

# Principal Adverse Impact Statement

30/06/2023



CONTENTS

- 1. Summary ..... 3
- 2. Description of principal adverse impacts of investment decisions on sustainability factors..... 5
- 3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors  
14
- 4. Engagement policies and other PAIs levers..... 19
  - a) ENGAGEMENT.....19
  - b) VOTE .....19
  - c) EXCLUSION .....19
  - d) ESG FACTORS INTEGRATION .....19
  - e) CONTROVERSY MONITORING.....19
- 5. Reference to international standards..... 22
- 6. Historical comparison ..... 24

## 1. Summary

Amundi Private Equity Funds , 969500HGDY321R5PAJ83 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Amundi Private Equity Funds.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1<sup>st</sup> of January to 31<sup>st</sup> of December 2022.

A summary of Principal Adverse Indicators considered by Amundi is presented in the table below:

Applicable to	Theme	PAI indicator	Number
Investment companies	Greenhouse gas emissions	GHG emissions	1
		Carbon footprint	2
		GHG intensity of investee companies	3
		Exposure to companies active in the fossil fuel sector	4
		Share of non-renewable energy consumption and production	5
		Energy consumption intensity per high impact climate sector	6
	Biodiversity	Activities negatively affecting bio-diversity-sensitive areas	7
	Water	Emissions to water	8
	Waste	Hazardous waste and radioactive waste ratio	9
	Emissions	<i>Additional PAI: Investments in companies without carbon emission reduction initiatives</i>	4 (table 2)
	Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	10
		Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	11
		Unadjusted gender pay gap	12
	Board gender diversity	13	

		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	14
	Human rights	<i>Additional PAI: Lack of a human rights policy</i>	9 (table 3)
<b>Sovereigns &amp; supranationals</b>	Environmental	GHG intensity	15
	Social	Investee countries subject to social violations	16
<b>Real Estate</b>	Fossil fuels	Exposure to fossil fuels through real estate assets	17
	Energy efficiency	Exposure to energy-inefficient real estate assets	18
	Energy consumption	<i>Additional PAI: Energy consumption intensity</i>	19 (table 2)

## 2. Description of principal adverse impacts of investment decisions on sustainability factors

### a) INDICATORS APPLICABLE TO INVESTEE COMPANIES

Adverse sustainability indicator	Metric	Impact [year n] PEF Direct	Impact [year n] PEF Funds of Funds	Impact [year n] PEF Consolidated	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period (please refer to e) for additional information)
<u>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</u>							
<b>GES emissions</b>	1. GHG emissions	Scope 1 GHG emissions – tCO <sub>2</sub> eq	23 693.5 tCO <sub>2</sub> e	4 362 288.08 tCO <sub>2</sub> e	4385981.58 tCO <sub>2</sub> e	Coverage rate in % of AuM : 21%	<i>Engagement</i> : part of Amundi's engagement focusing on transition towards a low carbon economy
		Scope 2 GHG emissions – tCO <sub>2</sub> eq	6 606.6 tCO <sub>2</sub> e	333131.70 tCO <sub>2</sub> e	339738.30 tCO <sub>2</sub> e	Coverage rate in % of AuM : 21%	<i>Voting*</i> : Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts
		Scope 3 GHG emissions – tCO <sub>2</sub> eq	216 976.41 tCO <sub>2</sub> e	5710625.04 tCO <sub>2</sub> e	5927601.45 tCO <sub>2</sub> e	Coverage rate in % of AuM : 19%	<i>ESG score integration</i> : included under the environmental pillar of Amundi's proprietary ESG model
		Total GHG emissions – tCO <sub>2</sub> eq	231657.51 tCO <sub>2</sub> e	10377102.08 tCO <sub>2</sub> e	10608759.59 tCO <sub>2</sub> e	Coverage rate in % of AuM : 20%	
	2. Carbon footprint	Carbon footprint – tCO <sub>2</sub> eq/€m invested	31.79 tCO <sub>2</sub> e /M€	35.72 tCO <sub>2</sub> e /M€	35.41 tCO <sub>2</sub> e /M€	Coverage rate in % of AuM : 20%	<i>Engagement</i> : part of Amundi's engagement focusing on transition towards a low carbon economy <i>Voting*</i> : Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts

								<i>ESG score integration</i> : included under the environmental pillar of Amundi's proprietary ESG model
	3. GHG intensity of investee companies	GHG intensity of investee companies – tCO <sub>2</sub> eq/€m revenues	0.98 tCO <sub>2</sub> e /M€	4.55 tCO <sub>2</sub> e /M€	4.27 tCO <sub>2</sub> e /M€		Coverage rate in % of AuM : 23%	<p><i>Engagement</i>: part of Amundi's engagement focusing on transition towards a low carbon economy</p> <p><i>Voting*</i>: Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts</p> <p><i>ESG score integration</i>: included under the environmental pillar of Amundi's proprietary ESG model</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector – %	6%	2%	2.1%		Coverage rate in % of AuM : 47%	<p><i>Engagement</i>: part of Amundi's engagement focusing on transition towards a low carbon economy</p> <p><i>Voting*</i>: Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts</p> <p><i>Exclusion Policy</i>: part of Amundi's exclusion policy dedicated to coal and to unconventional hydrocarbons</p>
	5. Share of non-renewable energy consumption	Share of non-renewable energy consumption and non-renewable energy production	12% for consumption 19% for production	27% for consumption	26% for consumption		Coverage rate in % of AuM : 30%	<i>Engagement</i> : part of Amundi's engagement focusing on transition towards a low carbon economy

	and production	of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources – %						<i>ESG Score Integration:</i> included under the environmental pillar of Amundi's proprietary ESG model
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – GWh/€m revenues	0.05 GWh/M€	3.01 GWh/M€	5.56 GWh/M€		Coverage rate in % of AuM : 10%	<i>Engagement:</i> part of Amundi's engagement focusing on transition towards a low carbon economy <i>ESG score integration:</i> included under the environmental pillar of Amundi's proprietary ESG model
<b>Biodiversity</b>	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies	10%	1%	1.7%		Coverage rate in % of AuM : 26%	<i>Engagement policy:</i> part of Amundi's engagement focusing on natural capital preservation <i>Voting*:</i> Use of voting rights as escalation in the event of significant negative impacts <i>Controversy monitoring:</i> screening among a large universe of issuers taking into account flags on biodiversity and land use <i>ESG score integration:</i> included under the environmental pillar of Amundi's proprietary ESG model

		negatively affect those areas – %						
<b>Water</b>	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average – t/€m invested	2.49 Tonnes / M€	0.05 Tonnes / M€	0.24 Tonnes / M€		Coverage rate in % of AuM : 53%	<p><i>Engagement:</i> part of Amundi's engagement focusing on natural capital preservation</p> <p><i>Controversy monitoring:</i> screening among a large universe of issuers taking into account flags on biodiversity and waste</p> <p><i>ESG score integration:</i> included under the environmental pillar of Amundi's proprietary ESG model</p>
<b>Waste</b>	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average – t/€m invested	14.1 Tonnes / M€	2.06 Tonnes / M€	2.98 Tonnes / M€		Coverage rate in % of AuM : 53%	<p><i>Engagement:</i> part of Amundi's engagement focusing on natural capital preservation</p> <p><i>Controversy monitoring:</i> screening among a large universe of issuers taking into account flags on toxic emission, effluents and waste</p> <p><i>ESG Score Integration:</i> included under the environmental pillar of Amundi's proprietary ESG mode</p>
<u>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</u>								
<b>Social and employee matters</b>	10. Violations of UN Global Compact principles and Organisation for Economic	Share of investments in investee companies that have been involved in violations of the UNGC principles	0%	9%	8%		Coverage rate in % of AuM : 54%	<p><i>Exclusion:</i> issuers that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact, without credible corrective action are excluded</p> <p><i>Engagement:</i> part of Amundi's engagement focusing on social cohesion</p>



	Cooperation and Development (OECD) Guidelines for Multinational Enterprises	or OECD Guidelines for Multinational Enterprises – %						<p><i>Vote*</i>: Use of voting rights as escalation for companies with controversial social practices</p> <p><i>Controversy monitoring</i>: screening among a large universe of issuers taking into account flags on UNGC breaches</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises – %	61%	41%	42%		Coverage rate in % of AuM : 38%	<p><i>Engagement</i>: part of Amundi's engagement focusing on strong governance for sustainable development.</p> <p><i>Vote*</i>: Use of voting rights as escalation for companies with controversial social practices</p> <p><i>Controversy monitoring</i>: screening among a large universe of issuers taking into account flags on public policies and governance incidents</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies – %	13.8%	14%	14%		Coverage rate in % of AuM : 32%	<p><i>Engagement</i>: part of Amundi's engagement focusing on a social cohesion.</p> <p><i>Voting*</i>: part of Amundi's voting priority theme on social cohesion.</p>

								<i>Controversy monitoring</i> : screening among a large universe of issuers taking into account flags on labor relations employee management
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members – %	14%	16%	16%		Coverage rate in % of AuM : 42%	<i>Engagement</i> : making gender diversity mainstream is part of Amundi's engagement policy via the launch in 2020 of the 30% Club France Investor Group which Amundi became co-chair. <i>Vote*</i> : part of Amundi's voting policy on companies with controversial social practices
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons – %	0%	0%	0%		Coverage rate in % of AuM : 34%	<i>Exclusion policy</i> : controversial weapons are excluded as per Amundi's weapons exclusion policy. As part of our exclusion policy, Amundi can engage with specific issuers to confirm their exposure to controversial weapons <i>Vote*</i> : Use of voting rights as escalation for companies with controversial social practices

*\*Please note that Amundi Real Assets invests in unlisted companies with limited voting systems and media coverage. Therefore, Amundi Private Equity Funds engages company management through meetings, interviews, ESG roadmaps, etc. and controversy monitoring is carried out by Amundi analysts during the pre-investment and holding periods through company information gathering and media analysis.*

## b) INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

Adverse sustainability indicator		Metric		Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period (please refer to e) for additional information)
<b>Environmental</b>	15. GHG intensity	GHG intensity of investee countries – tCO <sub>2</sub> eq/€m GDP				This indicator is calculated based on the proportion of assets covered invested in sovereign or supranational issuers and not in relation to all assets under management This indicator includes territorial and import GHG emissions minus export GHG emissions	<i>ESG Score Integration:</i> part of Amundi ESG sovereign methodology under the environmental pillar
<b>Social</b>	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law – absolute number and relative number in %	Absolute number of investee countries			This indicator is calculated with absolute number of investee countries	<i>Exclusion:</i> Countries on the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions) are excluded, after formal review and validation from Amundi's Rating Committee
			Relative number divided by all investee countries			This indicator is calculated based on relative number of investee countries	

## c) INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period (please refer to e) for additional information)
<b>Fossil fuels</b>	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuel – %			This indicator is calculated based on data available each building. The indicator does not cover all building under management	<i>ESG analysis</i> : ESG analysis during the acquisition and managements phases
<b>Energy efficiency</b>	18. Exposure to energy-inefficient real estate assets	Share of energy-inefficient real estate assets – %			This indicator is calculated based on data available each building. The indicator does not cover all building under management	<i>ESG scoring methodology</i> : ESG analysis during the acquisition and managements phases

## d) OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Adverse sustainability indicator		Metric	Incidences [Année n] – PEF Direct	Incidences [Année n] – PEF FoF	Incidences [Année n] – PEF Consolidé	Incidences [Année n-1]	Explication	Actions taken, and actions planned and targets set for the next reference period (please refer to e) for additional information)
<b>Energy consumption</b>	Energy Consumption Intensity	Energy consumption in GWh of owned real estate assets per						<i>ESG scoring methodology</i> : ESG analysis during the acquisition and managements phases

		square meter – GWh/m <sup>2</sup>						
<b>Emissions</b>	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement – %	93%	76%	77%		Coverage rate in % of AuM : 43%	<p><i>Engagement</i>: part of Amundi's engagement focusing on transition towards a low carbon economy</p> <p><i>Voting*</i>: Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts</p> <p><i>ESG score integration</i>: included under the environmental pillar of Amundi's proprietary ESG model</p>
<b>Anti-corruption policies</b>	Lack of anti-corruption policies	Share of investments in entities that do not have an anti-corruption policy that complies with the United Nations Convention against Corruption– %	44%	91%	88%		Coverage rate in number of companies : 55%	<p><i>ESG score integration</i>: included under the social pillar of Amundi's proprietary ESG model</p> <p><i>Controversy monitoring</i>: screening among a large universe of issuers taking into account flags on Human Rights UNGC breaches</p>

*\*Please note that Amundi Real Assets invests in unlisted companies with limited voting systems and media coverage. Therefore, Amundi Private Equity Funds engages company management through meetings, interviews, ESG roadmaps, etc. and controversy monitoring is carried out by Amundi analysts during the pre-investment and holding periods through company information gathering and media analysis.*

## e) Targets

Defining PAIs targets aligned with scientific scenarios remains a challenge. As the tracking only started this year and considering the broad spectrum of asset classes and regions of the world in which Amundi invests, we do not have yet the analytical frameworks and data necessary for dedicated targets per PAIs. Amundi will continue to evolve its approach regarding to PAIs in the coming years, according to the scientific reference scenarios and in close connection with its clients' objectives.

## 3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

### 3.1 Policy priorities

Amundi has made responsible investment one of its founding pillars since it was created in 2010. In 2018, Amundi launched a three-year action plan aimed at integrating ESG into 100% of its open funds under active management. On 8 December 2021, with the aim of further strengthening its commitments, Amundi set up a new **Ambitions ESG 2025** plan.

The plan sets out three objectives:

- Increase the level of ambition of its savings solutions in terms of responsible investment;
- Engage as many businesses as possible in defining credible strategies for alignment with the Net Zero 2050 target;
- Align its employees and shareholders with its new ambitions.

The following policies support the Ambitions ESG 2025 plan and inform Amundi's processes for identifying, monitoring and mitigating the principal adverse impacts deriving from its investment activities:

Amundi Group Policy	Principal adverse impacts - thematic mitigation priorities	Approval and revision process
<b>Amundi Responsible Investment Policy 2022</b>	<p><i>Normative exclusions:</i> Controversial weapons, UN Global Compact controversies</p> <p><i>Sectoral exclusions:</i> Tobacco, Coal, Unconventional Oil and Gas</p> <p><i>ESG integration:</i> 38 material ESG issues identified and prioritized per economic sector</p> <p><i>Product policies:</i> ESG mainstream, Net Zero, Impact</p>	Board of Director Amundi Asset Management, Published on 12/10/22 Updated annually
<b>Amundi Climate Strategy ("Say on climate") 2022</b>	Climate change Energy transition	General Assembly, 18/05/22
<b>Amundi Voting Policy 2023</b>	Energy transition, in particular the decarbonisation of our economies  Social cohesion, in particular through controls of the wage balance within the framework of remuneration policies, employee involvement in companies' governance and employee share ownership	Board of Director Amundi Asset Management, published 07/02/23 Updated annually
<b>Responsible Investor Charter of Amundi Real Assets</b>	Act for climate Increase transparency Align interest from every stakeholders	Conseil d'administration Amundi Asset Management, 07/2022

Amundi will continue to adjust its climate strategy in the coming years, according to the scientific reference scenarios and in close connection with its clients' objectives, both by developing investment solutions to accelerate the transition and by progressively aligning its portfolios with the 2050 neutrality objective.

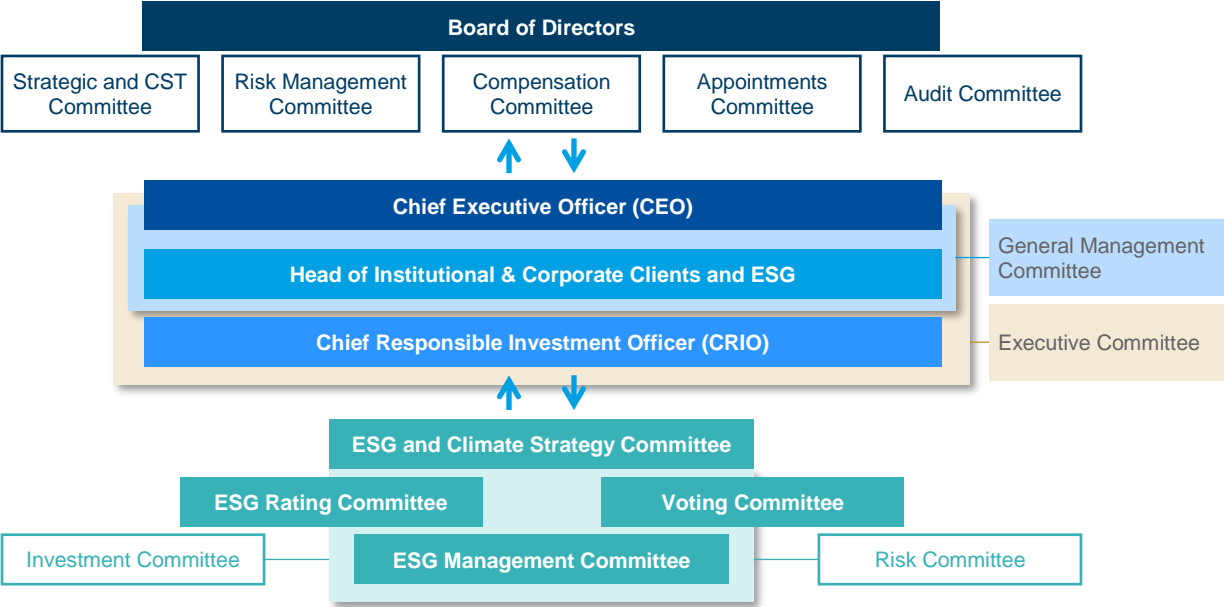
3.2 Policy governance

Amundi Real Assets, which includes Amundi Private Equity Funds, relies primarily on the ESG governance of Amundi Groupe

Supervision of the responsible investment strategy by Amundi Board of Directors

The missions of the Board of Directors of Amundi relate to the definition of the strategic orientations of Amundi's activity, while ensuring their operational implementation by the senior management. The responsible investment strategy is therefore fully integrated within the scope of its deliberations and decisions. This role is described in detail in Article 2 of its Rules of Procedure: "It regularly reviews, in connection with the strategy it has defined, the opportunities and risks such as financial, legal, operational, social and environmental risks as well as the measures taken as a result.

A dedicated internal organisation to monitor and manage the responsible investment strategy



Within overall ESG and climate governance, four committees are fully dedicated to ESG, ensuring regular and structured follow-up of all work carried out. Amundi's CEO regularly attends these committees' meetings.

ESG and Climate Strategy Committee

This Committee meets on a monthly basis and is chaired by the Chief Executive Officer. It defines, validates and steers Amundi's ESG and climate strategy, as well as the responsible investment policy. More specifically, its mission is to:

- define, approve and monitor Amundi's ESG and climate strategy;
- approve the main strategic guidelines of the responsible investment policy (sector policy, exclusion policy, voting policy, engagement policy);
- monitor key strategic projects.

Voting Committee

This Committee is chaired by the member of executive management in charge of Responsible Investment supervision. It meets once a year to approve the voting policy, and on an ad hoc basis during the rest of the year to:

- advise on voting decisions at the General Meeting for ad hoc cases; members are called upon to give their views in an expert capacity;
- approve Amundi's voting policy (for the entities covered) and its rules of implementation;
- approve specific/local approaches that are not directly covered by the voting policy;
- approve periodic reports on voting disclosures.

It should be noted that ARA adapts Amundi's voting policy to unlisted companies, with the aim of promoting the need for corporate governance and boards of directors to understand environmental and social challenges, both opportunities and risks.

### ESG Rating Committee

Chaired by the Chief Responsible Investment Officer, this Committee meets every month with the aim to:

- validate Amundi's standard ESG methodology;
- review exclusion policies and sector-specific policies and approving their rules of application;
- review and decide on individual ESG rating issues, and establish Amundi's legal precedents if necessary (adjustments to standard ESG methodologies requested by portfolio managers).

### ESG Management Committee

This weekly Committee is chaired by the member of executive management in charge of Responsible Investment supervision. It focuses on the definition and implementation of the responsible investment strategy by the responsible investment team, including monitoring of business development, HR, budgeting, regulatory projects, audits, ESG communication campaigns, market initiatives and specific communication topics.

The Chief Responsible Investment Officer also participates in the Group's Investment Committee.

### Risk controls

Sustainability risks are integrated into Amundi's internal control and risk management team system.

Responsibilities for managing sustainability risks are divided between

- The first level of control, carried out by the management teams, and;
- The second level of control, carried out by the risk management teams, who check that the funds comply with their ESG objectives and constraints.

Risk management team participates in Amundi's Responsible Investment governance system. They monitor compliance with regulatory requirements and the management of related risks.

ESG constraints are monitored by the risk management teams in the same way as other management constraints. They are based on the same tools and procedures and cover our exclusion policies as well as the eligibility criteria and ESG rules specific to the funds. These constraints are monitored automatically using a proprietary control tool (ALTO Investment Compliance). This tool can be used to trigger

- Pre-trade alerts, which may or may not be blocking, particularly for exclusion policies;
- Post-trade alerts: managers receive notification of any overruns so that they can be rectified quickly.

### Focus on Amundi Real Assets ESG governance:

- An ESG team dedicated to the Amundi Real Assets platform



This team, whose missions are detailed in section IV of Amundi Real Assets' responsible investment policy, works closely with the management teams and the members of the Amundi group's central ESG team.

- A Real Assets Management Committee dedicated to ESG

The Amundi Real Assets Management Committee puts ESG-related issues and their impact on real assets on its agenda at least once a quarter.

- A community of ESG front runners

These ESG representatives have been identified within the various teams of the Amundi Real Assets platform (management, ESG analysis, sales, marketing, legal, etc.) to share information on all the common issues relating to responsible investment within the real assets areas of expertise and, more generally, to ensure consistency and convey the collective ambition. In practical terms, these meetings give rise to exchanges on regulatory developments and the sharing of information and best practice between expertises.

At the same time, issues relating to the Environmental, Social and Governance pillars are integrated into all the Investment Committees of Amundi Real Assets' six different expertises

#### **Specific ESG governance within Amundi Private Equity Funds:**

- Amundi PEF's Management Committee is informed of all ESG developments in order to integrate them into its governance and fund management.

- The Investment Committee of Amundi PEF integrates all ESG aspects in the study of its investment files. In particular, the Committee's support documents include reports on ESG due diligence carried out in advance, which are taken into account by the Committee members when making their investment decisions.

- ESG issues are systematically discussed at weekly meetings of the management teams (direct funds and multi-management), including regulatory developments, the results of due diligence, reporting and any client requests.

### **3.3 Methodologies and data sources for the calculation of PAI values**

#### **General principles**

In order to disclose metrics that have the closest representation of the sustainability indicators related to adverse impacts at entity level ("Management Company" or "ManCo"), Amundi has adopted an approach for the calculation and management of sustainability indicators related to principal adverse impacts that it is based on the principle of portfolio covered. Therefore covered data are divided by to the sole assets they relate to.

While Amundi has identified both short- and long-term adverse impacts that are principal to the investment portfolios, the information available for assessing and reporting on the adverse impacts is limited and often lacks standardisation across sectors and regions. Therefore, Amundi's approach to principal adverse impact assessment is applied bottom up at the portfolio level. Moreover, investment portfolios may be exposed to variably acute and chronic adverse impacts depending on companies' sectors and geography.

The indicators presented in section 2 exclude :

- Investments which are not managed directly by AMUNDI PRIVATE EQUITY FUNDS
- Investments for which AMUNDI PRIVATE EQUITY FUNDS is the management company and which are delegated to an external manager.

### **Methodology limitation and margin of error**

Our methodology limitations are by construction mainly linked to the use of sustainability indicators (“ESG data”). The ESG data landscape is currently being standardized, which can impact data quality; data coverage is also a limitation. Current and future regulations will improve standardized reporting and corporate disclosures on which ESG data rely.

Amundi Real Assets also faces a second level of difficulty in collecting ESG data, as the companies it invests in are not listed and are therefore less mature when it comes to ESG data. The forthcoming standardisation of extra-financial reporting practices mainly concerns companies of a certain size. However, many of the companies invested in the PEF do not meet these criteria.

We are aware of these limitations, which we mitigate through a combination of approaches: a structured qualitative assessment of ESG scores by our ESG research team, the implementation of strong governance, a data collection campaign carried out directly with invested companies, technical and logistical support for companies collecting data, and a process to ensure the reliability of ESG data.

Finally, in some specific cases portfolio data may not be easily obtained. Despite our best effort approach to retrieve all necessary figures (see also section below), a lack of data availability may impact a certain portion of our assets. As a result, there is a possibility of a substantial margin of error in our calculations. We encourage stakeholders to exercise caution and consider this potential margin of error when interpreting and utilizing the provided information.

### **Selection of additional principal adverse impact indicators**

Amundi has identified the additional principal adverse impact indicators from Table 2 and 3 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 assessing:

- their relevance to Amundi ESG strategic priorities as outlined in the overarching policies described in section 3.1;
- the availability of data for measuring the severity of impact of those risks within the investment universe.

### **Data sources: Data providers used only for PAIs**

Amundi Private Equity Funds does not use external data providers. Data is therefore collected directly from invested companies and GPs. Sirsa, an ESG consultancy and publisher of reporting software (Reporting21), assists Amundi PEF in this task.

### **Different approaches depending on data coverage**

Data coverage varies between the different indicators of the main negative impacts. For indicators with less than 100% coverage (e.g. uncorrected gender pay gap or water discharges), Amundi has adopted a conservative approach for qualitative indicators (e.g. Yes/No to the absence of a process and compliance mechanism to monitor compliance with the UN Global Compact principles and OECD guidelines) and has adopted a negative response in the absence of available data. For the quantitative indicators, we have adopted a calculation approach based on the scope of the responding companies only.

For investments in third-party funds, the data source used was the values of the main negative impact indicators declared by the external managers.

Amundi reserves the right to modify this methodology and its data sources in the future.

## 4. Engagement policies and other PAIs levers

As a responsible asset manager, Amundi understands its fiduciary duty as encompassing the need to contribute positively to addressing major socio-economic and environmental challenges in the interests of our clients, our stakeholders and of society. For this reason, Amundi has embraced the concept of “double materiality” around which we build our ESG analysis and rating methodology. This means that not only do we assess the way ESG factors can materially impact the value of companies, but we also assess how the companies impact the environment, and social matters or human rights. Amundi considers PAIs via a combination of approaches that can vary depending on the asset class, investment process or type of strategy and fund range.

### a) ENGAGEMENT<sup>1</sup>

Engagement is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimensions, to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy. This approach applies to all of Amundi’s products.

### b) VOTE

Amundi’s voting policy responds to an holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information please refer to Amundi’s Voting Policy<sup>2</sup> and Amundi’s Voting Report<sup>3</sup>. This approach applies by default to all of Amundi products.

### c) EXCLUSION

Amundi has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the Sustainable Finance Disclosure Regulation (SFDR). This approach applies to all Amundi funds in scope of Amundi exclusion policy.<sup>4</sup>

### d) ESG FACTORS INTEGRATION

Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G rated issuers and better weighted average ESG score than the applicable ESG benchmark).<sup>5</sup> The 38 criteria used in Amundi ESG rating approach were also designed to consider key impacts on sustainability factors, as well as quality of the mitigation undertaken are also considered in that respect. All criteria are available in fund managers’ front office portfolio management system.

### e) CONTROVERSY MONITORING

Amundi has developed a controversy tracking system that uses third-party data from three suppliers to systematically identify controversies and their level of severity on a scale of 1 to 5 (5 being the highest). This quantitative approach is then supplemented by an in-depth analysis of the scope of controversies deemed to be severe (score of 3 or more), carried out by ESG analysts, and a periodic review of

1 Additional information regarding engagement at Amundi can be found in our [2022 engagement report](#)

2 <https://about.amundi.com/files/nuxeo/dl/0522366c-29d3-471d-85fd-7ec363c20646>

3 <https://www.amundi.com/institutional/Responsible-investment-documentation>

4 Refer to Amundi Responsible Investment Policy for additional information on the scope of application and always review Funds’ offering documents for complete information on ESG integration

5 Wherever technically feasible: some exceptions are defined to the implementation of the ESG Mainstream objective (Funds for which the active management feature is limited such as Buy and Watch funds or Securitization Undertakings, Real Estate and Alternative funds; Funds not managed on Amundi Investment Platform, and delegated Funds; Funds with high concentration in Index or limited ratable issuers coverage; Fund Hosting products). Refer to Amundi Responsible Investment Policy for additional information on the scope of application and always review Funds’ offering documents for complete information on ESG integration.

developments. In the most severe and repeated cases, when no credible corrective action is taken, the analyst may propose a downgrade of the company's ESG rating. This may ultimately lead to exclusion from the active investment universe (G rating), which is validated by the ESG Rating Committee.

This approach is applied differently for Amundi Real Assets. Controversies are monitored through the due diligence process during the pre-investment phase and the annual ESG reporting campaign (data collection, ESG interviews) during the holding period.

The table below details the approach for each PAI that Amundi generally implements at Group level. Specific PAI approaches can also be followed at product level; in such case, the specific approach is also described in the precontractual documentation. Where applicable, PAIs are prioritized given the sustainable objectives or characteristics of the fund, provided that all minimum standards are met.

### Indicators scope of application

#	Metric	General considerations on the scope of application
1	<b>GHG emissions (Scope 1, 2, 3 and total)</b>	<i>Engagement:</i> active funds and passive funds <i>Voting:</i> active funds and passive funds <i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model).
2	<b>Carbon footprint</b>	<i>Engagement:</i> active funds and passive funds <i>Voting:</i> active funds and passive funds <i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model).
3	<b>GHG intensity of investee companies</b>	<i>Engagement:</i> active and passive funds <i>Voting:</i> active and passive funds <i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
4	<b>Exposure to companies active in the fossil fuel sector</b>	<i>Engagement:</i> active and passive funds <i>Voting:</i> active and passive funds <i>Exclusion Policy (coal and unconventional hydrocarbons):</i> active funds and ESG passive funds (that apply Amundi's Sector Policy).
5	<b>Share of non-renewable energy consumption and production</b>	<i>Engagement:</i> active and passive funds <i>ESG Score Integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model).
6	<b>Energy consumption intensity per high impact climate sector</b>	<i>Engagement:</i> active and passive funds <i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches.
7	<b>Activities negatively affecting biodiversity sensitive areas</b>	<i>Engagement:</i> active and passive funds <i>Voting:</i> active and passive funds <i>Controversy monitoring:</i> active funds <i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
8	<b>Emissions to water</b>	<i>Engagement:</i> active and passive funds <i>Controversy monitoring:</i> active funds <i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model).
9	<b>Hazardous waste ratio</b>	<i>Engagement:</i> active and passive funds <i>Controversy monitoring:</i> active funds

4 (table 2)	Investments in companies without carbon emission reduction initiatives	<i>ESG Score Integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
		<i>Engagement:</i> active and passive funds
		<i>Voting:</i> active and passive funds
		<i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines	<i>Exclusion (UN Global Compact principles):</i> active funds and ESG passive funds (that apply Amundi Exclusion Policy)
		<i>Engagement:</i> active funds and passive funds
		<i>Vote:</i> active funds and passive funds
		<i>Controversy monitoring:</i> active funds
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines	<i>Engagement:</i> active funds and passive funds
		<i>Vote:</i> active and passive funds
		<i>Controversy monitoring:</i> active funds
12	Unadjusted gender pay gap	<i>Engagement:</i> active funds and passive funds
		<i>Vote:</i> active funds and passive funds
		<i>Controversy monitoring:</i> active funds
13	Board gender diversity	<i>Engagement:</i> active funds and passive funds
		<i>Vote:</i> active funds and passive funds
14	Exposure to controversial weapons	<i>Exclusion policy:</i> active funds and passive funds
		<i>Vote:</i> active funds and passive funds
9 (table 3)	Lack of a human rights policy	<i>Engagement:</i> active funds and passive funds
		<i>Vote:</i> active and passive funds
		<i>Controversy monitoring:</i> active funds
15	GHG intensity	<i>ESG score integration:</i> active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
16	Investee countries subject to social violations	<i>Exclusion:</i> active funds and passive ESG funds.
17	Exposure to fossil fuels through real estate assets	<i>ESG analysis:</i> all assets be subject to an ESG analysis during the investment and management phases
18	Exposure to energy-inefficient real estate assets	<i>ESG score integration:</i> Energy performance is take into account in our scoring methodology
19 (table 2)	Energy consumption intensity	<i>ESG analysis:</i> all real estate investments

These engagement policies will be reviewed and adapted based on PAIs results over each period. As this is the first year Amundi Group is reporting on PAIs, the evolution of the indicators was not taken into account in engagement policy review.

## 5. Reference to international standards

Principal Adverse Impacts		Standards, initiatives and public policies relevant to principal adverse impacts
1, 2, 3, 4, 5, 6 and 4 (table 2)	<p><b>GHG emissions (Scope 1, 2, 3 and total)</b></p> <p><b>Carbon footprint</b></p> <p><b>GHG intensity of investee companies</b></p> <p><b>Exposure to companies active in the fossil fuel sector</b></p> <p><b>Share of non-renewable energy consumption and production</b></p> <p><b>Energy consumption intensity per high impact climate sector</b></p> <p><b>Investments in companies without carbon emission reduction initiatives</b></p>	<p>Paris Agreement on Climate</p> <p>Sustainable Development Goals (SDGs)</p> <p>EU Taxonomy</p> <p>Net Zero Asset Managers Initiative (NZAMI)</p> <p>Climate Action 100+</p> <p>Carbon Disclosure Project (CDP)</p> <p>Science-based Targets initiative</p> <p>Task Force on Climate-related Financial Disclosures (TCFD)</p> <p>The Japan TCFD Consortium</p> <p>Montréal Carbon Pledge</p> <p>Portfolio Decarbonisation Coalition (PDC)</p> <p>Institutional Investors Group on Climate Change (IIGCC)</p> <p>Asia Investor Group on Climate Change (AIGCC)</p> <p>Investors for a Just Transition</p>
7,8,9	<p><b>Activities negatively affecting biodiversity sensitive areas</b></p> <p><b>Emissions to water</b></p> <p><b>Hazardous waste ratio</b></p>	<p>Task Force on Nature-related Financial Disclosures (TNFD)</p> <p>Finance for Biodiversity Pledge</p> <p>Farm Animal Investment Risk and Return (FAIRR)</p> <p>Investor Action on Antimicrobial Resistance</p> <p>CDP Water</p> <p>CDP Forest</p> <p>Fondation de la Mer</p> <p>Global Reporting Initiative (GRI)</p>
10, 11	<p><b>Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines</b></p> <p><b>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines</b></p>	<p>UN Global Compact</p> <p>OECD Guidelines on Multinational Enterprises</p> <p>UN Guiding Principles on Business and Human Rights</p> <p>PRI Human Rights Engagement</p> <p>Human Rights Reporting and Assurance Frameworks Initiative</p>
12	<b>Unadjusted gender pay gap</b>	<p>Workforce Disclosure Initiative (WDI)</p> <p>Platform Living Wage Financials (PLWF)</p>
13	<b>Board gender diversity</b>	<p>The 30% Club France Investor Group</p> <p>International Corporate Governance network (ICGN)</p>
14	<b>Exposure to controversial weapons</b>	Ottawa and Oslo treaties
9 (table 3)	<b>Lack of a human rights policy</b>	UN Guiding Principles on Business and Human Rights
15	<b>GHG intensity of investee countries</b>	<p>Paris Agreement on Climate</p> <p>Green bond principles</p>
16	<b>Investee countries subject to social violations</b>	International Bill of Human Rights
17	<b>Exposure to fossil fuels through real estate assets</b>	SFDR regulation
18	<b>Exposure energy-inefficient real estate assets</b>	Energy performance diagnostics - calculation methodology is determined by the regulations in each country

19 (table 2)	Energy consumption intensity	
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The following paragraphs aim to detail the internationally recognized standards that are the most relevant to act on PAI.

## Paris agreement: Net Zero Asset Managers initiative (NZAMi)

### *PAIs: 1-6 Greenhouse gas emissions*

As a member of the Net Zero Asset Managers Initiative since July 2021, Amundi not only embraces global carbon neutrality objectives, but is actively taking action to accelerate investing aligned with net zero emissions by 2050 or sooner. Within this commitment, Amundi disclosed dedicated targets in 2022 to highlight engagement

1. 18% of total AuM<sup>6</sup> will be net zero aligned by 2025, Amundi considers that Net-zero alignment commitment must be clear and binding for the investment strategies in-scope, consequently, the 18% will be only composed of funds and mandates with explicit net zero alignment objectives
2. 100% of portfolio companies with a calculated carbon footprint by 2025. Through dialogue, Amundi PEF invites companies to make progress in the fight against climate change (calculation of carbon footprint, actions to reduce carbon emissions, climate trajectory, certification, etc.). Methodologies leveraged

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<sup>6</sup> Based on total aggregated portfolios at Group level

## 6. Historical comparison

A historical comparison of the period reported versus previous year will be made starting 2024 PAI report.