

Confidence
must be earned

Amundi
ASSET MANAGEMENT



Amundi Responsible Investment Solutions

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Responsible Investment is one of Amundi's four founding pillars. To this end, Amundi already filters out companies with the worst ESG ratings from more than €1.4 trillion of assets under management. Additionally, Amundi manages more than €280 billion in responsible assets, incorporating environmental, social and/or governance factors into investment decisions.



“Amundi has not only built a solid and recognized ESG analysis process but has also launched innovative initiatives to promote investments with a powerful environmental and social impact. From now on, we aim to mainstream ESG criteria integration through all our investment processes and voting policies.”

Stanislas POTTIER
Amundi's Chief Responsible
Investment Officer

ESG is who we are

Applying our beliefs to our investment processes has been part of Amundi's identity since its creation. Now more than ever, we are committed to supporting you to invest with a purpose. Amundi, a responsible investment DOER & ENABLER.

AMUNDI, A RESPONSIBLE INVESTMENT DOER

- An **Avant-garde** expertise: founding pillar at the creation of Amundi & 10 year track-record ESG methodology.
- An **Evolutive** approach, from tools to methodologies, to integrate new ESG concerns.
- A **Comprehensive** ESG one-stop-shop for analysis, off-the-shelf investment solutions, engagement & tailor-made design.
- A **Concrete** solutions provider, across asset classes and financial markets.

AMUNDI, YOUR RESPONSIBLE INVESTMENT ENABLER

- **Spreading** the word through pro-active engagement to promote your beliefs in your portfolios.
- **Expanding** your reach through innovation by supporting supply & demand and creating new markets.
- **Tailoring** our know-how to your ESG journey through Amundi's multi-experts house, from active to passive management, across the whole asset spectrum.
- **Fostering** meaningful changes thanks to our size.

Taking it further than ever before

Today, Amundi is taking responsible investment further than ever, and announces the 9 ambitions to be achieved by 2021.

MAINSTREAM ESG-INVESTING

1	<p>100% ESG INTEGRATION</p> <p>By 2021, all actively managed open-ended funds will have to maintain a higher ESG score than their benchmark index. Basically, that means mainstreaming the practice of over- or underweighting holdings based on ESG ratings. Beyond the voting & engagement policy, passive strategies can integrate ESG through ready-to-use ESG index funds and ETFs or customized solutions.</p>
2	<p>100% COVERAGE FOR ESG ANALYSIS (8,000+ COMPANIES)</p> <p>Amundi possesses a strong in-house team of ESG analysts who apply a proprietary methodology with 36 criteria based on both international norms and inputs from respected ratings agencies, and dialogue with companies to ensure reliable qualitative and quantitative assessment of issuers. The ESG analysis is summarized as a lettered rating from A (best) to G (worst). Building on this strong foundation, we plan to cover 100% of the securities in Amundi's portfolios and benchmark indexes.</p>
3	<p>100% INTEGRATION OF ESG IN VOTING</p> <p>In 2018, Amundi voted in over 2,500 General Meetings. By 2021, 100% of Amundi's votes will take ESG issues into consideration. We take our shareholder responsibilities seriously as part of the mission entrusted to us by our clients. Engagement and voting constitute a strong lever for promoting positive change that creates value for the whole marketplace.</p>

FOSTER INNOVATION

4	<p>ACCELERATING INNOVATIVE CLIMATE SOLUTIONS</p> <p>Already a leader in specialist funds dedicated to ESG, Amundi is accelerating its development of innovative solutions to finance climate-positive developments and the energy transition. We prioritize initiatives that stimulate both supply and demand as well as contribute to building a dynamic marketplace for responsible investment instruments.</p>
5	<p>EXPANDING INVESTMENTS IN THE SOCIAL ECONOMY</p> <p>Amundi is a leader in social impact investing in France. The 3-year plan is to set more than double current investment levels, as well as extend the reach of these activities in Europe. Our goal is to cover a broader geographical area, and help more clients have an impact on their local communities.</p>
6	<p>DOUBLING OUR ESG PASSIVE MANAGEMENT FOOTPRINT</p> <p>In order to accompany investors looking to combine passive investment with a responsible approach, Amundi plans to doubling our ESG passive management by enhancing the Responsible Investing ETF and open-ended index funds range, implementing a systematic exclusion of the worst-rated companies in all open-ended funds and develop innovative ESG overlay solutions.</p>

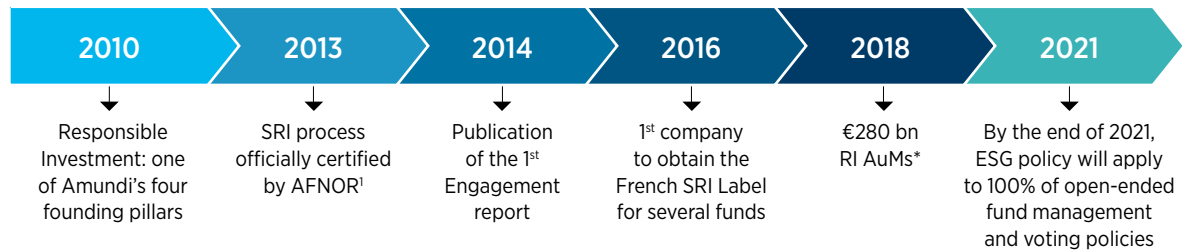
ACCOMPANY AND ADVISE INVESTORS

7	<p>ENHANCING STRATEGIC ADVICE & SERVICES</p> <p>Amundi is committed to working alongside both institutional and retail partners to accompany their ESG development. Going forward, we will focus on helping investors define ESG objectives, preferred approaches and tools to measure achievement against their philosophy and evolving needs.</p>
8	<p>SHARING KNOWLEDGE AND BEST PRACTICES</p> <p>Through our client knowledge sharing program, the 'Amundi Executive Program', we aim to disseminate best practices. This high-level forum brings together CEOs / CIOs of asset owners to share their experiences and convictions.</p>
9	<p>CONTRIBUTING TO THOUGHT LEADERSHIP</p> <p>Through the Medici Committee think tank, Amundi participates either to thought leadership to address the major societal challenges confronting businesses worldwide, and contributes to an ongoing process of reflection around the principles, applications and impacts of responsible investments. Additionally, Amundi will continue to publish research dedicated to ESG investing.</p>

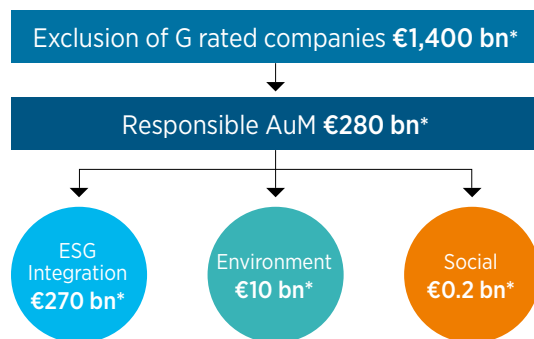
Amundi, A responsible partner

Acting as a responsible financial institution is a core commitment of Amundi's corporate identity. This commitment is reflected both in our responsible investment process and the solutions range that Amundi has developed to enable clients to become responsible investors.

LONG-STANDING PLAYER IN ESG INTEGRATION



Amundi is a pioneer in Responsible Investment (RI) and has continuously strengthened its ambition to integrate Environmental, Social and Governance (ESG) criteria through its investment strategies and to reinforce its engagement policy with the desire to assist companies in making progress. Today, Amundi is raising targets one step further, notably through the application of an ambitious mainstreaming policy to be completed by 2021.



Amundi manages more than **€1.4 trillion*** of AUM excluding companies and countries that violate international laws and conventions, and close to **€280 billion*** in Responsible Investment.

PUBLICLY RECOGNIZED EXPERTISE

- Principles for Responsible Investment (PRI): **in 2018, Amundi was once again awarded the top rating A+²** for its Responsible Investment approach.
- Best Asset manager for SRI /ESG: 1st place in the SRI & Sustainability ranking published by Extel, in 2015, 2016, 2017 and 2018 in the Asset Management Best Firms category for SRI/ESG³.



*Source: Amundi, data as of June 2018. 1. AFNOR: recognized independent organization which guarantees the quality and transparency of SRI approaches - 2. Source: UN PRI, United Nations Principles for Responsible Investment 2018 - 3. Source: Extel - SRI & SUSTAINABILITY SURVEY June 2018.

Amundi's Responsible Investment offering

RESPONSIBLE OFFERING

Amundi relies on the entire Group's expertise in order to offer to its institutional and retail clients a wide range of open-ended funds and tailor-made RI solutions that incorporate ESG factors into investment decisions. With the aim of meeting the diversity of investor needs, objectives and drivers related to Responsible Investing, Amundi has developed (1) Investment solutions integrating combined ESG criteria, (2) specific initiatives to enable investors to address Environmental or Social challenges, and finally (3) a wide range of implementation capabilities, through a continuum of active strategies, passive investment solutions and bespoke design.



RESPONSIBLE INVESTING CAPABILITIES

Since the launch of its first Responsible Investment fund in 1989, Amundi has constantly invested in technical and human resources to develop fine-tuned solutions and raise awareness among our clients and our peers. As of today, Amundi manages several dedicated funds/mandates for institutional investors, reserve funds, pension funds, retirement savings institutions, insurance companies, asset managers, private banks, associations and congregations... worldwide.

- ~70** ESG investment experts
- 20** Analysts dedicated to ESG & voting issues
- 9** ESG rating and data providers
- 3** Proxy advisors
-  Proprietary ESG rating calculation module

Multi Dimensional ESG Integration



With the aim of meeting investors' multiple needs regarding Responsible Investing, Amundi has developed a wide range of open-ended funds and bespoke ESG solutions.

These solutions:

- take into account E, S and G criteria simultaneously,
 - apply a best-in-class rating process,
 - cover traditional and non-traditional asset classes...
- ...through different ESG portfolio construction processes.

ESG BEST IN CLASS

Since 1989, Amundi has developed solutions that integrate ESG criteria based on the overall ESG rating of issuers. These solutions, placed at the core of our ESG offering, combine a best-in-class approach, which consists in selecting within each sector the issuers with the best ESG practices, with a unique engagement approach:

Implementing Amundi SRI rules

- Exclusion of issuers rated E, F, G
- ESG average rating of the portfolio \geq ESG rating of the benchmark/ investment universe
- Average ESG ratings of the portfolio \geq C
- 90% minimum of issuers in the portfolio rated in terms of ESG

Our ratings range from A to G, A being the highest rating and G the lowest

Covering the main traditional asset classes

Money Market

Equity

Bond

Multi-asset

Certified by external and independent organisations

- Since 2013, Amundi's SRI approach has been certified by AFNOR¹, a recognised and independent organisation. This certification guarantees the quality and the transparency of its SRI approach.
- Amundi was the first asset manager to obtain the French SRI Label for several of its funds (Equity & Credit funds).



1. Source: AFNOR. In 2013 & 2016, Amundi obtained the first "SRI approach" certification delivered by AFNOR, an independent and recognised third party. For further information, please refer to page 11 of the document. Information given for indicative purposes only, may change without prior notice.

ESG RISK MANAGEMENT

Building on the quality and depth of Amundi’s ESG database, CPR AM, Amundi’s subsidiary dedicated to multi-factor and thematic investments, developed innovative solutions implementing a complementary risk-based ESG approach. These solutions seek to enhance value creation potential through the selection of appropriate criteria combinations.

– Multi-sector approach

This solution based on financial materiality relies both on the overall ESG rating and on a selection of financially relevant E, S & G criteria (“weak signals”) in order to define an ESG investment universe allowing the implementation of an additional financial alpha. The criteria and their materiality are at the heart of our approaches:

Integrating Amundi ESG scores with a specific approach

- Exclusion of issuers rated F & G
- Exclusion of F & G on selected material criteria (positive information ratio)
- Criteria selection by asset class and geographical area
- Annual review of criteria selection

Our ratings (both for overall ESG rating and selected criteria) range from A to G, A being the highest rating and G the lowest

Covering the main traditional asset classes

Equity

Credit

Convertible

Multi-asset

– ESG Thematic

These solutions are based on strong equity thematic investment opportunities backed by megatrends with a demanding sustainable approach. Such approach relies both on a selection of E, S & G criteria adapted to the material challenges of the theme, along with a strict monitoring of controversies and impact.

Specific ESG criteria according to the challenges to take up

A four-level approach:

- Exclusion of issuers rated F & G
- Exclusion of F & G on selected material criteria (relevance to the theme issue)
- Monitoring of controversies
- Impact

Megatrends as drivers

Social & demographic changes

Economic shifts

Technological revolution

Environmental challenges

Impactful themes framed by the United Nations

- Food value chain, aging population, education, climate...
- Impact metrics and Sustainable Development Goals framework



Specific Initiatives

ENVIRONMENTAL FOCUS

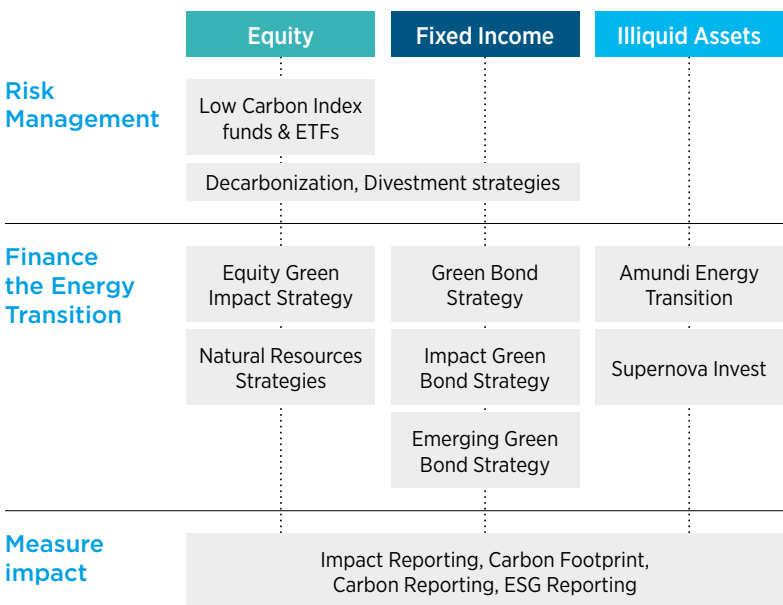
Seeking to make the fight against climate change accessible to all investors, Amundi has designed innovative financial solutions, across main asset classes.

OUR OF-THE-SHELF AND BESPOKE SOLUTIONS HAVE THREE OBJECTIVES

- Manage climate-related risks
- Finance the energy transition
- Measure impact outcome

THEY ARE PART OF A RANGE OF FINANCIAL INNOVATIONS

- Specific low carbon and decarbonisation strategies with the capacity to measure the carbon footprint of portfolios for both equity and fixed income investments.
- Specific equity, green bond and real assets strategies aiming to finance the energy transition for real economy environmental benefits.
- Specific impact strategy enabling investors to measure their positive impacts on the environment, thereby answering growing regulatory requirements imposed on institutional investors.



These specific strategies are non-exclusive and can be combined upon client's request.

STRONG ENVIRONMENTAL ENGAGEMENT

Market initiatives



Co-founding member of the Portfolio Decarbonization Coalition



Member of the Executive Committee of the Green Bond Principles

Innovative partnerships



Co-development of the MSCI Low Carbon Leaders Indices together with two major pension funds, and subsequent launch of Index funds and ETFs



Strategic partnership with IFC, a member of the World Bank Group

SOCIAL FOCUS

Amundi, a pioneer in impact investing, firmly believes that the positive impacts of investing in the Social and Solidarity Economy today will be a source of profitability tomorrow. Therefore, we have developed a social impact investing expertise and innovative solutions reaching both financial return target and measurable social impact.

AN EXPERTISE BASED ON THREE COMMITMENTS

Our impact investing systematically aims to:

- Support companies over the long term by offering investment methods tailored to their own needs in terms of growth (capital or debt). Our objective is to build a long and lasting partnership.
- Diversify our selection of social businesses, not only through our five themes and throughout the national territory, but also based on their size, length of existence and legal status.
- Publish transparent, concrete information, notably through a social impact report.

8 years
experience

5 people
dedicated to social Impact investing working in collaboration with the ESG analysis, Private Equity and Multi-asset teams

FIVE IMPACT INVESTING THEMES

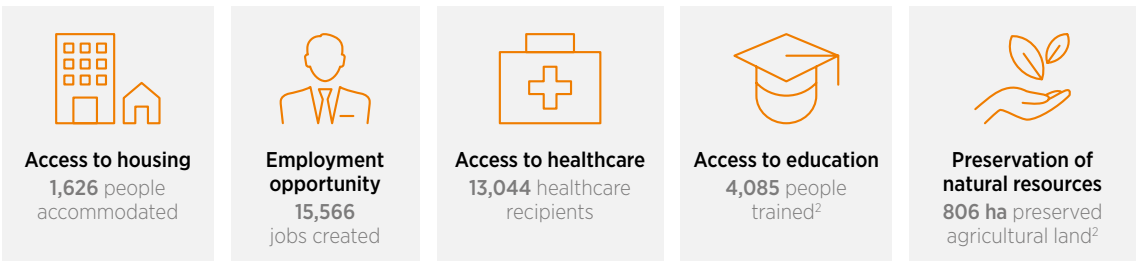
Amundi has selected five impact investing themes that cover most of the 17 Sustainable Development Goals (SDGs)¹. The goal of these five themes is to:

1. Facilitate access to decent housing
2. Support access to a meaningful job
3. Foster access to healthcare, education and training
4. Protect the environment
5. Share and Cooperate: International solidarity including microfinancing

31
social businesses funded

IMPACT MEASUREMENT AND REPORTING CAPABILITIES

Aware of the importance of impact measurement and reporting, Amund has internally developed a special methodology to evaluate and measure the impact of its social impact investing funds.



1. SDGs: Global goals deriving from the Millennium Development Goals that signatory countries have undertaken to meet over the next 15 years (2015-2030). 2. Impact in number of beneficiaries of Finance and Solidarity since its creation in spring 2012. Source: Amundi, as of 30/09/2018. Given for illustrative purposes only, may be changed without prior notice.

Reconciling Responsible Investment with Passive solutions

The growing demand for Responsible Investing solutions is also observed in the passive management universe. Along with actively-managed portfolios, investors also look for ready-to-use passive solutions as well as customization capabilities to make the most of Responsible considerations combined with passive management.

A VAST ARRAY OF SOLUTIONS

Thanks to our index knowledge, together with the ESG analysis and data available within the Group, we are able to offer a wide range of Responsible Investing passive solutions, be they open-ended or highly customized.

Our approach lies on 5 levels to reconcile Responsible Investment with passive management

LEVEL 1 **Vote & Engagement**

At Amundi, in the same way as active management goes hand in hand with an active voting and engagement policy, the latter is fully implemented in our passive management, since the creation of the first index fund

LEVEL 2 **Exclusion policy**

We implement a systematic exclusion of controversial weapons in all our open-ended index funds and ETFs

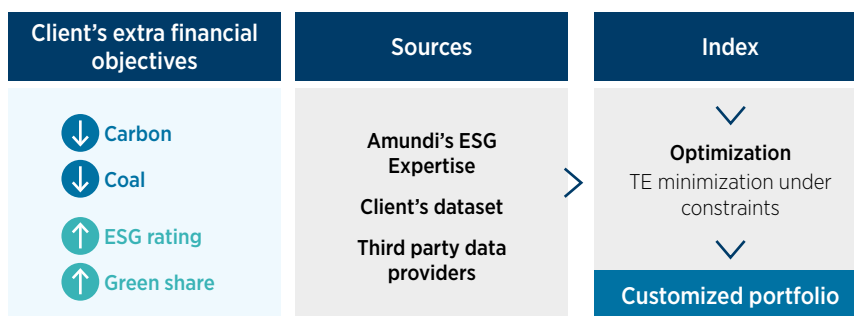
LEVEL 3 **ESG Index Solutions**

We offer high-quality replication of ESG (equity or fixed income)/Low Carbon indices, in open ended index funds and ETFs

LEVEL 4 **Customized ESG Passive Solutions**

Amundi index portfolio managers have the capability to build tailor made solutions

How to customize a portfolio – One concrete example



LEVEL 5 **Enhanced ESG Indexing Solutions**

Generating alpha while focusing on stocks combining best ESG scores together with a solid financial profile, within low tracking error budget.

Responsible investment for all

While there are as many Responsible investing approaches as there are investors, Amundi pools the best of the Group’s capabilities to advise and work alongside asset owners in their “Responsible” approach. Backed by long-standing experienced teams, our client partners can benefit from (1) dedicated solutions design, (2) advisory services, and (3) knowledge and insight sharing.

SOLUTIONS DESIGN

Dedicated solutions design integrating specificities in terms of ESG approaches such as specific exclusions, specific ESG criteria, different weightings for E, S and G, as well as specific focus on environmental or social issues.

Investment Universe	Management Style	Specific set of Client Criteria	Engagement & Voting
<ul style="list-style-type: none"> ▪ All regions ▪ All asset classes <ul style="list-style-type: none"> - Money market - Bond - Multi-asset - Equity - Real & Alternative 	<ul style="list-style-type: none"> ▪ Passive ▪ Enhanced Indexing ▪ Stock Picking 	<ul style="list-style-type: none"> ▪ Specific E,S & G filter ▪ List of excluded companies ▪ Exclusion of contro-versial activities <ul style="list-style-type: none"> - Weapons - Tobacco - Alcohol - Arctic oil exploration & drilling... 	<ul style="list-style-type: none"> ▪ Amundi’s dialogue and voting policy <ul style="list-style-type: none"> - Engagement for influence - Ongoing engagement - Engagement through voting

ADVISORY SERVICES RELATED TO THE RESPONSIBLE INVESTMENT FRAMEWORK

Creation of a Dedicated Charter	Asset Allocation Application	Reporting & Monitoring
<ul style="list-style-type: none"> ▪ Understand the investment objective <ul style="list-style-type: none"> - Risk management - Generate positive impact - Respect values ▪ Define the approach <ul style="list-style-type: none"> - Best-in-class - Exclusion - Impact measurement ▪ Investment eligibility criteria 	<ul style="list-style-type: none"> ▪ ESG Portfolio assessment ▪ Translate the charter into asset allocation ▪ Apply the criteria to different asset classes ▪ Evaluate the impact of the charter on performance and risk objectives 	<ul style="list-style-type: none"> ▪ Selection of reporting indicators related to the defined objective <ul style="list-style-type: none"> - ESG rating - Carbon reporting - Social impact reporting - Specific indicators

KNOWLEDGE SHARING

At Amundi, we aim to provide thought leadership and a full support to institutional investors mobilization:

- Disseminate best practices globally through our knowledge sharing program;
- High level forum gathering CEOs and CIOs to share their experience and convictions at Amundi’s Executive Program;
- Disseminate our research to our institutional investor partners;
- Increase financial advisors’ awareness of RI issues and opportunities through content sharing and specific training.

Glossary

Responsible Investment solutions

Investment solutions that incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns addressing sustainable development issues (Social Impact, preservation of natural resources, Energy transition, fight against global warming...)

Socially Responsible Investment (SRI)

Investment solutions that incorporate ESG factors into investment decisions and follow Amundi's SRI rules:

- Exclusion within each sector of companies rated E, F, and G, on a scale from A to G, A being the highest rating and G the lowest
- Selection of companies with the highest ESG score:
 - Average ESG rating of the portfolio should be above or equal to ESG average rating of the benchmark
 - Average ESG rating of the portfolio should be above or equal to C
- At least 90% of the portfolio should be rated

Environmental, Social, Governance (ESG) criteria

The ESG criteria are extra-financial metrics used to assess the ESG practices of companies, States or local authorities:

- "E" for Environment: Energy consumption and CO2 emissions, Protection of biodiversity, Use and management of water...
- "S" for Social/ Society: Respect of Human rights, Human capital, Health & Safety...
- "G" for Governance: Structure of the Board of Directors, Shareholders' rights, Prevention of corruption...

Impact investing

Impact investing refers to investment strategies which the objective is to have concrete, measurable impacts. Impact investing can seek to focus either on one aspect of ESG (e.g. if the client wants to measure its investments' environmental impact, impact investing can be used to measure among other things, tons of CO2 avoided by financed projects, megawatts saved...), be it environment, social or governance.

Sustainable Development Goals (SDG's)

The Sustainable Development Goals are the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The 17 SDGs are part of what is known as the 2030 Agenda. These have been adopted by 193 countries with the aim to end poverty, protect the planet and ensure prosperity for all by 2030. The goals and targets are universal, meaning they apply to all countries around the world, not just poor countries. Reaching the goals requires action on all fronts – governments, businesses, civil society and people everywhere all have a role to play.

AFNOR Certification

Amundi's SRI approach. In 2013, Amundi was the first fund manager to obtain the "Engagement de service" (Service Commitment) certification "SRI Approach – Environmental, Social, and Governance criteria for portfolio management". Created by AFNOR Certification, a body that certifies and evaluates systems, services, products, and people in France, this standard ensures the quality and transparency of SRI approaches. It describes the service commitments made to clients in terms of SRI approaches (distribution networks, institutional investors, or individual investors). Service commitments relate to the expertise guarantee of the ESG analysis, the reliability of the data and their traceability, the governance method, disclosure, continuous improvement of practices...

This certification was renewed in 2016 and will be valid until 2019. Certificate no. 2013/55305. 4 awarded to Amundi and its subsidiaries (BFT IM and CPR AM) is available on AFNOR's website: <https://certificats-attestations.afnor.org/certification=124021132361>.

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Amundi
ASSET MANAGEMENT