2Y2YxOTZhZTk/download">Link</a></td>
</tr>
<tr>
<td>Engagement Report</td>
<td>Detail of Amundi’s philosophy and engagement process, results of our dialogue and engagement with companies on topics related to environmental, social and governance risks</td>
<td>Annually</td>
<td>Website <a href="https://www.amundi.lu/professional/ezjsco/recall/eziscamundibuzz::sfForwardFront::paramsList-service=ProxyGedApi&amp;routerld=dl_MTAxODM4MjU0NTQzYjE2MTQ3MDJhNyZ2YiZUZDA/download">Link</a></td>
</tr>
<tr>
<td>SRI Policy</td>
<td>Amundi’s SRI policy</td>
<td>Annually</td>
<td>Website <a href="https://www.amundi.lu/professional/ezjsco/recall/eziscamundibuzz::sfForwardFront::paramsList-service=ProxyGedApi&amp;routerld=dl_MGlyNGU5MWQ0OGNhN2UtNTIiYWZkNjdiNTQwY2QSN2Q/download">Link</a></td>
</tr>
<tr>
<td>Voting policy</td>
<td>Framework for analyzing Amundi’s voting policy</td>
<td>Annually</td>
<td>Website <a href="https://www.amundi.lu/professional/ezjsco">Link</a></td>
</tr>
</tbody>
</table>

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6 Reference to Article 173 of the French TECV Act
6.4. **Does the fund management company publish the results of its voting and engagement policies?**

Amundi publishes annually the results of its voting policy and its commitment policy ([https://www.amundi.lu/professional/ESG/Documentation](https://www.amundi.lu/professional/ESG/Documentation)).

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7 Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE