Amundi
Investment Solutions

Trust must be earned

Stewardship report

October 2025

Foreword

In 2024, stewardship continued to strengthen its role as a central pillar of responsible investment. For Amundi, it is through engagement and voting that we act on our convictions, promote sustainable business practices, and create long-term value for our clients.

Over the past year, the conversation around sustainability has evolved. Expectations from investors and society at large have grown, calling for greater transparency, measurable progress, and accountability. Far from slowing our efforts, this evolution reinforces the relevance of stewardship as a practical and credible lever for positive change.

Our approach has remained consistent: dialogue, research, and conviction. In 2024, we engaged with 2,883 issuers, representing a 10% increase compared with the previous year. These discussions covered a broad range of environmental, social, and governance topics, with significant expansion in Developed Asia (+40%), Emerging Markets (+10%), and North America (+28%). Among the engagements closed during the year, 45% achieved positive outcomes, showing that constructive dialogue can deliver tangible progress.

Our voting activity reflects the same commitment to transparency and impact. Amundi participated in 10,515 Annual General Meetings, voting in favour of 82% of climate-related and 81% of social shareholder resolutions, and co-filing six resolutions on these issues. Our overall opposition rate stood at 26%, demonstrating our willingness to act when corporate practices do not align with long-term value creation.

The depth and diversity of our stewardship activities have strengthened our collective understanding of the challenges companies face across sectors and regions. These insights enhance the quality of our dialogue with issuers and position Amundi as a trusted and informed counterpart, capable of engaging constructively on complex sustainability issues.

As we look ahead, we will continue to build on this foundation of consistency and transparency. By engaging with companies, voting with conviction, and collaborating with peers and stakeholders, Amundi reaffirms its role as a long-term partner in the transition to a more sustainable and inclusive global economy.

Jean-Jacques Barbéris
Head of Institutional and
Corporate Clients Division
& ESG

Contents

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society

01 About Amundi: our culture and values

Amundi is a leading European asset manager with €2,240 billion managed on behalf of clients as of 31 December 2024. Amundi's mission is to be a trusted partner that acts every day in the interests of our clients and society. Our ability to earn the trust of a wide variety of private and institutional investors all over the world has led us to have a global client base of over 100 million retail clients through our distribution partners, as well as over 1,000 direct institutional and corporate clients.

A. Our raison d'être

At Amundi, our raison d'être is to be a trusted partner working every day in the interests of clients and society. Being a trusted partner means:

Listening to our clients every day

Whether our clients are a retail or an institutional investor, a corporate, a banking network partner or a third-party distributor, our priority is to work with them each day to build investment solutions that are adapted to their needs and the market environment. Our aim is to develop quality investment products for retail and professional investors in line with their particular risk profile, financing projects and investment horizons, by leveraging our expertise in all asset classes and investment styles. We invest in the real economy to help finance companies and governments. We also empower them to enhance their investment decisions through innovative financial services and technology solutions across the entire savings value chain.

Addressing the major challenges in savings and investment together

As the leading European asset manager, one of the top 10 global players[1], we have developed a robust, diversified business model to navigate fast-changing market environments. Present in 35 countries, we aim to address the major challenges facing our industry: namely providing retirement solutions adapted to changing demographics in Europe, offering savings solutions to a new middle class in Asia, helping to finance the energy transition and providing services that incorporate major technological innovation. To achieve this, we leverage our six investment platforms, our local experts and our unique experience in research and analysis.

1. IPE "Top 500 Asset Managers" published in June 2024, based on assets under management as at 31/12/2023.

Working with our clients for a just transition

Our long-term relationships are based on mutual trust, which, when combined with investments that help shape society and our future, means we can play a major role in the energy transition. As a pioneer in responsible finance, we continue to lead the way through our responsible investment solutions, continued dialogue with companies to encourage them to accelerate their transition, and through our own internal governance. Our 5,600 employees are fully committed to supporting our clients and contributing to a socially just and environmental transition.

Amundi is 68.7% owned by Crédit Agricole (CA), France's largest bank and insurer. CA was founded by French farmers as a cooperative and a mutual financial institution more than a century ago. We are proud of this heritage, which has instilled in Amundi, since day one, the importance of thinking of our clients' best interests first and being responsive to social needs and the environment.

We believe our role is to deliver long-term value for our clients while being mindful of the needs of the world around us. Responsible investment has been one of the four founding pillars of Amundi since the company was created in 2010, and it continues to be a key component of our strategy. It is reflected in our management processes, the solutions range Amundi has developed and the advisory capabilities we deploy to help clients define and implement their own approach to securing a just transition.

B. Our culture

At Amundi, we are proud of our rich corporate culture, which has four fundamental values at its core: courage, team spirit, entrepreneurship and solidarity.

Living our values

These values reflect the responsible investment culture at Amundi, as well as the structure designed to support it. They underpin our investment processes and inform our ambitions. We are constantly seeking to improve and enhance our processes through learning from each other and the wider investment community. We also set ever more ambitious goals for ourselves to keep us accountable to these beliefs and values.

For example, as part of our "Ambition 2025" plan, one of the measures we are introducing is adding societal and environmental criteria to determine variable compensation for senior executives. More detail on "Ambition 2025" can be found later in this Principle. We remain committed to providing educational and development opportunities to all employees at Amundi, both to continue their professional development and also ensure that we stay at the forefront of developments in our industry so we can be best prepared to deliver for our clients.

More detail on the training offered in 2024 can be found in Principle 2.

> *"84% of employees recommend Amundi as a good employer" according to the latest survey carried out at the end of 2024.*[2]

C. Diversity, Equity and Inclusion (DE&I) at Amundi

Fostering a diverse and inclusive workplace is essential to maintaining our corporate culture. Our DE&I Policy promotes inclusivity, which is crucial for internal cohesion and performance. It ensures equity in recruitment, compensation, and career advancement, while promoting global and local initiatives that address key DE&I issues. With a presence in 35 countries, Amundi values cultural diversity. The policy seeks to:

- **Promote an inclusive culture:** We combat subconscious bias and stereotypes, share best practices, and enlist the support of managers to promote this culture,
- **Ensure equity in key HR processes:** This includes recruitment, compensation, and merit-based career promotion and review,

2. Based on Amundi 2024 survey IMR (Indice de Mise en Responsabilité) conducted for all Amundi Group with 86% participation.

- **Facilitate global and local incentives:** We develop global programmes to address priority inclusion and diversity issues and support local initiatives that take into consideration geographical specificities.

Each country implements the DE&I policy locally, guided by a global HR Management Committee, chaired by the Amundi Group HR Director, which meets weekly to consider local needs and priorities, and share best practices.

PROGRESS IN 2024

In 2024, Amundi reinforced its DE&I policy on both a global and local scale while maintaining its long-standing commitments. We:

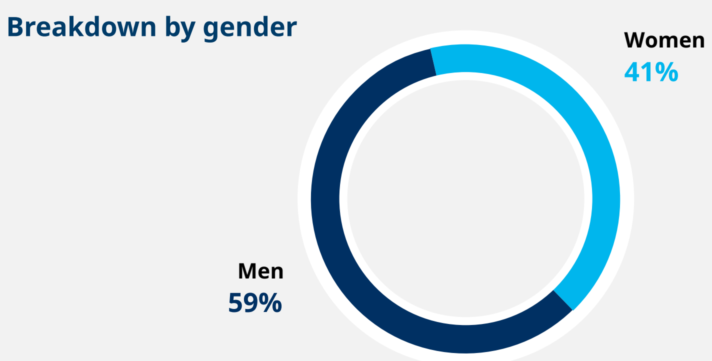
- Completed another year in accordance with the **7th Crédit Agricole S.A. Group Disability Agreement** in France, and hired 11 new employees with disabilities, and launched initiatives in Japan, Italy, Germany, and Ireland,
- Invested in **diversity initiatives** with the French Association of Investment Management (AFG). We partnered with Club Landois, which promotes the employment of people over the age of 50, as well as Women in Finance, and the Forté Foundation, a community for high-achieving women to better support their continuing education and career growth,
- Formed a **DE&I Steering Committee** with representatives from five countries so we could share best practices and explore intergenerational issues,
- Continued successful **mentoring schemes** with over 150 volunteers in eight countries through the Amundi Women Network and Amundi Tomorrow programmes.

Our policy of non-discrimination and promotion of diversity aligns with French and international standards, drawing on documents such as the United Nations Global Compact (2003) and the Women's Empowerment Principles (2015).

Focus on: gender equality

Gender equality is a fundamental component of diversity. This commitment is underscored by concrete actions on equal pay for men and women, support for women in positions of responsibility, training, work/life balance and, more broadly, raising everyone's awareness of the challenges of gender equality.

Amundi gender diversity as of 31 December 2024



Amundi continues to target that of the Senior Leadership team will consist of 35% women in 2025 and, in line with France's Rixain Law which implements quotas for the representation of women in leadership position in large corporations, is on course to attain a minimum of 40% female representation on the Executive Committee by 2029.

Progress in Management Positions

As of 31 December 2024, the proportion of women in key management positions was as follows:

- The Executive Committee consisted of 38.8% women (vs. 35.7% in 2023). This follows earlier success achieving a target of 30% women by 2022.
- The Senior Leadership team consisted of 34% women (vs. 33% in 2023). Amundi is targeting 35% in 2025.

These efforts align with the Rixain Law, which mandates balanced gender representation among senior executives and management bodies in France. Future targets include 30% by March 2026 and 40% by March 2029.

ADDITIONAL PROGRESS IN 2024

- In 2024, we maintained a score of 86 out of a maximum of 100 points on our gender equality index, reflecting our ongoing commitment to improving in the gender pay gap.
- Amundi's Italian entity became the first sector operator to receive the Gender Equality Certification[3] from the Italian government, recognising its compliance with gender parity and diversity principles.

Board and Committee Gender Balance

Amundi AM maintains a policy to ensure gender balance within its Board and committees. The Board of Directors consisted of 58.3% women as of 2024, exceeding the 50% gender equality target. Additionally, every Board committee includes at least one female member, with two committees chaired by women. This policy reinforces Amundi AM's dedication to fostering diverse leadership and complies with French legal requirements for gender representation.

Senior Management Commitments

Senior management has pledged to continue efforts towards gender equality, focusing on:

- Addressing gender disparities in variable compensation.
- Increasing the percentage of women in management positions.
- Developing talent pools with a 50/50 gender balance.
- Extending paternity leave to 28 days per year in international entities.
- Continuing training, communication, and awareness initiatives to promote non-discrimination and diversity.

3. https://certificazione.pariopportunita.gov.it/public/info

Illustration 1: Continued Investment and Global Reach of the Amundi Women Network (AWN)

A Diversity Network, Amundi Women's Network (AWN), launched a series of events in France and abroad in 2024. In France, corporate communication launched a puzzle and organised an interview with French sailor Clarisse Cremer for all entities. In Asia, all countries celebrated the dedicated event by dressing in purple, white and green to symbolise dignity, purity and hope. In Austria, employees took part in a guided tour called "Women in Vienna, the invisible pioneers" featuring influential women. In Germany, three hours of workshops were held with external and internal speakers on the following topics: women's rights, major achievements by women and feedback from managers. Breakfasts (Hungary, Spain and Ireland), conferences and inspiring videos (UK, Japan, USA, Luxembourg) also featured across other locations.

Amundi has also been involved with the "30% Club France Investor Group" since November 2020, alongside six French asset management companies. The goal is to promote better gender diversity within the management bodies of the companies that make up the SBF 120 stock market index. This club calls on French large caps to draw up an action plan so that their governing bodies comprise consist of at least 30% women by 2025.

Overview of Diversity Indicators

Theme	Indicators	*Unit*	2024
Employees at top management level (S1-9-66-a) Executive Committee (GMC+Comex)	Senior managers - women	Number	19
		%	38.8
	Senior managers - men	Number	30
		%	61.2
Breakdown of employees by age group (S1-9-66-b)	Under 25	Number	54
	25 to 30	Number	432
	30 to 35	Number	625
	35 to 40	Number	669
	40 to 45	Number	876
	45 to 50	Number	952
	50 to 55	Number	984
	55 to 60	Number	646
	60 to 65	Number	329
	Over 65	Number	51
Average age (S1-9-66-b-ii)(voluntary)		Years	45.2
Number of nationalities in France (S1-9-CA-T1)(voluntary)		Number	62
Youth Plan (voluntary)	Percentage of under 30s among permanent hires	%	34.4
	Number of young people recruited and trained	Number	1,426
	Number of interns, work/study staff, and summer jobs*	Number	898
	Number of work/study staff recruited	Number	170
Gender equality (voluntary)	Percentage of women in the talent pool	%	43
	Percentage of women in executive positions (Senior Leadership Team incl. Comex + GMC)	%	33.7
Number of people with disabilities hired or integrated - France		Number	11

*Including VIE and CIFRE contracts.

Please note that according to French regulations, statistics on ethnic or religious diversity are not available.

02 Responsible investing at Amundi

A. What acting as a responsible investor means to Amundi

A true industrial revolution is needed to transition our economies to a more sustainable, low-carbon, and inclusive model. This requires alignment among governments, businesses, and the larger financial system. Governments must redefine policies and regulations, businesses must develop technological solutions, and the financial system must allocate the capital needed to support these objectives.

As a responsible asset manager, we recognise our responsibility to address systemic problems and allocate capital for the future. As a major shareholder through our managed funds and mandates, we have both the responsibility and the opportunity to drive the transition towards more sustainable models. Since Amundi was founded in 2010, we have been committed to incorporating environmental, social and governance (ESG) factors into our investment processes, and supported sustainable transitions through ambitious engagement policies, the development of sustainable capital markets, and global capital mobilisation.

Illustration 2: Sounding our clients to serve their best interests

In 2024, we continued our efforts of ensuring our deep understanding of the needs of institutional clients, so that we are able to respond to them in a meaningful and timely way.

Launched in 2014, we once again held our annual Amundi-CREATE survey of global pension funds. Each year, based on the prevailing market environment and priorities of the pension funds, one central theme is chosen.

The 2024 survey[4] was conducted among 157 pension funds in Asia Pacific, Europe and North America, across different types of pension funds: from public to private, from pure DB to pure DC plans. This year's survey was centred around two major topics: private markets and emerging markets.

Considering the status quo but also taking a look at anticipated future trends, we took a systematic approach to analysing both asset classes, asking questions such as:

- What are the main obstacles/drivers of growth for investing in private markets/emerging markets?
- What will private markets/emerging markets look like in the next three years in terms of percentage in the portfolio?
- What have been the deterring and supporting factors historically, and how do you expect this to evolve in future?

As both private markets and emerging markets represent a heterogeneous group of sub-allocations, participants were also asked to elaborate on a more granular level.

The results of the report will be used to enrich Amundi's product and service offering to ensure we can best meet pension funds' evolving requirements. In particular, understanding the deterring and driving factors to investing in them will enable Amundi to better understand how pension funds approach these asset classes, and in return, how Amundi can serve these evolving needs.

4. https://int.media.amundi.com/assets/10-12-24-amundi-create-research-2024-pdf-4640b-b6afb.html

B. Our strategy: From philosophy to actions

Amundi's approach to responsible investing rests on three main convictions:

- Economic and financial players bear a societal responsibility,
- The integration of ESG considerations/factors in investment choices is a source of long-term performance,
- ESG will be a growth driver for Amundi, worldwide.

Our commitments and convictions in our investment management activities are reflected in the development of our investment solutions range, as well as in the advisory capabilities and services we deploy to support clients as they define and implement their own approach.

Our core investment beliefs are founded on the understanding that long-term and sustainable success lies in collective effort and sound processes. Those beliefs are:

In a non-stationary world, investment theory is a support not a dogma Economic and financial models, as well as sustainability risk models, should be used with a clear awareness of their underlying assumptions.	***Only a prepared mind can react*** Investment requires the adaptation of widely accepted assumptions and the ability to process economic, geopolitical and sustainability factors to navigate increasingly frequent market disruptions and paradigm changes.	***Investing for the long term is an advantage*** Investing over the long term allows us to capture sources of growth, such as risk premia or sustainability-linked innovation.	***Risk is multi-faceted*** Risk goes beyond market risk to encompass other dimensions, such as liquidity risk, credit risk, sustainability risks or reputational risk.
Value creation goes beyond performance Being asset owners and managers brings responsibilities.	***Optimality is not universal*** Opportunities should be assessed within the investor's context and sustainability preferences.	***Long-term & sustainable success lies in collective effort & solid processes*** Teamwork and idea cross-fertilisation are sources of added value.	

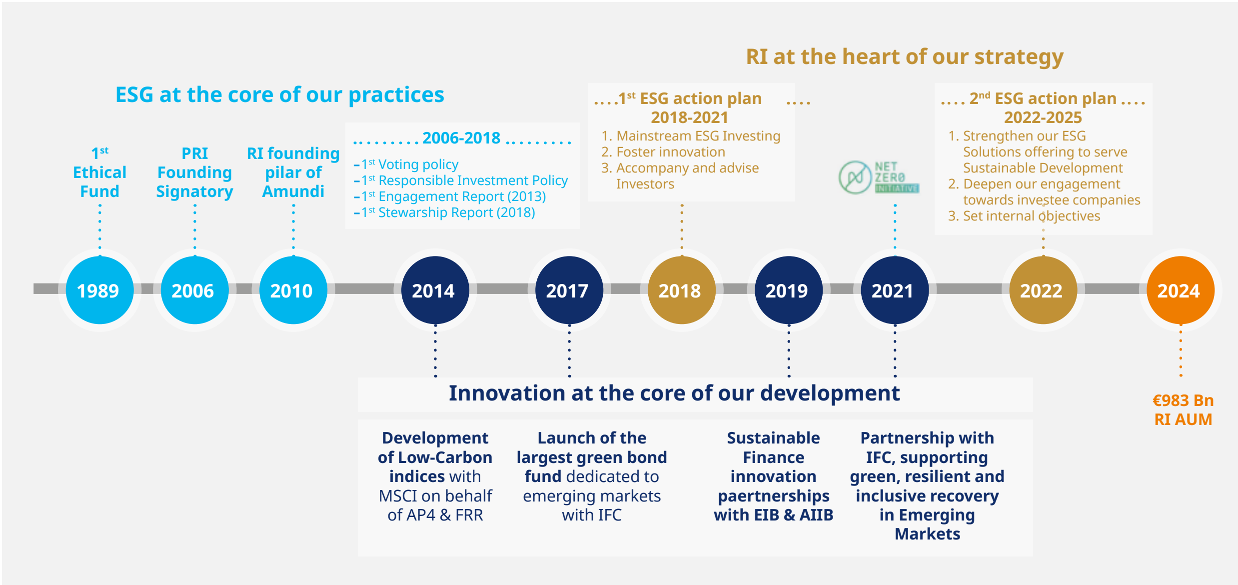
We embrace the concept of "double materiality", around which we build our proprietary ESG analysis and rating methodology. This means that our ESG analysis aims to not only assess the ways ESG factors can materially impact the value of companies, but also how companies can impact the systems in which they operate regarding the environment, social matters or human rights. This centralised methodology promotes a consistent approach to responsible investment across the organisation, in line with Amundi's values and priorities.

The responsible investment strategy is integrated across our asset management activities through policies governing asset exclusion, ESG integration into investment processes, and voting activity, as well as through the range of dedicated responsible solutions and services.

Dedicated resources make the deployment of our Responsible Investment strategy possible. They ensure the principles and standards across the Amundi responsible investment solutions' range are consistent, helping us to customise solutions and services to meet the ESG preferences of our clients. (More information can be found in Principle 2). Our proprietary ESG rating methodology and fundamental qualitative ESG research capabilities are key pillars of our strategy.

Our commitment to addressing challenges in ESG and climate change is reflected in our ambitious action plans. Our 2018 – 2021 ESG plan was achieved in 2021, and the "Ambition 2025" plan is currently underway.

Illustration 3: Amundi's key commitments of the past 20 years



Focus on: Comprehensive responsible investment training in 2024

In 2024, Amundi once again achieved our goal of ensuring 100% of employees were trained in Responsible Investment (RI) principles, ensuring that all staff members are equipped to uphold our RI policies. This training formed a key milestone in of "Ambition 2025" and was first achieved in 2023. It covered the fundamentals of RI, Amundi's specific policies, and the broader impact of responsible investing. Additionally, we significantly expanded our sustainable investing education programmes to keep pace with evolving industry standards and regulatory requirements. This included new e-learning modules, video conferences, and webinars focused on climate risk. ESG integration, and the latest regulatory changes: Specialised training programmes with certification options were introduced for management, middle office, and risk areas. Senior executives received targeted training on climate issues and ESG integration, with 4.7 hours dedicated to climate-related topics. Amundi also continued to offer extensive training opportunities to clients, partners, and institutional stakeholders, enhancing their financial knowledge and RI expertise to align their investment strategies with sustainability principles.

Focus on: ESG "Ambition 2025" plan – 2024 progress

Amundi's "Ambition 2025" plan aims to increase its commitment to continue tackling sustainability challenges, such as climate change, through the savings and investment solutions offered to our clients, actions taken to assist businesses, and measures to align our employees with our ambitions.

The goal to deepen ESG integration throughout the whole asset management value chain also reflects increasing ESG commitments by our clients across the world. Our current three-year plan comprises an ambitious set of plans to address their current and future needs.

There are three key objectives, each containing a number of key goals. By 2025, Amundi commits to:

Strengthen our range of savings solutions for sustainable development

1. 1. Introduce a new environmental transition rating that assesses companies' efforts in decarbonising their operations and the development of their sustainable activities, covering actively managed open funds.
   ➜ **2024 Update: The implementation project of a Transition rating assessment for actively managed open funds[5] is currently carried out.**

5. Scope of actively managed open-ended funds when a rating methodology is possible.

2. Offer, in all asset classes[6], open funds with a Net Zero 2050 investment objective.
   - ➜ **2024 Update: Four asset classes offer a minimum of one Net Zero 2050 Ambition solution.**
3. Reach €20bn of assets under management in impact funds.
   - ➜ **2024 Update: These assets under management rose to €16.1bn at end-2024, compared with €13.2bn at end-2023.**
4. Ensure that 40% of our ETF range is made up of ESG funds.
   - ➜ **2024 Update: 37% of the passive fund range is composed of ESG funds, versus 33% at end-2023.**
5. Develop Amundi's Technology's ALTO Sustainability offer.
   - ➜ **2024 Update: The first module of ALTO Sustainability has been commercialised since 2023 and the second module on climate has been defined for launch in 2025.**

Amplify Our Outreach to Companies

6. Work with 1,000 additional companies to define credible strategies to reduce their greenhouse gas emissions.
   - ➜ **2024 Update: Our climate engagement plan has been extended to 1,478 new companies, versus 966 at end-2023.**
7. From 2022, exclude from our portfolios companies that generate over 30% of their activity from unconventional oil and gas sectors[7].
   - ➜ **2024 Update: These companies have been excluded from Amundi's investments in 2024, as has been the case since 2022.**

Set Internal Alignment Goals That Match the Commitment

8. Take into account the level of achievement of these ESG objectives (weighting 20%) in the KPI calculation of performance shares for our 200 senior executives.
   - ➜ **2024 Update: ESG objectives were incorporated in the annual objectives of 99.6% of portfolio managers and sales representatives and the implementation of the ESG Ambitions 2025 plan accounted for 20% of the criteria supporting the performance share plan awarded to more than 200 Amundi senior executives in April 2024.**
9. Reduce our own direct greenhouse gas emissions[8] by approximately 30% (vs 2018) per employee in 2025.
   - ➜ **2024 Update: The action plan to reduce greenhouse gas emissions related to energy (scopes 1 and 2) and business travel (scope 3) has continued. At end-2024, emissions were reduced by 62% by employee compared with 2018.**
10. Present our climate strategy to shareholders (Say on Climate) at the Annual General Shareholders' Meeting in 2022.
    - ➜ **2024 Updates: The progress report on the implementation of the climate strategy was presented to the shareholders at the Annual General Meeting of May 24, 2024, and approved at 96.73%.**

6. Real estate, multi-asset, developed market bonds, developed market equities.
7. Scope defined by Amundi's Responsible Investment policy – Non-conventional extraction: oil sands, shale oil and gas.
8. For any Amundi Group entity with more than 100 employees.

Focus on: Update on ALTO Sustainability 2024

ALTO is Amundi's technology platform that underpins the entire front and back-office fund management activity of the firm. Access to ALTO is also available to third parties, investors and investment managers. In the previous reporting period, Amundi launched a technological analysis and decision-making solution, ALTO Sustainability, as part of our "Ambition 2025" plan. This innovative modular solution empowers clients on sustainability issues by providing additional flexibility, allowing institutional investors and asset managers to easily integrate sustainable investment indicators from leading data providers into the ALTO platform. This alignment enables them to meet their sustainable investment objectives. By combining Amundi's expertise in sustainable investing with technological know-how, ALTO Sustainability allows investors to benefit from a comprehensive view of issuers' characteristics, integrating both financial and non-financial considerations.

Over the past year, we have achieved significant successes, including:
- Development of a second climate module planned for launch in 2025 as part of expanding its sustainability features.
- The acquisition of German software company aixigo in 2024, which will enhance and increase the modularity of ALTO's platform.

C. Engagement & Voting, a key pillar of our responsible investment strategy

Stewardship activity is central to Amundi's responsible investing philosophy, alongside the systematic integration of ESG criteria in our active investments. We believe that stewardship and effective engagement play a key role in enabling a meaningful transition towards a sustainable, inclusive low carbon economy. Amundi has developed an active programme of stewardship activities through engagement and voting.

As a shareholder via the funds and mandates we manage on behalf of our clients, Amundi has a role to play in driving capital towards the leading actors in ESG and in engaging companies to adapt and evolve their strategies to combat key issues. We recognise that, as part-owners of the companies in which we invest, we have a role to influence their strategies towards approaches that more effectively consider ESG issues, such as climate change, biodiversity loss, human rights or labour standards. We seek constructive dialogue to help drive change and support those who are already delivering positive results, taking into account companies' specificities and starting point.

Our proactive engagement policy seeks to:
- Contribute to the dissemination of best practice and drive a better integration of sustainability in companies' governance, operations, and business models.
- Trigger positive change concerning how companies manage their impacts on specific topics that are key drivers of the sustainability of our society and economy.
- Support companies in their transition toward more sustainable, inclusive, and low carbon business models.
- Engage issuers to increase their levels of investment in capex/R&D in much-needed areas to facilitate this transition.

On behalf of our clients, our voting activity is an integrated arm of our stewardship activities (More details on this can be found in Principle 3). Insufficient improvement following an active engagement could trigger a negative vote. Engagements are also triggered by our voting activity to encourage issuers and their Boards to better integrate sustainability and long-term views in their company's strategic planning to create long-term value.

Our voting policy makes best use of our responsibilities as part-owners of issuers and emphasises the following needs:
- For accountable, diversified and well-functioning Boards,
- For corporate governance and Boards that grasp environmental and social challenges,
- To ensure that Boards and corporates are appropriately positioned and prepared to navigate the transition towards a sustainable, inclusive low carbon economy.

We believe that engagement and voting will play an even greater role going forward and they already form a key pillar of our "Ambition 2025" plan. Amundi's ambition is to scale up the different initiatives we created with investment platforms in 2020 and 2021 in order to leverage our engagement efforts by empowering investment professionals who already have active dialogues with issuers.

PROGRESS IN 2024

As part of our "Ambition 2025" plan, Amundi has significantly accelerated its engagement efforts across multiple dimensions. Amundi is on track to deliver the promise of engaging with 1,000 issuers on climate by 2025. In 2024, Amundi engaged with 512 additional companies on the subject of climate change, bringing the total number of additional companies engaged with on the subject to 1,478 since the launch of "Ambition 2025" in December 2021. The number of issuers engaged with increased from 2,531 in 2023 to 2,883 in 2024, a rise attributable to the implementation of our ambitious plan.

Notably, Amundi has increased its engagement across all regions, with a particular focus on emerging markets and North America. We fundamentally believe that a large part of the success of the energy transition will be in emerging countries, and we will continue to pursue our efforts in these geographies.

Our engagement activities centred on five key themes, and we saw an increase in engagements across nearly all of them. However, climate-related issues have been a central focus, demonstrating the most substantial progress in the transition to a low-carbon economy.

Amundi's five engagement themes

E		S		G
Transition towards a low carbon economy	Natural Capital Preservation	Human Capital & Human Rights	Clients Protections & Social Safeguards	Strong Governance for Sustainable Development

2024 Engagement at a glance

Type	Indicators	*Unit*	2024	2023	2022
Engagement policy	Number of issuers excluded	Number	1,843	1,748	954
	Total number of companies engaged	Number	2,883	607	58.8
Voting policy	Number of resolutions subject to vote	Number	109,630	109,972	107,297
	Number of General Shareholders' Meetings voted at	Number	10,515	10,357	10,208

More detail on our engagement & voting activities in 2024 can be found in Principles 9 to 12.

Principle 2

Signatories' governance, resources and incentives support stewardship

01 How our structure supports responsible investing and stewardship deployment

Taking action as a responsible financial institution is an essential component of Amundi's strategy; as such, responsible management is integral to our governance. The responsibility to achieve the Group's ESG objectives lies with both the supervisory and management bodies, and it is central to the way these governance bodies operate.

The responsible investment strategy is discussed at the highest levels and is governed by dedicated committees reporting to the Board of Directors and the General Management Committee. These governance bodies regularly interact with each other and with the various business lines working on these issues, primarily via the Responsible Investment team.

See Principle 3 for more information on our relationship with Crédit Agricole and how we manage conflicts of interest between the businesses.

Governance of ESG issues within Amundi

A. Dedicated Responsible Investment business line

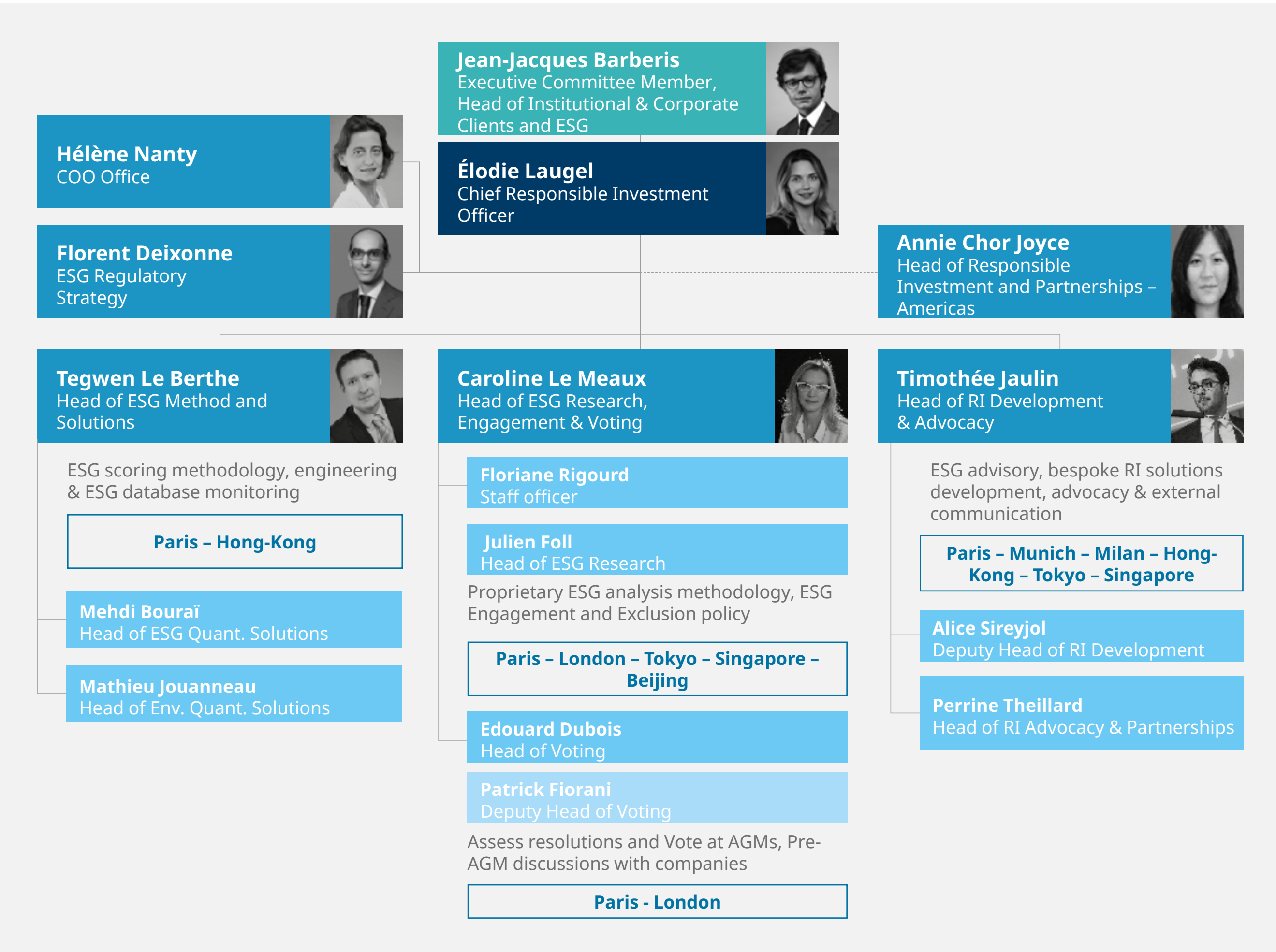
Amundi has a team dedicated to responsible investment, which is under the supervision an Executive Director of the firm and Supervisor of ESG. This department is positioned as an autonomous and independent unit within the overall organisation, serving the needs of institutional, distributor and retail clients, as well as investment platforms.

General organisation and figures

The team is organised around five areas of expertise, each with its own senior leadership:

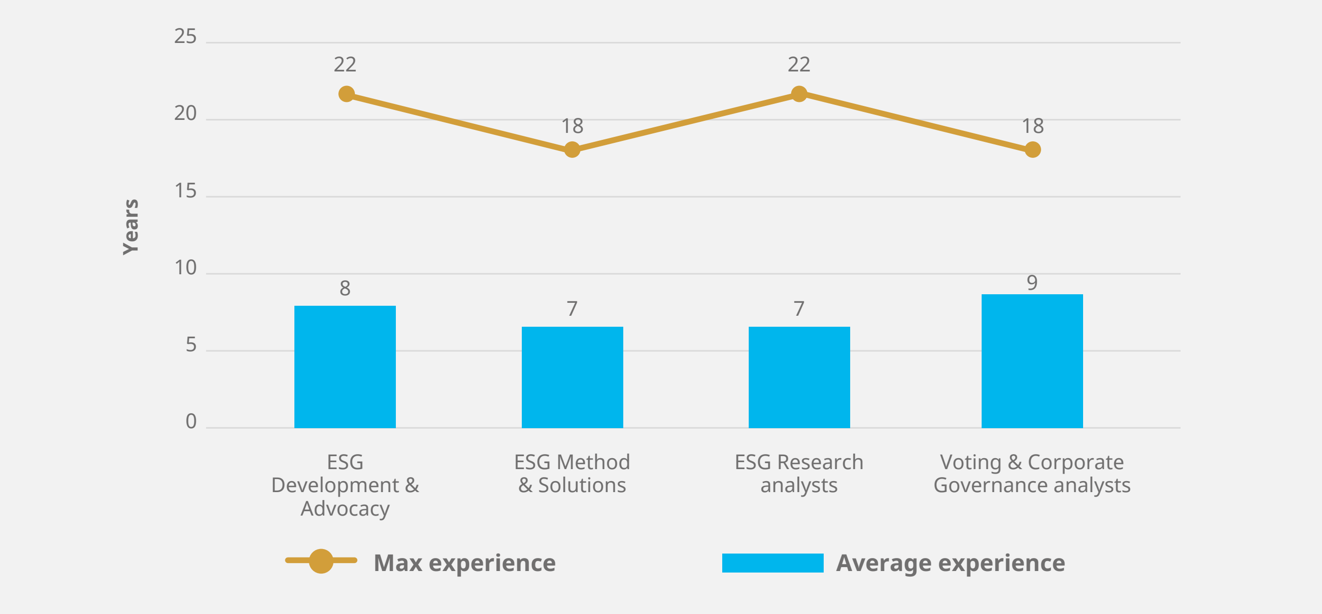
- The ESG Research, Engagement and Voting team
- The ESG Method and Solutions team
- The ESG Business Development & Advocacy team,
- The ESG COO Office
- The ESG Regulatory Strategy

Organisation and positioning of the Responsible Investment team (as of October 2025)



The Responsible Investment team consists of 70 FTEs with an overall average experience in the ESG/CSR sector of seven years. It consists of 59% women.

Responsible Investment team's experience in the ESG/Corporate Social Responsibility industry



The team has a wide range of experience and expertise, with members holding qualifications in areas including:

- Natural Resources & Sustainable Development
- Bilan Carbone® Methodology Training
- ESG Investing (CFA)
- Business and Human Rights
- Climate Risks
- TCFD Training
- Responsible Investment Analysis (PRI)
- Sustainable Development Management (MOOC & CentraleSupelec)
- Sustainable Finance (MOOC)

B. The ESG Research, Engagement and Voting team, the keystone of stewardship exercise

The ESG Research, Engagement and Voting team, led by Caroline Le Meaux, consists of 42 dedicated specialists spread across Paris, London, Beijing, Singapore, and Tokyo. Divided into two groups, the team has 30 dedicated ESG analysts and 10 voting and governance specialists. Both groups actively contribute to the engagement efforts.

The **ESG Research team** is responsible for ESG qualitative analysis internally and for the organisation of our engagement efforts. Each ESG analyst specialises in a set of sectors and themes; they are the primary person responsible for driving ESG research and engagement strategies internally on those sectors and topics.

ESG analysts meet, engage, and maintain constant dialogue with companies to improve their ESG practices and impacts. They have the final say over the ESG ratings of companies to ensure that internal scores are accurate. The team is also responsible for monitoring sector trends, defining which criteria to consider per sector, staying abreast of established and emerging ESG topics, assessing the impact of ESG topics on the macro-sectors (both risks and opportunities) and assessing the broader impact those sectors have on sustainable development.

The Amundi Voting and Corporate Governance team analyses resolutions and organises ongoing dialogue with companies' Board representatives. The aim is to gain a better understanding of their strategy and push for continuous improvement in their ESG practices. These interactions are also an opportunity to ensure Amundi's recommendations on governance and environmental or social matters, as well as voting policy, are communicated to the highest levels within companies.

The ESG Research, Engagement & Voting team is part of the in-house centre of ESG expertise that supports all Amundi's investment platforms. The members of the team actively work with fund managers and financial analysts to strengthen ESG knowhow and expertise across the company, including ESG trends or ESG positioning of issuers.

The central ESG team also seeks to foster a culture of ambitious and impactful engagement with issuers across investment platforms.

The profiles of the ESG analysts are diverse and we constantly strive to maintain a balance of skills and backgrounds within the team. It has representatives from various nationalities operating across five offices around the world. This rich diversity significantly enhances the quality of our ESG research, contributing meaningfully to the depth and breadth of our insights.

There is strong analytical expertise across the team, both on the sell- and buy-sides, and also a range of experience in audit, and ESG and CSR consultancy. Members of the team can draw on their diverse backgrounds of direct industry experience in a variety of businesses, from fashion to insurance, construction and IT software. The team's industry specialists are shaped by this range of experience, giving us deep insight into the operational challenges business encounter, which enables more thoughtful understanding of the issues faced by the companies in which we invest on our clients' behalf.

C. The ESG Research, Engagement and Voting team is supported by four other teams

ESG Method and Solutions team

This team of quantitative analysts and financial engineers is in charge of developing and maintaining (in collaboration with the ESG Research team and the ESG Global Data Management team) Amundi's proprietary ESG scoring systems. Leading the development and integration of ESG data solutions and scores, they enable financial analysts and portfolio managers to integrate ESG and sustainability considerations into their investment decisions, as well as business development teams to create innovative investment solutions by integrating sustainability-related data within financial products (ESG ratings, climate data, impact metrics, controversies...). They oversee the development and integration of analytical ESG tools in Amundi Portfolio Management Systems and Client Reporting Systems and are also in charge of implementing clients' specific ESG exclusion rules.

Responsible Investment Development & Advocacy team

Present in Paris, Munich, Milan, Boston, Tokyo and Hong Kong, this team is in charge of supporting and developing the responsible investment offering and solutions that match investors' needs and challenges across segments and geographies, in collaboration with investment platforms and marketing units. It provides responsible investment expertise, advisory and services to all Amundi's clients and business partners. It contributes to external and internal advocacy of responsible investment and oversee Amundi's engagement with responsible finance initiatives. It develops training programs for our clients and internal employees.

ESG COO Office team

This team coordinates the Responsible Investment Department's projects with the Group's support functions, produces business monitoring dashboards (business, budget, IT, audit, projects) and oversees major cross-functional projects.

ESG Regulatory Strategy team

This team is responsible for ESG regulatory issues. It supports Amundi's development by anticipating the impact of future ESG regulations, and contributes to the financial sector's work on the continuous strengthening of the ESG investment framework in all jurisdictions.

D. Dedicated governance to monitor and manage the responsible investment strategy

With the support of these teams, 4 responsible investment steering committees ensure there is regular and structured follow up of all work carried out by the Responsible Investment team. They are regularly monitored by Amundi's CEO.

The ESG and Climate Strategic Committee

Chaired by Amundi's CEO, this committee meets monthly with the responsibility to:

- Manage, monitor and validate Amundi's ESG and climate strategy in terms of investment,
- Validate the strategic guidelines of the responsible investment policy and the voting policy,
- Manage the main strategic projects.

This committee draws on the ESG Rating Committee, which is chaired by the Director of the ESG Department, who is in charge of the responsible investment policy and associated methodologies, and sits on the Voting Committee, which is chaired by a member of senior management in charge of the voting policy.

The ESG Rating Committee

Including senior managers from Investment, Responsible Investment and Risk and Compliance business lines, and chaired by Amundi's Chief Responsible Investment Officer, this committee meets monthly. The committee is responsible for:

- Defining Amundi's ESG rating methodology, systems, processes and resources, and approving any amendments,
- Validating the criteria for, and application of, exclusion and sector policies,
- Reviewing and taking decisions regarding ESG ratings on specific cases of exclusion, based on due diligences done by the ESG team, or in case of escalation, and
- Developing Amundi's ESG jurisprudence on emerging issues.

The committee also deals with ESG topics related to climate and the energy transition (such as our coal policy, carbon footprint methodology, rating of issuers facing climate related controversies), and social and societal issues. Two external senior experts are permanent guests on this committee to participate in discussions.

Voting Committee

This committee is chaired by the member of executive management in charge of responsible investment supervision. It is held once a year to approve the voting policy, and on an ad hoc basis the rest of the year to:

- Advise on voting decisions at the General Shareholders' Meeting for ad hoc cases; where 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.

Responsible Investment Committee

Chaired by Amundi's Chief Responsible Investment Officer (CRIO), this committee meets on a monthly basis and brings together senior managers from the investment platforms, Responsible Investment, marketing, risk, audit, and compliance functions. It is responsible for:

- Validating ESG portfolio integration methodologies, whether internal (e.g., ESG Mainstream, Net Zero, Impact) or regulatory (e.g., PAI, EU Taxonomy),
- Approving product qualification criteria and principles for sustainable finance regulatory classifications (SFDR, AMF), and
- Overseeing the consistent implementation of Amundi's responsible investment policies across the Group.

E. Sharing and fostering expertise across the business

Training and education

The training around responsible investment at Amundi remained a priority in 2024, building on the strong foundations laid in 2022 and significant enhancements made in 2023. As referenced in Principle 1, Amundi trained 100% of employees in responsible investment by the end of 2023, achieving a key goal of the "Ambition 2025" plan. This success was repeated in 2024, with all new joiners taking part. This training equips our employees with the fundamentals and policies of responsible investment, while continually developing skills within the business lines.

The "Responsible Investment Training" programme offers dedicated training courses by business line. It was launched at the end of 2022, rolled out in 2023 and remained a key Amundi priority in 2024. The training journeys consist of compulsory units enriched by modules tailored to the specific needs and expertise levels of each business line. Designed collaboratively by the Responsible Investment, Training, and CSR teams, these courses aim to help employees understand Amundi's responsible investment strategy, particularly our climate strategy, enabling full contribution at every level.

In 2024, training was enhanced to include, for example, a mandatory e-learning course on climate issues, an ethics quiz and training on responsible communication for certain business lines.

Special attention was given to training senior executives to ensure they possess the knowledge required for the robust implementation of Amundi's responsible investment strategy.

Employees also receive expert support from the Responsible Investment team and "ESG champions" to help them implement responsible investment practices more effectively. These "champions" serve as ambassadors for responsible investment issues among their colleagues and are key contributors to cross-functional projects, such as defining the Sustainable Investment Framework.

A culture of teamwork and information sharing

ESG Research analysts, financial analysts, and fund managers share the same research centre, where all research and engagement streams are published. A calendar of all activity is also shared, which is available to all investment professionals enabling them to join engagement meetings. Regarding engagement, ESG analysts have developed toolkits that describe the questions to ask on different subjects, as well as engagement best practice. For any given company, the questions asked, and the status of the engagement are recorded, enabling the financial analysts or the fund manager to fully understand the nature and the quality of the answer(s) given by the company.

Regarding investment decisions, fund managers have the final say, except if the company is excluded from the investment universe. A negative override of the ESG score in case of escalation is a penalty, as average ESG score of portfolios have to be higher than that of the benchmark.

More information on the integration of ESG and stewardship to the investment process can be found in *Principle 7**.*

02 External research providers, an essential resource

A. Integrating external data in ESG analysis and rating work

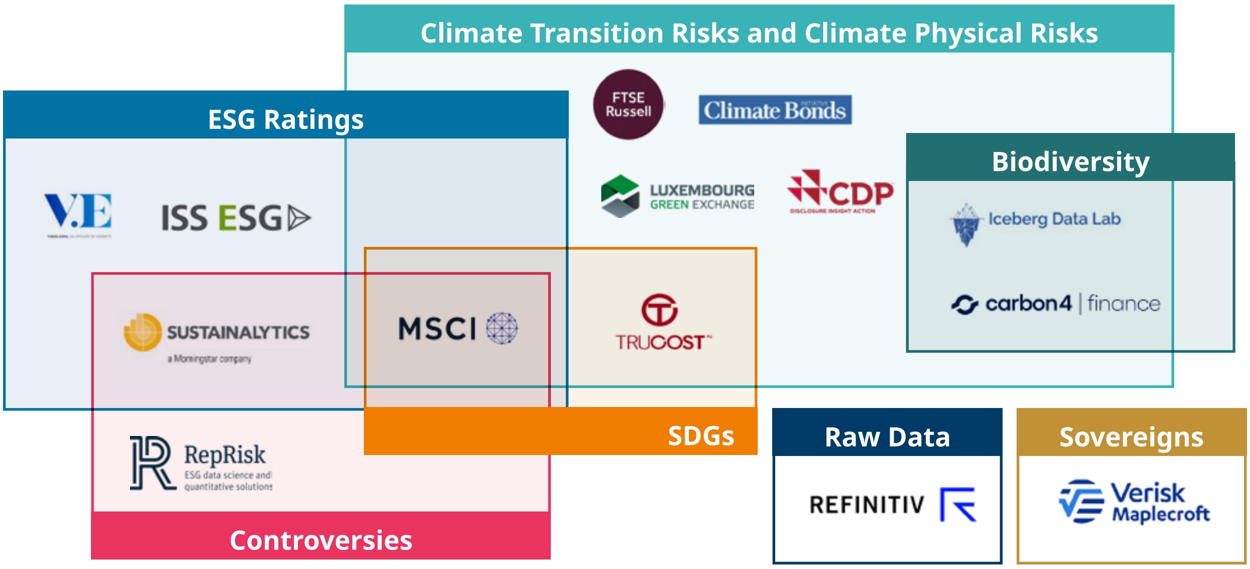
Our ESG Research team leverages data from external providers. The information received covers ESG scores, controversies, and other ESG-related information. Our analysis draws on this data to generate proprietary scores, ratings and controversies analysis, and serve clients' specific exclusion requirements. Some external research providers have also been chosen for their climate-related data concerning climate risk management and CO_2 emissions.

We source inputs from specialist global providers, each with its own methodology and inbuilt perspectives and focus, and subsequent biases. By taking inputs from a range of sources and applying our own proprietary analysis and approach, we can gain a fuller understanding of companies and provide our investment teams with a more fulsome picture and valuable insights.

The use of such third-party data gives Amundi:

- Greater overall coverage of issuers by combining different footprints, as some providers have better coverage of particular regions, sectors and asset classes ;
- A 360° view on critical ESG topics and relevant issuer behaviour, as data providers take different approaches to analysing a particular criterion ;
- Access to more frequent analysis updates, as each data provider updates their analyses according to different schedules.

We source data from 13 main providers



These data providers are selected according to a dedicated due-diligence process undertaken by the ESG Method and Solutions team. We use these data sources to inform our proprietary ESG analysis and ratings methodology. More information on which can be found in Principle 7.

Focus on: Assessing companies' performance on biodiversity

Biodiversity is an area of increased focus. Scientific knowledge led by IPBES is progressing quickly and biodiversity-related regulations and initiatives, such as the Taskforce on Nature-related Financial Disclosure (TNFD) and the Global Biodiversity Framework, to name but a few, are being developed.

Biodiversity is, by nature, a very broad topic. The data to understand it fully remains scarce and the biodiversity foot-printing methodologies, which aim to give a full picture of a company's impact on biodiversity, are still nascent. For this reason, and after conducting a data and methodology review process, Amundi decided to analyse companies' biodiversity performance based on a wide breadth of data.

Data type	Data Providers	Details
ESG Rating	– MSCI – Sustainalytics – Amundi Research	Biodiversity is a dedicated part of Amundi's overall ESG Rating
Controversies	– MSCI – Sustainalytics	Biodiversity-related controversies are assessed
Materiality	– ENCORE	Materiality assessment of a company's impact and dependency on biodiversity
Practices	– MSCI – Trucost – Refinitiv	Raw data on water usage or pollutants intensity to evaluate company practices
Policies	– CDP – Refinitiv	Biodiversity-related policies of companies are assessed
Activities	– MSCI – Trucost – Amundi Research	Revenues of companies are analysed to identify those with a negative (i.e. pesticides production) or positive (i.e. water treatment) impact on biodiversity
Biodiversity footprint	– CDP – Iceberg Data Lab	While mainly based on modelled data, biodiversity footprint indicators are useful to understand the overall impact of a company on biodiversity

Using this data, we believe we can gain a general view of a company's performance, impact, and dependency on biodiversity. With the maturing of the methodology and the gradual implementation of regulations, we see this list as being in constant evolution and strive to integrate more data points over time.

Our ESG analysts also have access to information from additional sources beyond these extra financial data providers, including:

- Dialogue with companies' management and stakeholders,
- Companies' publicly disclosed documents,
- Equity and credit analysts of the Amundi Group,
- Sectoral experts,
- NGOs, scientists, unions, media, brokers sell-side reports,
- Bloomberg, Reuters.

This creates a direct feedback loop from engagement activity into the ESG ratings and analysis – and subsequently into the investment decisions of portfolio managers. These sources of information form an essential component in the ESG analysis process as they allow analysts to crosscheck information and data on specific topics, as the quality and reliability of information is essential. All the information provided by external suppliers and, once quality checked and filtered through the professional assessment by our analysts, is feed into our internal portfolio management system (ALTO) which is available to all portfolio managers.

Illustration 4: Amundi's active role in the Nature Action 100 in 2024

As part of our ongoing commitment to reverse nature and biodiversity loss, Amundi took an active role in a Nature Action 100 (NA100) collaborative engagement in 2024. NA100 is a global investor-led engagement initiative that aims to support greater corporate ambition and action on reversing nature and biodiversity loss in order to mitigate financial risk and protect the long-term economic interests of investors' clients and beneficiaries. Collaborative engagements focus on the broad investor expectations outlined by the NA100 initiative, including ambition, assessment, targets, implementation and governance.

Interactions between the ESG teams and portfolio managers teams

The Responsible Investment business line provides ESG ratings, assessment and scoring methodologies, as well as qualitative analysis. It also provides research, support, and facilitates the transfer of knowledge to the investment hubs across the firm. All team members collaborate with investment professionals to help them integrate ESG into their investment processes and expertise.

Periodically, the ESG analysts meet with fund managers to share their opinions on specific issuers. In addition, on a monthly basis, ESG analysts organise training sessions on specific sectors or themes. This session is a place to exchange and share our ESG culture with fund managers and product specialists across all investment platforms. ESG teams also communicate with all Amundi teams through different channels:

- Monthly newsletter: The ESG business line has launched a monthly newsletter that informs Amundi's teams about the latest responsible investment news,
- Monthly ESG ratings update news: The ESG Method and Solutions team provides monthly global statistics on corporate and sovereigns ESG ratings (i.e. turnover of rated issuers), as well as ESG coverage stats on all major equity and bond indexes, to portfolio managers,
- ESG "Weekly picks and food for thought": The ESG Research team sends out weekly information on ESG-related topics, which has been developed for use by portfolio managers,
- Internal web conference: These are recommended to all Amundi staff to support them in acquiring knowledge on ESG topics.

In addition, the Investment team participates in the ESG & Climate Strategy Committee, the ESG Rating Committee (including methodology validation, exclusion policy review, individual ESG rating review) and the Voting Committee, to ensure coordination between the teams in the implementation of the Group's Responsible Investment strategy. Amundi's CRIO is also a member of the Investment Management Committee and the Global Investment Committee.

Building a robust and scalable ESG data framework

Since 2023, Amundi has standardised and scaled its ESG data value chain, with a unified Master Data ESG platform that operationalises end-to-end automation from provider sourcing to publication.

A dedicated ESG data management team now coordinates information from around 25–30 providers across nearly 80 investment universes. Strengthened governance and multi-layer quality controls ensure consistency and reliability throughout the production cycle. This framework supports Amundi's investment, risk, and stewardship activities by providing transparent ESG data, indicators, and scores, while ensuring regulatory expectations are met and reinforcing Amundi's commitment to responsible investment.

B. The role of external providers to support our voting activity

Amundi's Voting and Corporate Governance team (part of the ESG Research, Engagement and Voting team) also relies on services from external providers.

Analysis from ISS, Glass Lewis, and Proxinvest is available to help more efficiently identify problematic resolutions, while retaining complete autonomy over their recommendations. ISS also provides customised voting recommendations based on Amundi's voting policy. Using research and recommendations from multiple proxy advisers allows the Voting and Corporate Governance team to make informed voting decisions, taking into account different viewpoints. These decisions are also informed by the dialogue the Voting and Corporate Governance team undertakes with companies, as well as the views of internal experts, including the Responsible Investment team.

Amundi uses the ProxyExchange platform, provided by ISS, to monitor voting positions and send instructions in accordance with Amundi's voting policy. The only exceptions to adhering with the voting policy are when clients may request specific voting policies that Amundi will implement on their behalf.

C. ESG analysis at the core of our investment platforms

Amundi's ESG analysis is embedded into our portfolio management systems. Portfolio managers and investment analysts from all investment teams have real time access to corporate and sovereign issuers' ESG ratings, alongside financial ratings and related ESG analytics and metrics. This enables fund managers to factor sustainability risks into their investment decision-making process and apply Amundi's exclusion policy whenever applicable. They are also able to design and manage their portfolio(s) in accordance with any strategy/product-specific ESG rules and objectives that may apply.

More detail on Amundi's exclusion policy and ESG ratings methodology can be found in Principle 7.

03 Integrating ESG considerations within remuneration structures

Aligning internal remuneration with our ESG and climate commitments remained a key strategic priority in 2024. The Compensation Committee submits a proposed compensation policy to the Board and verifies its compliance with the Group's strategies and its social and environmental challenges, in accordance with Article 4 of the Internal Rules of Amundi's Board of Directors.

Amundi's compensation policy reflects both individual and collective performance. It takes into account the economic environment, competitiveness and the labour market, while also incorporating the Group's ESG and climate strategy. The implementation of this strategy requires aligning employee compensation policies with Amundi's ESG and climate objectives.

Executive remuneration

In 2024, up to 20% of the performance evaluation and remuneration of the Chief Executive Officer and Deputy Chief Executive Officer was linked to the achievement of ESG and CSR objectives, including climate commitments. This structure will also apply in 2025, subject to approval of the compensation policy by the General Shareholders' Meeting on 27 May 2025. The Ambitions ESG 2025 plan (which includes climate commitments) also accounted for 20% of the criteria underpinning the 2024 performance share plan applicable to more than 200 senior executives. The 2025 performance share plan will likewise allocate 20% to CSR and ESG performance criteria.

Sales and portfolio managers' remuneration

Since 2022, ESG objectives have been progressively integrated into the performance evaluation of sales representatives and portfolio managers, directly influencing their variable remuneration.

Responsible Investment team remuneration

The variable remuneration of the Responsible Investment team is based on both qualitative and quantitative measures of their effectiveness, alongside profit sharing linked to the Group's overall performance. All team members are evaluated on their collaboration with investment teams and client segments, as well as on their efforts to integrate ESG into investment processes.

OUR PROGRESS IN 2024

The Compensation Committee aligned the compensation policy with the Group's strategy by embedding ESG and climate considerations into remuneration structures at every level. This included:

- Linking up to 20% of the CEO and Deputy CEO's 2024 performance evaluation to ESG and CSR objectives, with the same criteria confirmed for 2025, subject to approval at the General Shareholders' Meeting on 27 May 2025,
- Allocating 20% of the criteria underpinning the 2024 performance share plan for more than 200 senior executives to the Ambitions ESG 2025 plan, with this provision also confirmed for 2025, and
- Continuing to integrate ESG objectives into the variable remuneration of sales representatives, portfolio managers, and the Responsible Investment team.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

General measure to minimise and monitor conflicts of interest

Conflicts register of cross-directorships of senior Amundi staff	**Policy for managing conflicts of interest detailing employees' responsibilities to identify, prevent and manage conflicts**	**Procedures and rules governing the primacy of the client interest**	**Procedures and rules governing the selection and remuneration of intermediaries**
Internal committees (broker/dealer, products, risk management, compliance, audit, compensation), which take full account of ethical considerations in their decisions	**A Debt Restructuring Committee**	**Appropriate training of relevant employees to ensure that they are fully aware of their responsibilities and obligations**	

Amundi takes conflicts of interests very seriously and actively works to identify, prevent, and manage them. For this reason, the firm has put in place numerous measures to drive transparency and ensure that potential and actual conflicts are monitored and dealt with.

01 Amundi's relationship with Crédit Agricole

Crédit Agricole Group is Amundi's parent company, but Amundi is an independent listed company with an established Board of Directors and five specialist committees: Strategic and CSR, Audit, Risk Management, Compensation, and Appointments. Full details of all Board member commitments are published in our Governance of Amundi Company document, which outlines their existing and former positions in Crédit Agricole Group companies, as well as other listed and unlisted companies.

Information barriers (physical, organisational, procedural, and IT barriers) are in place to avoid the risk of conflicts of interest and the improper circulation of confidential and inside information.

Amundi has defined a universal common basis for its voting policy based on the fundamental governance principles and shareholder rights that Amundi expects to be applied and respected, globally. Amundi exercises its stewardship responsibilities on behalf of its clients on all five continents. That said, the implementation of this policy is adapted to each of these local contexts. Our decisions are always made with a view to defending the interests of our clients by supporting the creation of sustainable long-term value. To do that, Amundi considers each company's context in a pragmatic manner to make sure its voting decisions are effective.

The voting control system is based on the voting policy, the existence of a Voting Committee to deal with delicate situations, and the posting of all votes on the internet. Controls are also performed on annual basis to review the application of the voting policy. We have a specific focus on companies linked to Amundi and, specifically, issuers with a controlling interest in Amundi, such as Crédit Agricole. In addition, we do not vote on Crédit Agricole resolutions as part of our relationship with the company.

Case study 1: Voting on a company with potential conflict of interest

Region: Europe
Sector: Industry

Context: In 2024, Amundi voted at the Annual General Meeting (AGM) of a large industrial company that has a business relationship with Amundi's parent company. Amundi had engaged with the Company ahead of the AGM to better understand the rationale of the board decisions regarding executive remuneration.

Amundi's Action: Amundi voted against the remuneration policy of the Chief Executive Officer, in line with our voting policy, due to multiple concerns regarding the structure of the remuneration and the lack of stringent performance criteria. Indeed, Amundi advocates for the variable remuneration of top management to be tied to clearly defined performance criteria, preferably with quantitative targets. Moreover, the total level of compensation of the lead executive was considered excessive in comparison to companies of same size and sector.

Amundi communicated its voting intentions to the company in advance.

Engagement Outcome & Issuer Response: The remuneration policy received 28% of votes against at the AGM.

02 Amundi conflict of interests processes

A. Policies and procedures

We recognise that Amundi Group entities may be exposed to potential conflicts of interest when carrying out transactions or entering into service contracts with entities within our Group, entities of our parent Group, as well as with third parties.

In order to manage this, we have put in place internal rules and procedures to ensure and respect each client's interests – including, but not limited to, our conflicts of interest policy and Code of Conduct.

Our specific rules of conduct, in relation to clients, mean all employees must:

- Ensure and respect the primacy of each client's interests, particularly in relation to their personal interests and/or the Amundi Group's interests,
- Avoid situations where they may need to choose between their personal interests, whether financial or otherwise, and the Amundi Group's interests or those of its clients,
- Respect the principle of equal treatment among clients,
- Not disclose to a client confidential information about a client that has come to their attention in the course of their professional activities. This does not apply to information that is or has become public.

The Amundi Code of Conduct is the fruit of a collaborative approach between our different business lines; Retail and Institutional Marketing, Purchasing, Compliance, Legal, HR, Corporate Social Responsibility and Communications, among others.

Beyond compliance with legislative, regulatory, and professional rules; the Code of Conduct, which applies to all of our operations, reflects our commitment to carrying out our activities with the highest ethical standards and professionalism and to acting in the best interests of our customers.

Other examples of the robust policies and procedures we have in place to safeguard client interests include:

Employee remuneration

Each Amundi Group entity is tasked with ensuring that remuneration structures do not lead, directly or indirectly, to potential conflicts of interest. This could include ensuring remuneration based on sales targets does not incentivise employees to recommend one product over another that might better fit the client's needs. All entities have policies and practices in place that take into account the interests of all clients in order that these interests are not negatively affected in the short, medium or long term.

Gifts and benefits

Employees must not accept a gift or any other benefit from a third party that could put them in conflict with their responsibilities. All gifts and benefits received must be disclosed at least once per year and may not exceed the maximum amount set per business relationship per year. If this cap is exceeded, the employee must justify it and request the authorisation of their manager and the compliance officer before accepting.

Employee training and awareness

In addition to written policies and procedures, mandatory training on conflicts of interest is provided to employees annually. In the training, Amundi maps the various conflicts of interest that may arise and damage the interests of clients. These scenarios are regularly updated and inform our employee training and policy development.

B. When conflicts of interest arise

While Amundi employees strive to avoid conflicts of interest, there are clear policies and procedures in place outlining the action to take should one arise. In the first instance, the employee involved must immediately alert their direct line manager, as well as their Compliance Officer.

Potential conflict of interest cases are jointly analysed by the Compliance Department and relevant business line, with two possible outcomes:

- Where a conflict has previously arisen and is included in the scenario mapping, the existing control process must be applied.
- Where the conflict presents a new scenario, the Compliance Department and business line must carry out an analysis of the conflict and define its framework. The mapping will then be updated to inform future action.

All Amundi Group entities maintain and regularly update a Conflict of Interest Register, outlining when a conflict has arisen and the action taken. This register is maintained by the relevant Compliance Officer for each legal entity.

Where a conflict has been identified, every effort is made to find an appropriate solution and avoid any client harm. Where we are not reasonably certain that damage to the client's interests can/has been avoided, the client is informed. The information shared with them is sufficiently clear and detailed – and officially recorded - to enable the client to make an informed decision about what action they wish to take.

More details regarding conflicts of interest with our main issuers are available in section 3.B of this principle.

03 Avoiding conflicts of interest in stewardship activities

Conflicts of interests may arise when exercising stewardship activities. Avoiding them is essential to preserve the best interests of our clients and beneficiaries. For this reason, and in addition to broad measures taken at group level, specific criteria apply when it comes to our stewardship responsibilities.

A. A global setup intended to prevent conflicts of interests

The company maintains a strict segregation of its voting and stewardship function away from our client relationship divisions, this is done to minimise any potential conflicts and ensure effective stewardship.

In addition to our Conflicts of Interest policy and Code of Conduct, our stewardship activities are underpinned by strict procedures asserting the primacy of clients' bests interests and our ability to form an ad-hoc committee to address arising and potential conflicts.

For example, any voting decision in relation to Amundi's partner and joint venture companies is automatically escalated to the Voting Committee and the decision-making on all votes is fully documented.

Our remuneration policy also ensures that the interests of our senior management and investment staff align with those of our clients.

B. Voting on companies that have links with Amundi

When exercising the voting rights of our open-ended funds, Amundi may face potential conflicts of interest. Measures to prevent and manage such risks have, therefore, been put in place.

The first preventive measure is the definition and publication of the voting policy, which has been validated by the management bodies of the Group's management companies.

The second measure consists of submitting to the Voting Committee, for validation prior to the general meeting, the voting proposals for resolutions relating to a pre-established list of listed companies that are sensitive because of their links with Amundi.

These sensitive listed companies, for which a potential conflict of interest has been pre-identified, are defined as follows:

1. Issuers with a controlling interest in Amundi or owned by Amundi,
2. Issuers which are our Partners,
3. Issuers with which Amundi shares an Executive Officer/Director,
4. Issuers that are among the most significant clients of Amundi.

In addition to these previously identified issuers, the Voting and Corporate Governance team also submits to the Voting Committee any potential conflicts of interest that may result from the analysis of resolutions from general meetings.

Case study 2: Voting when there is a risk of conflict of Interest

Region: Europe
Sector: Banks

Context: During 2024, the Voting Committee was asked to confirm a proposed voting decision on behalf of Amundi's clients at a financial company that is a distributor of Amundi's products.

Amundi's Action: Based on the review of the agenda of the 2024 AGM, the Voting & Corporate Governance team was concerned by the resolution regarding executive remuneration. In particular the quantum granted to the CEO was considered excessive compared to a peer group of similar European companies. Moreover, the transparency regarding the value of the share-based remuneration was considered insufficient. For these reasons, the Voting & Corporate Governance team recommended a vote against the remuneration report as well as the remuneration policy.

The Voting Committee confirmed this decision to vote against, notwithstanding the existence of a potential conflict of interest.

OUR PROGRESS IN 2024

- Our procedure for managing and preventing conflicts of interest was updated in October 2024. It incorporates a focus on potential conflicts arising between entities of the Group or of the parent company.
- Our Conflicts of Interest policy was updated in February 2024,
- The internal framework was also reinforced with updates on all our conflict of interest pillars, which includes prevention measures and covers the management of conflicts of all Amundi employees. It incorporates a risk mapping with 71 updated conflict of interest scenarios with details on the prevention and controls measures, as well as applicable procedures and individual specifications for each scenario. It also includes a description of the control framework. All employees are required to complete a conflict of interest declaration and attestation on an annual basis.
- The new e-learning training programme on conflicts of interest was rolled out in the first half of 2023 for all Amundi Group entities. It was developed in collaboration with Crédit Agricole.
- We will continue to enhance our approach with regard to conflicts in the area of ESG and stewardship in particular, to ensure that clients have full confidence that we continue to operate solely in their best interests.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system

Amundi has a culture of prudence and has developed a comprehensive framework to identify, manage and mitigate the risks associated with its activities. We believe that a well-functioning financial system can only be achieved by combining rigorous risk management at entity level with a commitment to promoting best practice through risk-management related innovations and partnerships.

Our internal control and risk management system is written in accordance with the guidelines laid out by our parent company Crédit Agricole, which are designed to ensure a consolidated approach to risk. These external guidelines are supplemented by Amundi's own charters, standards and internal procedures in the areas of risk monitoring, including IT and accounting, compliance checks and internal audit.

The internal control system applies equally to all Amundi Group entities and covers the management and control of activities, as well as the measurement and monitoring of risk.

Amundi understands that risk is multi-faceted and operates over different timeframes. This requires us to look beyond market risk and take into account credit, liquidity, and reputational risks, as well as ESG risk generated by a company's activities. Our investment professionals are supported by an independent risk department with a broad scope, and an ESG team that has access to specialist research and can provide its own in-depth analysis of ESG risks likely to impact portfolios.

01 Rigorous risk management to frame our activities

A. A group-wide approach to risk management

Amundi's approach to managing risk is based on a high level of integration of our Risk Management business line across the whole of the Amundi Group. This ensures a uniformity of process, the pooling of resources and a high level of team expertise, by way of dedicated centres of competence.

The Risk Management business line is organised as a matrix, consisting of:
- Cross-business Risk Management Departments, which determine the broad methods for controlling and monitoring risk that is related to the way funds are managed. They also provide supervision of this risk. The goal of these departments is to integrate all of the risk and performance factors and indicators for each fund analysed, and ensure internal consistency of these indicators and their suitability as they relate to a fund's objectives.
- Risk teams in each subsidiary that manages assets, which oversee the risks and functionally report to a department head.
- Teams specialised by field of expertise, which are brought together in a dedicated department, whose mission it is to ensure consistency of approach taken for each type of risk across

each business line. The main missions of these departments are to define the standards and methods for measuring risk, produce the risk indicators and provide expertise in applying these measures to the portfolios.

A dedicated team is in charge of steering the operational risk monitoring system. Its main role is to:
- Map operational risk at the Amundi level,
- Collect information about operational incidents,
- Monitor all action plans designed to mitigate this risk,
- Contribute to calculating the capital requirement,
- Contribute to the Permanent Control system.

Amundi takes a comprehensive approach to managing operational risk, with all teams and managers involved.

Periodic reports on the controls carried out by the Risk Management Department are provided to senior management and to the Board of Directors.

In 2024, senior management was regularly updated by:
- the Risk Management Department's monthly scorecard, which provides a detailed review of the Group's exposure to various risks and sensitive matters,
- the update given by the Head of Risk Management to the Executive Committee,
- the Risk Management business line's various governance committees which are attended by senior management, including Amundi's Group Risk Management Committee which is the head committee of the risk management system.

The Board of Directors also receives regular information through presentations given by the Risk Management Committee at meetings, which cover:
- the risk management system, its current state and any changes,
- a summary of risks, changes in risk, the level of the main risk limits and usage of those limits.

PROGRESS IN 2024

Significant enhancements to the risk monitoring system were made in 2023, building on work initiated in previous years around liquidity risk—particularly in response to European Securities and Markets Authority (ESMA) regulations—and in support of the roll-out of Amundi's ESG approach. These developments remain embedded in the framework and continued to guide our approach in 2024.
- Managing and monitoring liquidity risk:
  - ➜ Hedging of missing category of instrument (collateral, internal mutual funds, etc.),
  - ➜ Methodological refinement of GIC (Guaranteed Investment Certificate) liquidity buffers, by redefining liquid assets (dynamic approach based on unit liquidation costs and average daily volumes (ADV) for equities), and review of the target size of these buffers, based on observed historical redemptions. All categories have been migrated except for securitisations and funds of funds (as part of a continuous improvement process),
  - ➜ Introduction of swing pricing and gate mechanisms in line with changes in regulatory doctrine (AMF, BaFin),
- Supporting the roll-out of the ESG approach:
  - ➜ Continued operational roll-out of controls on ESG and sustainable investment obligations, in particular the implementation of the SFDR regulation to monitor ESG coverage rates and the minimum weighting of sustainable assets specified in the legal documentation (pre-contractual document),
  - ➜ Update of the ESG risk management policy in response to these developments.

B. Identification of market-wide risks

Asset management is first and foremost a risk management activity, which is why Amundi constantly strives to ensure our organisation and processes enable us to identify and contain risks. 2024 was a year marked by several significant market-wide risks and political turmoil: among them the persisting war in Ukraine and the escalation in the Middle East, sticky inflation in the first half of 2024, and Donald Trump's return to the White House raising investors' concerns over the consequences of possible US tariffs on global trade and the economy (the latter were unveiled in the first weeks of 2025).

Our approach is characterised by the sharing of expertise and best practice so that we can best understand and manage these risks. This is facilitated by:

- Operating across business lines,
- Ensuring the systematic representation of the Risk, Compliance and Security functions on the various committees involved (such as products, investments and ESG),
- Combining our applications and risk measurement methods onto a single IT platform, creating a common set of guidelines for all teams,
- Establishing initiatives to discuss and provide information on the various risks associated with the company's activities, and
- Educating employees about new risks that appear, and changes in the regulations governing them, through e-learning sessions.

Maintaining a risk culture also involves making clients aware of the risks to which their assets are exposed. Amundi publishes studies for its clients which describe these risks and how they are affected by economic conditions, as well as the solutions put in place by the management team to capitalise on them.

Amundi also shares with its clients a monthly outlook produced by the Amundi Investment Institute on market-wide risks and potential evolution scenarios across four pillars: geopolitics, inflation, growth and climate change. This is integrated within the monthly Cross Asset Investment Strategy publication on Amundi Research Centre.

Focus on: Risks and training

Amundi directors take part in two training sessions per year to enhance their knowledge and skills and give them a more thorough understanding of the company's business lines and strategic challenges.

In the course of its business activities, Amundi is primarily exposed to risks related to third-party asset management activities and financial risks, mainly arising from the management of its investment portfolio and the guarantees granted to certain products. The table below provides a summary:

Investment risks	Other risks
– **Credit risks** – **Market risks** – **Liquidity risks** – **ESG risk**	– Operational risks ➜ Mandate objectives ➜ Process malfunction, human error; ➜ Non-compliance, tax and legal; ➜ Business discontinuity (including cybersecurity); ➜ Human Resources. – Business risks – CSR risks (including duty of care, corruption)

C. A dedicated internal control system supported by adequate resources

The internal control system referenced at the start of this principle covers the entire Group, both in France and internationally, and is based on the following fundamental principles:

- Systematic reporting to the Board of Directors in relation to the risk management framework, the monitoring of set limits, the activities and results of audits carried out by the various parts of the internal control system, as well as significant incidents,
- Direct involvement of Senior Management in the organisation and functioning of the internal control system,
- Comprehensive coverage of activities and risks,
- A clear definition of responsibilities, through a system of formal, up-to-date delegations,
- Effective segregation of commitment and control functions.

Internal resources dedicated to risk and control management

Expressed in full-time equivalent (FTE)	2024	*2023*
Risk Management Department	268.2	267.5
Compliance Department	151	156
Security Department	29	28
Internal Audit	54.4	51.4

The **Risk Management Department** is responsible for monitoring the risk to which Amundi is exposed on its own account and as a manager on behalf of third parties, with the exception of non-compliance risk and security risk. In this regard it:

- Continuously checks that the company and its clients are not exposed to financial risk beyond their tolerance levels,
- Ensures that investment constraints are complied with,
- Checks that operational risk is controlled.

The **Compliance Department** is responsible for monitoring non-compliance risk and continuously ensures compliance with legislative or regulatory provisions, and professional and ethical standards, particularly in terms of:

- Market integrity,
- Financial security,
- Protection for clients and unitholders,
- Professional ethics,
- Prevention of fraud and corruption.

In addition, it is responsible for ensuring employees have a minimum level of knowledge regarding the regulatory and ethical environment and financial techniques.

The **Security Department** is responsible for monitoring the risks associated with the information system; namely IT infrastructure, applications and data, as well as the risks relating to personal data protection, business continuity and the protection of persons and property.

02 Identifying and addressing systemic risks

We believe that investing for the long term is an advantage and the integration of ESG into our investment approach is a natural expression of our conviction. Our view that value creation goes beyond performance requires us to consider major systemic sustainability risks, such as climate change and growing inequalities.

We recognise our responsibility to contribute to efforts to address systemic issues, as well as to efficiently allocate capital for the future. Our role in raising standards, not least in terms of ESG performance by the companies in which we invest, is a key part of this responsibility. In general, we recognise that the private sector must integrate environmental, societal and governance issues for four main reasons:

1. In a more liberal economy, economic and financial actors have a greater responsibility towards society.
2. As long-term investors, asset managers have a major role to play in directing capital towards, for example, projects related to the energy transition.
3. We must also influence the strategies of companies, especially when we are among their main shareholders. We have the ability and the responsibility to channel capital to the leading actors addressing key ESG and sustainability challenges, and equally to put pressure on laggards, as part of a constructive dialogue.
4. We have a responsibility to our clients: we must deliver performance over the long term. In a world where intangible assets represent an important part of the overall valuation of companies, the integration of ESG factors in our investment process makes it possible to capture the most important and relevant information over the long term.

As far as sustainability risk is concerned, Amundi's contribution to the collective effort is through:

- The development of investment solutions which enable us to direct capital where the financing needs are,
- An active, constructive, and demanding shareholder dialogue (see Principle 9 for more details on these actions), and
- The promotion of good practices in risks areas by contributing to collective initiatives (see Principle 10 for more details on these actions).

A. Taking a collaborative approach

Amundi works with all stakeholders to anticipate and respond to a wide range of economic, technological, and environmental challenges. Maintaining constant dialogue with, among other, our clients, peers, Amundi employees, NGOs, and public and regulatory authorities helps us to understand their expectations and foster trust.

The Group also adheres to various international charters, including the United Nations Global Compact, the Principles for Responsible Investment, the Net Zero Asset Managers Initiative (NZAMI), as well as the Diversity Charter. We also participate in more than 25 collective initiatives aimed at working with public authorities to encourage more sustainable practices.

Amundi sees collaboration with its peers as a way to contribute to best practices in its ecosystem and is actively involved in initiatives that are essential to improve market standards, such as Taskforce on Nature-related Financial Disclosure (TNFD), the High Level Expert Group on Sustainable Finance (HLEG), the Global Investors for Sustainable Development Alliance (GISD), and the Council of Institutional Investors.

B. Integrating ESG risks into risk management processes

A major transformation can only occur if it is done in an organised manner between governments, customers, companies, and financial markets. This will limit the negative impacts on employees, savers, pensioners, and territories across the globe.

ESG criteria are integrated into our control framework, and responsibilities are divided between the Investment teams, our first level of control; and the Risk teams, our second level of control.

The Risk teams may, at any time, assess the compliance of a fund with its ESG objectives and constraints.

The Risk Department is part of a governance framework designed around our commitment to responsible investment. It monitors compliance with regulatory requirements, as well as the management of risks related to these issues. Responsible investment rules are monitored by the Risk teams in the same way as any other rule under their purview, using the same tools and procedures. These rules include exclusion policies, eligibility criteria, and fund-specific rules.

Compliance checks for these rules are automated in the form of an internal compliance tool with pre-transactional or blocking alerts. These inform fund managers of potential breaches, after which they are required to restore portfolio compliance. This applies most notably to exclusion policies.

C. Physical and transition risk identification and assessment

Amundi's decision to focus on physical and transition risk stems from our conviction that tackling climate change, while managing the social impact of the energy transition, is an integral part of sound risk management. It is also important for creating long-term value for our clients.

Since 2020, Amundi has strengthened and expanded its approach to include identifying and assessing sustainability risks, including physical climate and transition risks, and incorporating them into the key indicators that are considered in the investment process.

Our indicators and targets help us to identify, qualify, and effectively manage climate-related risks and opportunities. Using a wide range of indicators, Amundi can set short-, medium- and long-term targets. For this purpose, we rely on a broad set of data providers to guarantee our measurements and assessments are as accurate as possible.

Process for identifying physical climate risks

While Amundi has identified both short- and long-term physical risks that could have a significant impact on investment portfolios, the information available for assessing financial impact is limited and often lacks standardisation across sectors and regions.

Therefore, our approach to physical climate risk assessment is applied to dedicated climate strategies. Investment portfolios are exposed to variably acute and chronic climate risk depending on each company's sector and geography, and increased climate risk can have a significant impact on the financial performance of sectors with high climate risk.

Amundi's approach to physical climate risk assessment is based on data and methodology developed by Trucost. Trucost maps the location data for a company's physical assets against seven climate hazards (fire, cold wave, heatwave, sea level rise, flood, tornado, and drought) to analyse issuers' sensitivity to these different risks.

Process for identifying and managing climate, market and transition risks

Amundi takes a three stage approach:

- **Calculate carbon risk:** The degree of exposure to risk should be assessed before taking action to reduce such risk,
- **Assess:** Scoring in terms of energy transition to reflect a company's exposure to energy transition risk and how this risk is anticipated and managed by management,
- **Anticipate:** Estimating the impact of nonconvergence risk (+2°C objective) on the performance of a portfolio of securities. Several tools are available to our investment professionals to apply this approach in practice.

Integration of sustainability risks

At Amundi, we firmly believe that ESG analysis enhances value creation by ensuring holistic understanding of the overall company; this led us to develop a proprietary framework to assess ESG risks and opportunities. The framework is used alongside a range of internal metrics and approaches on climate- and biodiversity-related issues, as well as sustainability risks. Our ESG scoring methodology incorporates controversy risks, climate physical risks, transition risks and biodiversity risks, associating each with the three pillars of ESG (environmental, social and governance).

Amundi's assessment processes rely on in-depth qualitative analysis conducted by ESG analysts, combined with a quantitative approach based on data from third-party providers. Our ESG analysis and rating methodology adopts a double materiality approach, assessing the material impact of ESG factors on the value of companies as well as how the companies themselves impact the natural environment and social wellbeing. The analytical framework and scoring methodology are both proprietary and centralised, enabling a self-defined, independent and consistent approach to responsible investing throughout the organisation. The ESG ratings, associated criteria and additional sustainability-related indicators are made available to all our fund managers on their portfolio management systems, enabling them to integrate sustainability issues into their investment decisions and to apply relevant constraints to their portfolios.

Commitment to the Net Zero Asset Manager Initiative

In 2021, Amundi joined the NZAMI and announced its intention to gradually align its portfolios and operations with a net zero emissions target to limit global warming.

In addition to joining NZAMI, Amundi has put in place its Ambition 2025 plan, which requires immediate transformation across all asset classes and investment styles.

This approach required immediate transformation efforts on three fronts:

- Products - by increasing the number of investment solutions aligned with a net zero trajectory for all types of investors,
- Clients - by advising them on how to align with the net zero objective; and
- The companies in which Amundi invests - by encouraging them, through constant dialogue, to adopt and implement credible transition plans towards the global net zero objective.
- In 2024, Members of the Board also received training on climate issues, progress and prospects which complements Board meeting discussions on the development of more specific climate and nature/biodiversity investment themes.

More information on the scope and progress of the "Ambition 2025" plan and associated "Say on Climate" can be found in *Principle 1* *and* *Principle 7*.

03 Commitment on three specific frontiers to promote a well-functioning financial sector

Mobilising the private financial sector at scale remains one of the most significant challenges when it comes to financing climate policy and sustainable development, particularly in emerging markets and developing economies.

Blended finance can be a solution, where public capital is leveraged to de-risk private investments and channel massive private investments across a multitude of works. This works to develop key financial system infrastructures, support undeveloped segments of a market, while offering international investors investment opportunities with the right risk/return via mechanisms that include, but are not limited to, guarantees or credit enhancements.

A. Geographic frontier – Emerging markets

In partnership with the International Finance Corporation (IFC), Amundi has developed an approach that seeks to address the costly gap between the low-yield environment in developed markets that investors face and the extensive green infrastructure financing needs in developing economies. Amundi was selected by the IFC as its partner for implementing an innovative solution consisting of a fund, launched in March 2018 – the Amundi Planet Emerging Green One (AP EGO or *"the Fund"*) – with additional support from the IFC's Green Bond Technical Assistance Program (*"GB-TAP"*, or *"the Program"*). The partnership provides an innovative platform that combines extensive expertise in asset management (Amundi) with private sector development in emerging markets (IFC) to help developing economies achieve long-term sustainable growth. To date, initiative alumni have collectedly issued $18.3 billion in green, social and sustainability bonds (GSS). In 2024, this included the world's first biodiversity bonds, and several "firsts" in their respective banks and countries. In addition, after a significant ramp-up in 2022 and 2023, the Fund's investment in green bonds progressed at a steady pace in 2024.

In 2023 Amundi also launched a number of Emerging Markets products under the Ambition Net Zero fund range. This included the **Amundi Funds Net Zero Ambition Emerging Markets Equity Fund**, which aims to seize investment opportunities in Emerging Markets to decarbonise the global economy. This fund is built to have a carbon intensity reduction in line with the MSCI Emerging Markets Climate Paris Aligned benchmark.

B. Instrument frontier – New and under-developed sectors

In September 2020, the Asian Infrastructure Investment Bank (AIIB) and Amundi launched the AIIB-Amundi Climate Change Investment Framework (CCIF). Endorsed by the Climate Bonds Initiative (CBI), the AIIB-Amundi Climate Change Investment Framework's approach translates the key objectives of the Paris Agreement into fundamental metrics to assess an issuer's level of alignment with climate change mitigation, adaptation, and low-carbon transition objectives.

The CCIF delivers an extra financial impact as it is designed to encourage the integration of climate change risks and opportunities into business practices by targeting the engagement of B-list issuers (future climate champions with effective engagement) to help them transition to A-list credentials (climate champions).

This investor tool provides a holistic issuer-level assessment of both climate change risks and opportunities. The framework, made public to promote common market practices, was used to launch the Asia Climate Bond Portfolio in January 2021, a US$300 million fixed income portfolio, actively managed by Amundi teams, which seeks outperformance by identifying, analysing, and selecting tomorrow's climate champions.

In 2023, the CCIF scheme was applied to launch an open-ended fund of $200 million, supported by a major consultant and providing international institutional investors with a tool to measure climate-related risks and opportunities emanating from their portfolio.

The framework was updated in 2024 to incorporate companies' commitments and more accurately assess their performance in the environmental transition, using, among other metrics, the historical trends of corporate carbon emissions.

C. Emerging markets – green bonds

In the context of COP 26 in November 2021, Amundi launched the Build-Back-Better Emerging Markets Sustainable Transaction "BEST" initiative, a second partnership with the IFC. The objective being to deliver a green, inclusive, and resilient recovery from Covid-19 in emerging markets, thus combining the fight against climate change and inequality as intertwined objectives.

This strategy aims at channelling capital from institutional investors to anchor investments in sustainable bonds issued by corporates and sub-sovereigns in emerging markets. The main part of the investments will be directed to social, sustainability, and sustainability-linked bonds, the most underdeveloped segments of the sustainable fixed income market.

On top of supporting demand for such instruments, a Technical Assistance Facility has been set up to stimulate the supply side of the market, by providing training to emerging market issuers and help them issue sustainable bonds aligned with market best practice. This leverages the technical assistance capabilities that have already been implemented as part of the Amundi Planet Emerging Green One partnership with the IFC. The fund officially launched in November 2023 and raise $436m in assets from private and public investors.

Active participation in ICMA' Principles Executive Committee

The Green Bond Principles ("GBP"), the Social Bond Principles ("SBP") and the Sustainability-linked Bond Principles ("SLBP") are voluntary guidelines that recommend transparency and promote integrity in the development of the Sustainable Bond markets by clarifying the approach for issuances.

Through global guidelines and recommendations that promote transparency and disclosure, the principles outline best practices that ensure integrity when issuing bonds serving social or environmental purposes.

The principles are promoted by the International Capital Market Association (ICMA), a not-for-profit membership association headquartered in Zurich, with offices in London, Paris, Brussels, and Hong Kong. It has c. 650 members active in debt capital markets in over 70 countries[9], such as private and public sector issuers, banks and securities dealers, asset and fund managers and other investors, insurance companies, capital market infrastructure providers, central banks, law firms and others.

Since 2017, and after several renewals of its two year mandate, Amundi has been a member of the ICMA Executive Committee of Principles and as an investor has played an active role on matters related to the principles. In 2024, Alban de Faÿ, Head of Fixed Income SRI Process at Amundi, was re-elected Deputy Chair of the Steering Committee, as investor representative.

Engaging on climate under "Ambition 2025"

In 2023, Amundi continued to participate in the High-Level Expert Group (HLEG) on scaling up sustainable finance in low and middle-income countries mandated by the European Commission. Throughout the year, the group of experts worked on preliminary recommendations to the European Commission, ahead of the publication of the final report. The preliminary report offered an overview of the Group's progress, and provided a provisional first batch of recommendations indicating the direction of travel of the Expert Group and synthesising the discussions and joint efforts that have been ongoing since end September 2022.

At a time when the multiple global crises are taking a heavy toll on the global economy, overturning years of progress towards the Sustainable Development Goals (SDGs), it is critical that we help partner countries in accessing finance for their sustainable infrastructure projects to support a wider global recovery, in line with the Global Gateway strategy.

A member of the group is Elodie Laugel, Amundi's Chief Responsible Investment Officer & Executive Committee member. She is one of the 20 highly qualified members selected to share their expertise.

Engaging on climate under "Ambition 2025"

After joining the NZAMI in July 2021, Amundi launched "Ambition 2025", a social and climate action plan that seeks to deepen ESG integration in our investment solutions, strengthen our savings offering for sustainable development, and set internal objectives that align with Amundi's ESG commitments.

As we believe engagement with issuers is key to fostering concrete changes and most effectively contribute to the transition towards a low carbon economy, Amundi will extend the scope of our dialogue to larger groups of companies to support them in making progress towards reducing emissions and becoming aligned with the Paris Agreement.

In 2022, as part of "Ambition 2025", we launched a cycle of engagement on climate issues designed to result in an additional 1,000 companies being engaged by 2025. As of December 2024, Amundi engaged with 1,478 additional issuers since the 2021 baseline, thus exceeding the target long before our deadline. Amundi specifically requests that businesses publish a detailed climate strategy based on specific indicators and set out objectives for each carbon emission scope and their corresponding capital expenditure.

9. Figures based on ICMA website as of September 2025.

In 2024, Amundi engaged with a total of 1,691 companies on climate issues across five key areas:

Net zero – in 2024, our engagement activities focused on assessing both ambition and disclosure issues, aiming to improve transparency, comparability and accountability regarding climate disclosure and strategy and encouraging companies to raise the ambition of their climate-related targets to minimise potential climate and financial risk.

Methane – encouraging a sectoral shift towards accurate, standardised methane baselining and reporting in line with The Oil & Gas Methane Partnership (OGMP). We saw encouraging issuer progress and worked on connecting companies with relevant partners to foster collaborative efforts in reducing their methane emissions.

Scope 3 value chain – in 2024, we continued to engage with issues to ensure they are taking real-world actions to achieve their decarbonisation targets. Amongst other efforts, we encourage them to account for their full value chain, utilise globally recognised quantification methods and pursue credible scope 3 emissions reduction strategies.

Thermal coal – Amundi is committed to phasing out thermal coal by 2030 for OECD and EU countries, and by 2040 for the rest of the world. At Amundi, divestment is a serious action, so we believe it is important to engage with companies that could potentially be at risk for future divestment, given our commitment to phase out from thermal coal eventually.

Physical risk & adaptation – engagement in this area allows investors to understand and quantify sector- and region-specific risks, as well as encourage progress in adaptation and resilience amongst investees. To support this, our engagement activities focus on companies' strategic planning, internal assessment and integration, financing commitments and capacity, inclusive scope and credibility and advancement.

More detail on the "Ambition 2025" plan's objectives and progress to date can be found in Principle 1 and Principle 7.

Biodiversity loss related risks

Society and the private sector are only in the early stages in understanding how essential a healthy and biodiverse environment is to a stable and well-functioning society. Economic growth and prosperity have come at the expense of natural systems that underpin all life on earth. In fact, it is estimated that the annual value of ecosystem services (services and provisions such as fresh water, erosion control, food, and pollination that exist thanks to biodiversity), amounts to $125 –140tn which is roughly 1.5 times the global GDP.

Amundi believes biodiversity loss is one of the most significant systemic risks facing the world. Biodiversity underpins not only our economy but also our very existence. Yet we – individuals governments, and the private sector – are only in the early stages of understanding how essential it is. Food insecurity, human health, and the increased severity of climate events all have consequences for society and the global economy.

In 2024, we continued our engagement efforts on biodiversity in accordance with our Biodiversity and Ecosystems Services policy. The policy aims to address the main drivers of biodiversity loss (land and sea use changes, climate change, pollution, natural resource use, exploitation and invasive species) by focusing on companies that are particularly exposed to biodiversity harming activities and lack sufficient processes or disclosure. This applies to all sectors where issuers have activities with potential critical impact on forests and water, involvement in deep see mining and/or exploration as well as potential controversial activities related to deforestation, pollution and land/sea use change in areas of sensitive biodiversity. Our engagement follows a two-pronged approach, including both proactive engagement (identification and management of biodiversity and ecosystem risks) and reactive engagement (when abuse or allegation occurs).

During the reporting period, Amundi engaged with 759 companies through various programmes related to the preservation of natural capital (the biodiversity strategy, the preservation of the oceans, the promotion of a circular economy and better management of plastic, the prevention of deforestation, and various topics related in particular to the limitation of pollution or the sustainable management of water resources). More details of engagement on biodiversity can be found in Principle 9.

Amundi is also a member of Nature Action 100 (NA100), a global engagement initiative designed to strengthen corporate ambition and activity to reverse the loss of nature and biodiversity.

In addition, the topic was included among the Responsible Investment Research team's issues of priority analysis, which resulted in the production of a research papers in Amundi series ESG Thema: Measuring the Biodiversity Footprints of Investments: An Assessment of the Metrics.

In 2022, Amundi began deploying data that will enable it to calculate the biodiversity footprint of its portfolios using the metric MSAppb* per € billion[10]. This makes it possible to quantify the impact of companies' activities and their value chain on their environment.

Finally, Amundi continued its commitment to marketplace initiatives and working groups dedicated to biodiversity. Amundi is an active member of the Finance for Biodiversity Pledge. This initiative brings together 194 financial institutions representing 29 countries and over €23 trillion in assets from around the globe, committing to protect and restore biodiversity through their finance activities and investments.

Following the dissemination of the first framework on risks and opportunities related to nature and biodiversity of the TNFD, Amundi participated in a pilot project in 2023, launched by the TNFD to test the feasibility of its framework on different aspects. Led by UNEP-FI and CDC Biodiversité, the Group tested the TNFD approach, and more specifically the application of the GBS (Global Biodiversity Score) for financial institutions.

10. MSAppb*/ € billion (BIA, Biodiversity Impacts Analytics – Carbon4 Finance): the MSAppb* biodiversity footprint aggregates the static and dynamic impacts of a company on terrestrial and aquatic environments: the static impacts result from the past accumulation of biodiversity losses; the dynamic impacts describe the impacts that occurred in the year under consideration. This MSAppb* footprint is then reduced to the value of the company or its turnover per billion euros, MSAppb*/€ billion, for better comparability.

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities

01 Review and assurance of our ESG approach

Each of the four key ESG committees is responsible for reviewing the policies and processes under their remit, at a minimum, annually.

- ESG and Climate Strategic Committee
- ESG Rating Committee
- Voting Committee
- Responsible Investment Committee

More detail on the four ESG committees in Principle 2.

They also oversee our progress towards delivering the changes necessary to fulfil our "Ambition 2025" objectives (see Principle 1 and Principle 7).

In addition, the French Socially Responsible Investment (SRI) labels and the International Financial Corporation's (IFC) Performance Standards apply to specific Amundi funds. A significant number of our funds are certified by other French or international labels[11] and are, therefore, audited to ensure that they meet specific standards and criteria. We reinforce these external certifications through our internal assurance and oversight processes.

02 A 3-level control process on ESG topics

Amundi operates a 3-level control to ensure the consistency and good implementation of our Responsible Investment approach:

Committees of Amundi's BoD	**BoD Risk Mana gement Committee and Audit Committee**	**Policies & procedures**
Permanent control Level 3	**Internal Control Committee** Internal audit	
Permanent control Level 2	**Group Risk Management Committee, Compliance Committee, Security Committee** **Risk function** – **Controls:** Investment; Operational; Own account **Compliance function** – **Controls:** Financial security; Market Integrity; Ethics; Client protection and ESG; Fraud and corruption **The Security function** – **Controls:** IT security; Data protection; Business continuity; Safety and security of people and property	
Permanent control Level 1	**Controls performed by operational entities using the principle of separation of functions and hierarchical controls**	

11. >180 funds are accredited with labels from France (ISR, CIES, Finansol, Greenfin, France Relance), Luxembourg (LuxFlag), Belgum (Febelfin), Austria (Eco-Label) and Germany (FNG Siegel).

A. Level 1 Permanent Control

Level 1 Permanent Control provides the foundation of the Internal Control system. It is implemented by all operational units within their hierarchy. Level 1 Permanent Control is designed to ensure compliance with internal procedures relating to the operational processes, as well as compliance with current laws, regulations, professional standards, and codes of conduct. Its purpose is to prevent or detect any risk arising as a result of Amundi's activities.

The executives of the operational units are individually responsible for managing the risks associated with their activities. They are accountable for defining, efficiently deploying and regularly updating the Permanent Control system within their units.

The control system takes into account the regulatory framework and internal procedures. These procedures are expected to evolve and be adapted to our clients' expectations. They must also take into account improvements that arise from any actual or potential incidents, as well as recommendations made by Internal Audit.

The operational units regularly communicate their results to the department to which they report: the Risk Management Department, the Compliance Department, and the Security Department.

B. Level 2 Permanent Control

Level 2 Permanent Control is performed jointly by three control functions, which are independent from the operational units:

- the Risk Management function;
- the Compliance function;
- the Security function.

Collectively, these three functions are responsible for the coordinated management of the entire Permanent Control system to ensure comprehensive coverage of the risks to which Amundi is exposed to. The Risk and Compliance functions report to the Head of the Strategy, Finance and Control Division, while the Security function reports to Amundi's Head of Governance and General Secretary.

ESG constraints are verified daily by our Risk Management team. This ensures compliance with Amundi's exclusion policy and ESG-specific portfolio guidelines. ESG ratings (see Principle 7 for more details on the methodology) are among the tools available to the risk department. This enables ESG topics to be integrated within Amundi's control framework. The risk department oversees adherence to regulatory requirements and management of risks related to these topics, as well as monitoring adherence to ESG constraints (whether exclusions or other rules) within mandates – which are regarded in the same way as any other contractual requirements. Alerts for potential breaches are automated both pre and post-trade.

The Compliance function is responsible for monitoring non-compliance risk and for ensuring continuous adherence with legislative or regulatory provisions, as well as professional and ethical standards.

The Security function is responsible for monitoring the risks associated with the information systems (IT infrastructure, applications and data) as well as risks relating to personal data protection (under the European regulations on the handling of personal data and the free circulation of this data), business continuity, and the protection of persons and property.

C. Level 3 controls

Amundi's Internal Audit (Inspection) is in charge of the Group's periodic control. It ensures the lawfulness, security, and effectiveness of all operations and risk control activities across all Amundi entities. It intervenes via audit plans approved by the Board of Directors' Risk Management Committee to cover the activities at frequencies appropriate to the risks of each activity. Each audit results in a report and recommendations, to which the audited entities respond. The effective implementation of recommendations is monitored twice yearly by Amundi's Internal Audit. The General Internal Audit Department of Crédit Agricole S.A. also conducts audits of the Amundi Group.

03 Dedicated control of data

Amundi's ESG data management is underpinned by a comprehensive control framework, structured in three layers and increasingly automated:

- Provider delivery and file integrity — ensuring timely delivery, accuracy of formats, and consistency with previous data sets.
- Pre-integration checks — verifying completeness, freshness, and coherence of provider data, with automated issuer matching (ISIN, LEI, CUSIP, SEDOL, etc.).
- Post-integration consistency — controlling alignment at field and criteria level to support the calculation of ESG scores and indicators.

Across these steps, specific controls are tailored to critical data fields and datasets. Monthly simulations further test rating stability, identify anomalies, and review exclusions, with shared workflows for ESG analysts and quant teams.

This reinforced process has significantly improved reliability, responsiveness, and transparency. For example, dedicated reviews on climate data have enhanced the accuracy of CO_2 metrics, increasing confidence in the information used by investors.

Amundi continues to invest in governance, automation, and expertise to maintain the highest standards of quality, auditability, and accountability in ESG data management.

In each step of the process, multiple quality controls are performed, including:

- Controls on stability of the analysis universe, identifying entries and departures from the universe or those that are excluded, as well as companies coming close to doing so,
- Controls analysing the rotation rate, verifying the dynamic of the rating breakdowns by quintile between different months, and performed with respect to the overall rating (ESG) as well as each individual component (E, S, and G),
- Exclusions are particularly looked after, with multiple controls from the 3 teams.

Principle 6

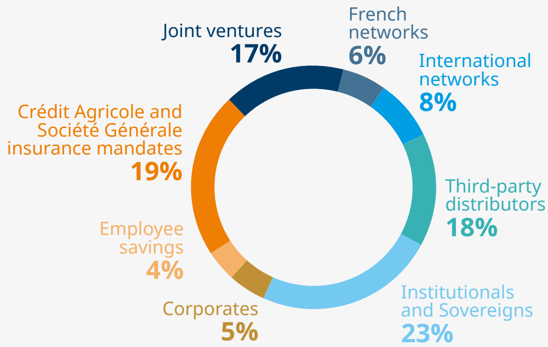
Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

Amundi acknowledges our fiduciary duty to clients, who have entrusted their capital to our care. We are dedicated to upholding that responsibility by prioritising their long-term interests in our investment decisions. We firmly believe that our active stewardship framework can generate meaningful change and add value over an average three year period, with formal assessments carried out, at a minimum, on a yearly basis. However, some areas may necessitate a longer-term commitment, for which we are wholly prepared. The idea that "investing for the long-term is an advantage" is a core tenet of our investment philosophy. Every client is in a position to benefit from our long-term investment focus as well as our holistic responsible investment strategies.

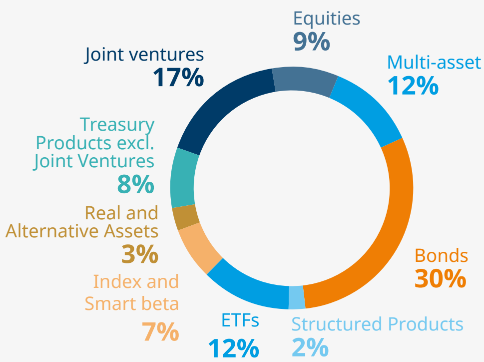
01 Tailoring our approach to client needs

AUM by client segment, asset class and region on 31 December 2024

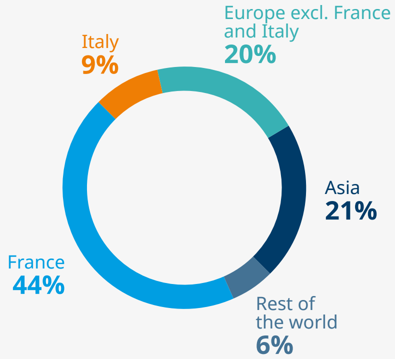
BREAKDOWN OF AuM
as at 31/12/2024
€2,240bn
Assets under management



By client segments



By asset classes



By regions

As we deal with distributors and not end savers, we have limited visibility of the end clients who own our funds. Therefore, we have not provided a breakdown of our end clients by geographical area as this would more accurately reflect our distributors and would be misleading. We have, however, provided AuM per client segment and geography.

A. Overview of our Responsible Investment and ESG approach

For a more comprehensive review of our ESG rating system and exclusionary approach, please refer to *Principle 7* *of this report.*

Our commitment to ESG integration is demonstrated through our proprietary scoring system, which assesses issuers on a multitude of factors, resulting in a well-rounded understanding of each company's sustainability profile. This centralised ESG scoring methodology is grounded in universal principles like the United Nations Global Compact and the Organisation for Economic Co-operation and Development's (OECD) guidelines. With ratings updated monthly, this scoring system acts as a comprehensive, sector neutral ESG performance metric for more than 20,800 issuers, both corporate and sovereign. Our shareholder engagement approach applies across all our assets under management, including passively managed funds.

In addition to our scoring methodology, we apply a sectoral exclusion policy for all actively managed portfolios where we exercise full discretion and for ESG ETFs. In accordance with our A-G scale, issuers that we deem the lowest quality, rated G, are eliminated. We are also committed to phasing out investments in thermal coal by 2030 in OECD countries and by 2040 in non-OECD countries. To this end, Amundi has engaged with all the businesses in our coal exposed portfolios, asking them to provide a gradual exit plan by 2030/2040, depending on the location of their activities. This engagement is ongoing and will be complemented by the addition of voting rights, in line with the progress made in terms of this dialogue. These policies are also automatically included in each new mandate or dedicated fund, unless otherwise requested by the client.

B. Our Responsible Investment assets under management

Type	Indicators	Unit	2024	2023	2022
Total assets under management	**Total assets under management**	**€ billion**	**2,240**	**2,037**	**1,904**
Responsible investment assets	Asset under management	€ billion	982.6	885.6	799.7
	Responsible investment assets in passive management	€ billion	164	134	111
	% of ESG ETFs in total ETF count	%	37	33	27
	Impact solution assets	€ billion	16.1	13.2	8.7
	Amundi Finance et Solidarité fund assets	€ million	600.4	509	481.0
	Assets of Amundi Real Estate Responsible Investment	€ billion	13.1	16.2	16.0

As of the end December 2024, Amundi managed €983bn worth of responsible investment assets, which includes investment products incorporating "Responsible" criteria into their investment process. The "Responsible" criteria relate to specific environmental, social or governance issues, ethical or sustainable themes, or to a combination thereof.

To cater to the diverse ESG preferences of our clients, we offer solutions in the following areas:

Broad ESG integration solutions

Our portfolios consider E, S, and G criteria alongside traditional financial analysis to fulfil a wide array of clients' responsible investing needs, objectives, and motivations. Positioned at the heart of our ESG offerings, most of these solutions adopt a best-in class approach, selectively choosing issuers with superior ESG practices. Additionally, many of our individual products and fund families feature enhanced ESG integration through methods such as higher selectivity or indicator upgrade (rating or non-financial) should it be on geographic universe or thematic ones.

Impact solutions

Impact investments are made with the intention to generate positive, measurable, social and/or environmental impact alongside a financial yield. Impact is measured in relation to specific goals that have been defined ex-ante and are based on the intentionality of investors or, where applicable, of the companies in which they invest. To qualify whether products quality as impact, Amundi has developed an internal evaluation grid specific to this type of fund. It is used to evaluate funds on the three key dimensions: intentionality, measurability, and additionality. Funds must have a minimum score across all three dimensions and meet minimum intentionality requirements to be categorised as impact products.

Under "Ambition 2025", Amundi has committed to expanding our range of impact investment solutions to €20bn.

Sustainability themed investment solutions

We offer thematic and impact-oriented portfolios, including:

- Paris-Aligned or Climate Transition (PAB/CTB) index solutions,
- Just Transition climate solutions,
- Green, social, and sustainability bond funds,
- Green infrastructure/debt,
- "Net Zero Ambition" range

Several of these initiatives were developed in partnership with key public and private organisations. Further detail can be found below.

Focus on the "Net Zero Ambition" product range

In line with the Group's overall objective of contributing to the effort to transition the economy to Net Zero, Amundi has launched a comprehensive range of "Net Zero Ambition" funds. This product range incorporates ESG and climate criteria with the objective of reducing financed emissions in portfolios, ensuring a trajectory consistent with the 2050 carbon neutrality target. It is intended to cover the main asset classes, management style and geographical areas. For the actively managed product range, Amundi has developed a clear investment framework that defines minimum conditions to be met:

- An overall objective of reducing portfolio's financed emissions with a trajectory compatible with a limitation of global warming to 1.5°C compared to the pre-industrial level.
- A minimum exposure constraint to high emitting sectors to encourage transition in sectors that are key for the transition ;
- Targeted exclusions of issuers in sectors deemed incompatible with the objective of transitioning to a low-carbon economy.

After launching six "Net Zero Ambition" active management funds in 2023, Amundi created or converted three funds in 2024. These included a new private equity fund dedicated to supporting unlisted SMEs and intermediate-sized companies offering climate related solutions. The other two funds underwent conversions: a BFT Investment Managers[12] equity fund focused on French small and mid-caps and a BFT IM credit fund. In addition, in 2024, Amundi continued to expand its "Net Zero Ambition" passive management range by developing five new ETFs, in addition to the 30 that were transformed or created in 2023.

By providing a range of "Net Zero Ambition" funds, Amundi aims to steer savings into investment solutions that are able to support the transition of issuers, while offering resources to its clients to align their portfolios with their own climate commitments they have made. Savers will thus have the choice of investing their savings in funds that fully incorporate this Net Zero transition objective.

As of December 2024, the assets under management categorised as Net Zero Transition amount to approximately €250bn. This amount is subject to change due to the volatility of financial markets and variations in client demand.

12. BFT Investment Managers is a subsidiary of Amundi, which manages roughly €40bn on behalf of institutional clients and distributors.

Focus on the "Net Zero Contribution" product range

Net Zero contribution solutions aim to invest in projects or companies that make a significant contribution to the goal of energy and ecological transition.

Amundi's has defined the following eligibility rule for contribution strategies: a NZ contribution strategy must have both ❶ a sustainable investment objective and ❷ a focus on themes relating to the energy and ecological transition.

To be considered as having a sustainable investment objective, a NZ contribution strategy must be eligible for at least one of the following categories:
- Impact fund according to the framework set by Amundi,
- Greenfin-labeled fund,
- Article 9 under the Disclosure Regulation (SFDR).

To be considered as having a focus on themes relating to the energy and ecological transition, a NZ contribution strategy must be eligible for at least one of the following categories (according to Amundi's internal classification):
- Green alternative investment strategy,
- Green bonds,
- Green thematic equities.

As of end 2024, Amundi managed €12.4 billion of assets that were considered Net Zero Contribution solutions.

SPECIAL INITIATIVES AND PARTNERSHIPS, OUR PROGRESS IN 2024

Amundi has built innovative blended finance partnerships with three key development finance institutions:

- the Asian Infrastructure Investment Bank (AIIB)
- the International Finance Corporation (IFC)
- the European Investment Bank (EIB)

The output was four specialised funds aimed at financing the climate transition and socioeconomic development in developed and emerging markets across regions.

Some new developments in 2024 on that front include:

- In April 2024, Amundi and the IFC officially announced the final closing of the AP II SEED Fund at $436m, aiming at mobilising private investment in emerging market sustainable bonds, with the objective of promoting a green, resilient, and inclusive economic recovery after the COVID crisis.
- We published the sixth edition of the Emerging Market Green Bonds Report in collaboration with the IFC. This edition shows sovereign, financial and corporate borrowers sold 45% more of these securities to investors than they did the previous year. Furthermore, demand for sustainable securities from portfolio investors looking to diversify into emerging markets indicates this growth has further to run.

Amundi also participated in various sustainable finance and blended finance initiatives, highlighting our credibility in those areas. In 2024, we participated in the following initiatives:

- Co-chaired the UN PRI-led Assessing Sovereign Climate-related Opportunities & Risk (ASCOR) project, which is an open-source investor framework and database assessing the climate action and alignment of sovereign bond issuers,
- We joined the ICMA Nature & Biodiversity Use of Proceeds Working Group and ICMA working group dedicated to building Guidelines for Sustainability-Linked Loans financing Bonds (SLLB),
- We took part in discussions with the IMF on the use of the Resilience and Sustainability Trust to catalyse additional private climate finance,
- We initiated a blended finance partnership with a Consortium of European public investors that aims to scale up the development of sustainable finance in emerging markets. This partnership will be live in 2025,
- We were an advisory member of the NGFS Blended Finance Taskforce, which seeks to make recommendations to address barriers to scale up blended finance in EMDEs,
- We participated in one of the working groups set up as part of the Summit for a New Global Financing Pact. Mandated by President Emmanuel Macron, the summit was tasked with coming up with recommendations on the reform of the international financial landscape to accelerate the transition to net zero. Amundi contributed to the 'Increasing investment in green infrastructures in emerging and developing markets' working group, building on our expertise in developing public-private partnerships aimed at scaling climate finance in emerging countries and developing economies.

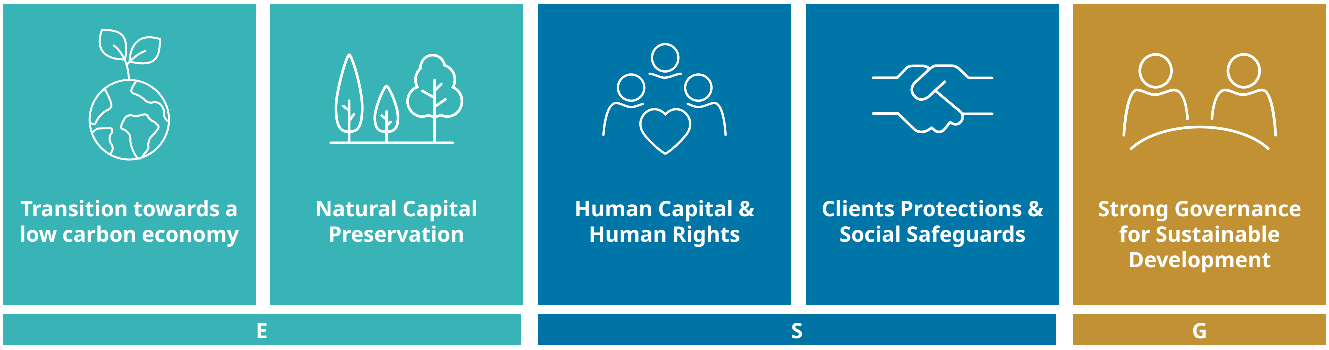
C. Understanding and responding to client needs

Amundi prioritises fostering close relationships with our clients, ensuring a thorough understanding of their needs and, where appropriate, tailoring products. Our range of responsible investment solutions is designed to meet a wide variety of client preferences, including strategies such as negative screening, best-in-class screening, norms-based screening, sustainability-focused investing, and impact investing.

We formally collect feedback from clients in order to continually improve the quality of our investment solutions, advisory services and training. In particular, we provide investment solutions through products, tools, and metrics, as well as education and capacity-building on the financial implications of climate change. We have, therefore, prioritised the transition to a low-carbon economy through an extended investment offering of off-the-shelf and bespoke solutions. Amundi aims to support investors in the design, management, and monitoring of their efforts to integrate climate change into their investment approaches. This has been centred around two major goals when it comes to constructing climate-change-related investment solutions: enhanced risks management and encouraging the transition.

We seek to align out engagement activities with the major issues and priorities facing our clients, in order to be the best stewards of their capital. In 2024, Amundi engaged with issuers across five main areas:

Amundi's five engagement themes



Source: Amundi 2024

More detail on our engagement approach and activities in 2024 can be found in [Principle 9](#).

OUR PROGRESS IN 2024

Highlights of Amundi's engagement activity in 2024

A global engagement activity

2,883
unique issuers engaged in 2024 covering between 57% and 96% of main indices that offer significant coverage to client portfolios

Engagement activity supported by a large dedicated ESG team in collaboration with investment platforms

30 dedicated ESG analysts on the one hand, and **10** voting and governance specialists located across five different locations around the world, involved in research and engagement, collaborating with **890** investment professionals

Engagement activity performed in all regions of the world...

...and on diverse sustainability factors

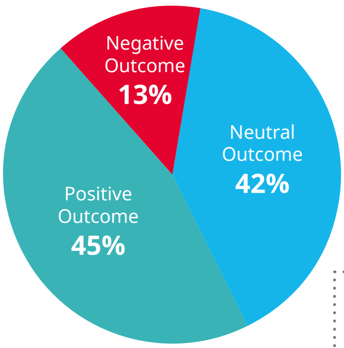
1,691 issuers engaged on Climate

759 issuers engaged on Natural Capital Preservation

843 issuers engaged on Human Capital & Human Rights

An internal system of milestones to monitor engagement progress

Negative: the issuer is making too little progress over a defined period



Neutral: too soon to tell whether the issuer's trajectory is positive or negative, or mixed results

Positive: the issuer has largely achieved their KPIs or is on track to do so in a timely manner

45% of closed engagements in 2024 had a positive outcome and **13%** were closed with a negative outcome

Accompanying clients on their Net Zero journey

Since 2019 and the creation of the Net Zero Asset Owners Alliance (NZAOA), Amundi has gained invaluable experience by accompanying its clients throughout their net zero journeys. We have strived to continuously develop our tools and methodologies to address the challenges that clients face while transitioning their portfolios to net zero.

Overall, the focus of 2024 has been on:

- Continuing to vote and engage with companies, focusing on high-emitting sectors and reporting the outcomes to our clients.
- Strengthening governance and reporting tools to correctly monitor clients' Net Zero trajectory, adapting the metrics to client preferences.
- Developing a transition score to evaluate the extent to which an issuer is aligned with net zero.
- Assessing the climate solutions portion of our clients' portfolios across asset classes and helping clients define objectives for this pillar.
- Continuously updating our clients with the latest NZ developments, whether through our methodology or through external NZ frameworks.

Amundi continues to see strong momentum toward net zero from its institutional clients, particularly in Europe but also in emerging markets. Clients are becoming more sophisticated on climate, and as asset managers, we have a clear role to play in guiding them through the transition.

OUR PROGRESS IN 2024: IDENTIFYING AND RESPONDING TO INSTITUTIONAL CLIENTS' NEEDS

In 2024, the results from our annual client survey confirmed the need to further strengthen the dissemination of our ESG thought leadership and our communication around ESG topics.

In 2024, we published four ESG Thema papers, focusing on biodiversity footprint, India's energy future, physical climate risk and our annual publication on UN Conventions, known as COPs. Lastly, Amundi Responsible Investment Views 2025 was published: this is the second edition of this annual publication where Amundi shares its views on the main ESG trends that investors need to watch for in the next year and beyond.

These papers are some of the most well-read publications in the Amundi Research Center, proving that there is a clear interest from clients and the financial industry at large to stay informed on rapidly evolving ESG topics.

Our commitment to client-centric stewardship is unwavering. As part of our dedication, we have instituted clear contractual relationships with clients that clarify our responsibility to deliver on ESG and stewardship mandates. We work diligently to meet and exceed these requirements.

02 Responding to risks and global crises

Risk management continues to be pivotal to our stewardship approach. Recent years have brought significant challenges, from the global pandemic to regional geopolitics conflicts with international repercussions in Ukraine and Gaza, to the impact of Donald Trump's November 2024 re-election on global markets.

Amundi takes very seriously our responsibility to keep our clients informed about any exposure to, or enhanced risk stemming from, the ongoing conflicts in Ukraine and the Middle East.

More specifically on sustainable finance-related topics, in 2024 we reinforced our commitment to foster innovation and dialogue with various stakeholders to accelerate the development of investment solutions contributing to the energy transition and closing of social inequalities. Among others, key research topics in 2024 included:

- Biodiversity / nature: through the publication of Amundi's investment framework,
- Gender diversity / DEI: we initiated discussions with Development Finance Institutions to increase our engagement efforts on this topic,
- Climate transition: we participated in discussions around innovative mechanisms to incentivise countries to retire coal-fired power plants (CFPPs) early, as part of Just Energy Transition Partnerships (JETPs) engagements and we published Amundi's new proprietary Paris Alignment Score (PAS) transition metric,
- Climate adaptation: we shared our views on assessing physical risks, the pricing of these risks, and their integration into investment frameworks.

Challenges around scope 3 emissions: Amundi was consulted by the IIGCC for their Supplementary guidance document published in 2024

More details on Amundi's approach to market-wide and systemic risk can be found in Principle 4.

03 Reporting openly and transparently to our clients

Amundi welcomes the opportunity to be fully transparent and open with our clients, and we maintain clear channels of communication with them. This includes providing investors with a wealth of documentation on our Responsible Investment approach, Engagement and Voting policies and reports and other ESG-related reports. Further, Amundi is able to provide both generic and customised ESG reporting depending on individual client needs. A list of the documents available and sample reporting can be found in the Appendix.

Regulatory required reporting

In 2024, in order to provide transparent information on our investment activities, Amundi published its climate and sustainability report (LEC29) and Principal Adverse Impact (PAI) statements for each of its SFDR entities.

The 2024 climate and sustainability report has a two-fold objective:

- To report on the Group's sustainable investment strategy and the climate and biodiversity objectives that have been identified as important to further our ambitions.
- To report on the implementation of this strategy: the governance and the operational systems put in place for its deployment, the means and actions deployed, and finally the associated results.

Amundi has also published a 2024 PAI Statement for each Amundi SFDR management company:

- The statement consolidates the PAI sustainability indicators associated with the investments of each entity in the Amundi Group.
- Amundi has published the PAI Statement for the third consecutive year, continuously enhancing the methodology used to calculate the various metrics.

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities

The ESG challenges that companies are facing have a significant impact on society and the sustainability of the system in which they operate. Moreover, they carry financial implications, presenting both risks and opportunities for businesses. At Amundi, our objective is to better understand these ESG-related opportunities and risks, and, where appropriate, weave them into our investment strategies on behalf of our clients.

This section elaborates on how ESG criteria are incorporated into our management processes for 1) corporate listed assets, 2) sovereign debt issuers, 3) real assets, and 4) delegated funds.

In addition to ESG analysis, Amundi adheres to a strict exclusionary policy, which we continually evaluate and evolve. Further detail on progress in 2024 can be found in this principle.

Finally, we provide an overview and progress update on our "Say on Climate" strategy.

01 ESG analysis consolidates value creation

Amundi is steadfast in our conviction that comprehensive ESG analysis fortifies value creation by providing a holistic understanding of a company. This guides our decision to weave ESG criteria across our active management processes, and to maintain an active engagement policy.

At the heart of our ESG integration is the belief that robust sustainability policies empower issuers to better navigate their regulatory and reputational risks, while simultaneously improving their operational efficiency. This integrated approach enables investors to anticipate long-term risks – be they financial, operational, or reputational – and fully exercise their fiduciary responsibilities to clients and the broader society.

Amundi's ambition, through our ESG analysis, is to raise awareness and encourage companies to adopt more sustainable practices, which are then reflected in our ESG ratings. This approach allows us to assess risks associated with a particular company's operations, reducing the overall risk exposure for our clients. Consequently, we closely monitor our investee firms across all ESG criteria and traditional financial indicators. Our objective is to promptly identify potential issues so we can prevent or limit any adverse effects on the financial well-being of both the company and our clients.

02 A proprietary ESG rating available to all portfolio managers

A. Overview of the ESG rating

ESG analysis is the responsibility of the Responsible Investment team and is integrated into Amundi's portfolio management system. It is a key component of the tools used by portfolio managers and provides them with immediate access to the ESG scores of corporates and sovereigns, as well as financial ratings.

A double materiality perspective

- Aims at **measuring the ESG performance of an issuer**, i.e. its ability to anticipate and manage the sustainability risks and opportunities inherent to its industry and to its individual circumstances;
- Also assesses the **ability of the management team to handle potential negative impact** of their activities on the sustainability factors.

ESG coverage spans across all main equity & fixed income indexes

>20,800 Issuers ESG rated*

AMUNDI'S CORPORATE ESG ASSESSMENT PROCESS

A 3-steps process that combines a quantitative approach with a qualitative analysis

Step 1. Criteria & Weights

ESG analysts:

- Define the most relevant criteria for each sector based on ESG materiality
- Weight the criteria by sector and select the appropriate data from each provider selected
- Contribute to the assessment of the quality of our external data

38 criteria reflecting key issues by sector of which 17 sector specific

Qualitative Approach

Step 2. Monthly Calculation**

Strict calculation procedure:

- ESG rating calculation process by combining Amundi's criteria and weights with external providers' scores
- Quality control of the calculation

Quantitative Approach

Step 3. Qualitative input

ESG analysts integrate qualitative input retrieved from:

- Meetings with companies & industry experts
- ESG data/research from external providers and open-source materials
- Controversy monitoring
- Engagement outcome

Override process when relevant

Qualitative Approach

Source: Amundi.
* Data as December 2024.
** In the event of lack of availability of raw data from third-party data vendors, in the event of risk related to data quality that could affect data use for the purpose of portfolio construction, or in any other exceptional circumstances requiring a modification of the ESG ratings update process, the ESG ratings monthly update may be altered or suspended.

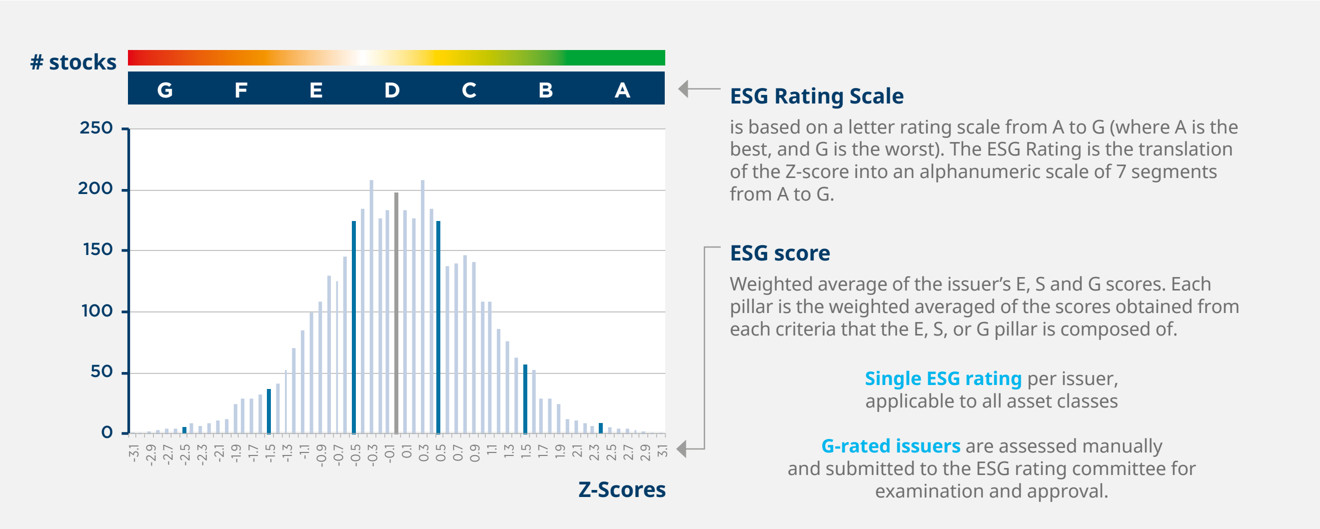
Amundi has defined its own analytical framework and developed its ESG rating methodology. The latter, which is both proprietary and centralised, promotes a consistent approach to responsible investment across the organisation, in line with Amundi's principles and priorities.

The ESG rating aims to measure the ESG performance of an issuer; for example, its ability to anticipate and manage the sustainability risks and opportunities inherent to its sector and particular situation. The ESG rating also assesses the ability of the company's management to address the potential negative impact of their activities on the sustainability factors that may affect it.

Portfolio managers and analysts from Amundi's various management platforms have permanent access to the issuers' ESG ratings, as well as related ESG analyses and metrics. Currently, more than 20,800 issuers have been given an ESG rating.

Our ratings span from A, indicating the best, to G, the lowest. Barring a few instances (some passively managed portfolios or client specific mandates) G-rated issuers are excluded from all portfolios.

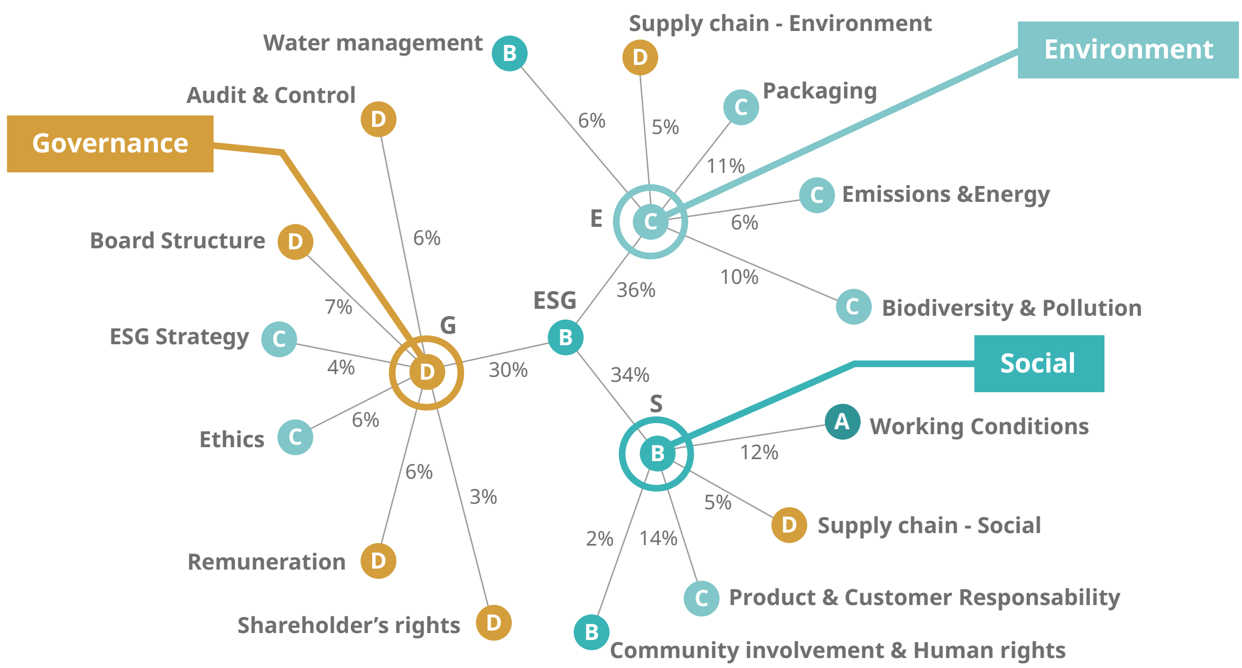
From ESG score to ESG rating scale



* Calculation methodology which transforms ESG criteria into Z-scores (deviation in the security's score compared with the average score for the sector, by number of standard deviations).

We ensure that issuers are continually monitored, with any controversial developments included in the ESG analytical process. A controversy can lead to a change of rating – this could reflect a specific criterion or even result in an adjustment of the final ESG score. For the sake of transparency, we have developed our proprietary Stock Rating Integrator tool. This tool facilitates a clear understanding of an issuer's rating at any given time, portrayed through a 'flower graph', which clarifies the scores based on diverse criteria.

Example: Company in the sector of « Household & Personal Products »



In addition to the routine calculation of ratings, our ESG Analysts undertake active in-depth analysis of issuers flagged for review. Various triggers can prompt intensified scrutiny, such as:

- Direct requests from portfolio managers,
- The overall level of exposure of Amundi to a given issuer,
- Our annual engagement campaigns,
- Issuers with a particularly weak ESG rating for a given criterion, and
- The quarterly controversies screenings.

B. Dedicated expertise provides the highest value to our clients

The Responsible Investment team functions autonomously, while still collaborating closely with the Investment Management and Financial Analysis teams. This structure not only means our ESG analysis remains impartial, it also ensures rigorous oversight because all G-rated issuers undergo validation by the ESG Rating Committee either directly or through the exclusion process. By ringfencing the ESG analysis, our portfolio managers can benefit from different skills sets – from financial and ESG perspectives – allowing them to make their investment decisions independently. With the exception of G-rated issuers, investment decisions regarding specific issuers securities ultimately rest in the hands of our portfolio managers.

We believe this structure provides the highest value to our clients, who can leverage the combined strengths of our ESG, Financial Analysis and Investment Management teams. Furthermore, we emphasise our active engagement strategy as an essential part of our Global Responsible Investment policy. Through these engagements, we aim to use ESG ratings to guide companies towards improvement, amplifying their real-world impact and subsequently expanding the investment options available to our managers and clients.

Further detail on the structure of and dedicated resource within the Responsible Investment team can be found in Principle 2.

03 ESG analysis and rating across asset classes

A. Amundi proprietary ESG rating at company level is applied to both listed equity and debt

ESG ratings are applied by the dedicated ESG Method and Solutions team. Our ratings approach is at the company level, encompassing both equity and fixed income instruments. Central to this strategy is our belief in double materiality: the negative real-world implications of an issuer's actions remain of paramount importance, irrespective of the financial sensitivity of the asset in question.

As previously referenced in Principle 2, our methodology is based on 38 criteria; including 17 generic criteria, which are common to all sectors, and 21 specific criteria, which are relevant to the challenges of the various sectors. ESG ratings are updated on a monthly basis, using raw data provided by our external suppliers. The ESG Research team closely monitors changes in issuers' ESG practices. ESG analysts regularly adjust their analysis and rating methodology in line with the environment and any event that may affect it.

Overview of criteria assessed in ESG analysis framework

Environment		Social		Governance	
Emissions & Energy	●	**Health & Safety**	●	**Board Structure**	●
Green Business	●	**Water Conditions**	●	**Audit & Control**	●
Clean Energy	▲	**Labour Relations**	●	**Remuneration**	●
Green Car	▲	**Supply chain - Social**	●	**Shareholders' Rights**	●
Green Chemistry	▲	**Product & Customer Responsibility**	●	**Ethics**	●
Sustainable Construction	▲	*Bioethics*	▲	*Tax practices*	▲
Responsible Forest Management	▲	*Responsible Marketing*	▲	**ESG Strategy**	●
Paper Recycling	▲	*Healthy Products*	▲		
Green Investing & Financing	▲	*Tobacco Risk*	▲		
Green Insuring	▲	*Vehicle Safety*	▲		
Water Management	●	*Passenger Safety*	▲		
Biodiversity & Pollution	●	*Responsible Media*	▲		
Packaging	▲	*Data Security & Privacy*	▲		
Supply Chain - Environment	●	**Community involvement & Human Rights**	●		
		Digital Divide	▲		
		Access to medicine	▲	**17 Cross sector criteria**	●
		Financial Inclusion	▲	**21 Sector specific criteria**	▲

Every portfolio manager has access to these ratings, and the calculations of the 38 criteria that inform them through our investment portfolio management software tool. This accessibility ensures that sustainability considerations are woven into their investment decisions, with portfolio managers applying any relevant constraints to their portfolios as applicable.

The ESG Method and Solutions team is responsible for assigning ESG ratings. For each sector, ESG analysts weigh four to five sector-specific criteria deemed the most important. Analysts will typically increase their level of scrutiny whenever the risk faced by a company on any given ESG criterion is deemed high and material. There is only one ESG rating for each issuer, regardless of the chosen reference universe. The ESG rating is, therefore, 'sector neutral', ensuring that each issuer is evaluated fairly, with no sector receiving undue advantage or disadvantage. The culmination of these efforts results in an ESG rating spanning from A to G.

ESG criteria weighting ranges

	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Communication Services	Utilities	Real Estate	SSA (Supranational, sub-sovereigns and agency)
Environment												
Emissions & Energy	10-20%	5-25%	5-30%	0-10%	0-10%	0-15%	0-10%	10-20%	0-15%	5-15%	5-10%	0-10%
Green Business*	5-10%	0-25%	0-15%	0-25%	-	-	0-35%	-	-	0-15%	30-35%	15-20%
Water Management	0-10%	5-15%	0-10%	0-10%	0-15%	0-10%	-	0-15%	0-10%	5-20%	-	-
Biodiversity & Pollution*	10-20%	5-20%	5-20%	5-20%	5-25%	5-15%	0-10%	0-10%	0-10%	5-15%	0-10%	-
Supply chain - Environment	0-5%	0-5%	0-10%	0-10%	0-10%	0-5%	-	0-10%	-	0-5%	-	-
Social												
Health & Safety	10-20%	5-25%	5-30%	0-10%	0-10%	0-15%	0-10%	10-20%	0-15%	5-15%	5-10%	0-10%
Working Conditions	0-10%	0-25%	0-15%	0-25%	-	-	0-35%	-	-	0-15%	30-35%	15-20%
Labour Relations	0-10%	5-15%	0-10%	0-10%	0-15%	0-10%	-	0-15%	0-10%	5-20%	-	-
Supply chain - Social	10-20%	5-20%	5-20%	5-20%	5-25%	5-15%	0-10%	0-10%	0-10%	5-15%	0-10%	-
Product & Customer Responsibility*	10-20%	5-20%	5-20%	5-20%	5-25%	5-15%	0-10%	0-10%	0-10%	5-15%	0-10%	-
Community involvement & Human Rights*	10-20%	5-20%	5-20%	5-20%	5-25%	5-15%	0-10%	0-10%	0-10%	5-15%	0-10%	-
Governance												
Board Structure	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%
Audit & Control	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%
Remuneration	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%
Shareholders' Rights	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	-
Ethics*	10-20%	5-15%	5-20%	5-10%	5-15%	5-20%	5-20%	5-15%	0-10%	10-15%	5-15%	15-20%
ESG Strategy	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%

* Refer to the table "ESG criteria" for the specific criteria

Our dedication to quality is unwavering, and we continually refine our analytical processes, always mindful of the relevance and weight of each criterion. Our ESG analysts are sector specialists who are committed to:

- Tracking trends (macroeconomic, regulatory, etc.),
- Establishing weights based on the materiality of ESG factors,
- Assessing a representative panel of companies,
- Writing sector analysis reports,
- Selecting the most qualified external data suppliers meeting the definition of our criteria, and
- Defining the weights to each data supplier that represent the level of contribution of each supplier's ESG score to the final ESG score of an issuer.

While our core approach is consistent, we modify where necessary to service different asset classes to reflect their unique impacts.

All managers have access to the ESG ratings and analyses of the companies concerned and use them in their own way depending on the management process. For example, different management platforms have developed alpha generation approaches based on the prospects of improving the ESG profile of invested companies.

B. Sovereign debt assessment

In addition to corporates, we also assess the ESG performance of sovereign issuers, on the understanding that ESG factors can significantly influence an issuer's ability to repay its debt in the mid- to long-term, thus representing a risk for investors. These factors also serve as a reflection of how countries handle the major sustainability issues that are pivotal to global stability.

Our methodology is anchored on roughly 50 ESG indices or factors, which have been identified by Amundi ESG research as pivotal to tackling sustainability risks and issues. The indicators are obtained from an independent provider, and each indicator may combine several data points, drawn from different sources, including open international databases (such as those of the World Bank Group, the United Nations etc.) or proprietary databases.

The indicators are grouped into eight categories for greater clarity, with each category falling into one of the E, S or G pillars. As with the corporate ESG rating scale, the analysis of sovereign issuers is translated into an ESG rating ranging from A to G.

Environment	Social	Governance
Climate Change	Human Rights	Government Effectiveness
Natural Capital	Social Cohesion	Economic Environment
	Human Capital	
	Civil Rights	

C. Green, Social, Sustainable and Sustainability-linked (GSS+) Bond analysis

The GSS+ Bond Analysis team sits within the Amundi ESG Research, Engagement & Voting team and is in charge of defining the investable universe on the GSS+ bond market. Utilising our internal GSS+ bond assessment, any new investment must be evaluated. It is important to note that portfolio managers are not allowed to trade GSS+ bonds that have not first been screened by GSS+ bond analysts.

We developed our GSS+ bond assessment process to ensure the projects funded by the GSS+ bonds we invest in are appropriately evaluated, with a particular focus on their relevance and scale of impact. We also assess the alignment of the issuer's ESG strategy with its GSS+ bond issuance. Prior to investment, all GSS+ bond investments undergo a three-step assessment:

a. Issuer-level ESG screening

- The GSS+ bond analysts systematically check for the following:
- Alignment of issuer with industry standards (e.g. ICMA Green or Social Bond Principles, European Union (EU) taxonomy),
- Existence of a second party opinion or other certification, such as Climate Bond (CBI) certificates,
- Whether the issuer faces severe ESG controversies, and
- Whether the projects to be financed by the green bond contribute to wider efforts by the issuer to favour the energy and/or environmental transition.
- If this initial screening is not satisfactory, then the GSS+ bond cannot be considered for investment.

b. Issuance-level GSS+ analysis

Once the GSS+ bond issuer has undergone the initial screening, Amundi GSS+ bond analysts conduct a comprehensive review of the GSS+ bond issuance and a comparative analysis of the ESG performance of the issuance versus the overall ESG strategy of the issuer, as follows:

Project	Issuer	Green & Social Funding Rationale	Transparency
Asset level Impact Degree of green & social contribution in absolute, as well as relative to the sector and the country	**Issuer strategy** Contribution to issuer's ESG strategy, link between the green/social bond and issuer's KPIs	**Funding purpose** Alignment between green/social bonds and green/social assets in terms of purpose and allocation	**Disclosure** Amount of information available on projects, impact data, and verification

Source: Amundi, provided for illustrative purposes only.

If the analysis concludes that the GSS+ bond is not investable under Amundi's eligibility criteria, portfolio managers are not allowed to buy the bond for inclusion in their portfolios.

Ongoing monitoring after investment

After investment, the GSS+ team conducts ongoing assessments to ensure the issuer maintains coherent ESG commitments.

- One year after the issuance: Assess the availability of the allocation and impact report of the GSS+ bond, including a formal dialogue with the issuer in case partial information is missing,
- On a regular basis: Perform a review of the issuer's environmental and/or social strategy to ensure that the overall ESG performance of the issuer is improving and is updated accordingly in case there is a significant evolution from one period to another,
- On a daily basis: Controversy screening through different channels (internal controversy database, data providers, press, emails, etc.). If a significant controversy occurs, the GSS+ bond analyst engages with the issuer.

All the information and data collected in the above-mentioned actions are gathered into an internal proprietary GSS+ bond database that allows Amundi to monitor the investable GSS+ bond universe. All bonds are reviewed once a year to reflect changes in the data. This internal database allows us to feed issuer and issuance level data at the fund level, leading to better understating of the allocation and impact of the strategy.

This serves as the basis for engagement with relevant GSS+ bond issuers, during which we seek to:

- Clarify discrepancies or missing impact data such as understanding why there is a missing impact report, problematic impact data, or to define a remediation plan to address a controversy,
- Encourage issuers to integrate better ESG practices by promoting ICMA harmonised framework for impact reporting, promoting Life Cycle Assessment (LCA) considerations from the EU Taxonomy, encouraging issuers to set targets for their ESG strategy and improving their environmental and social policies.

See Principle 9 for how we engage on green bonds.

D. Real assets

Despite the slowdown in real estate activity in 2024, Amundi continued its progress on real assets in accordance with the strategic plan, notably with the launch of several funds committed to impact and favouring environmental and just transitions, such as financing the production of renewable energies. This year was also marked by the acquisition of Alpha Associates AG, which was finalised in April 2024[13].

13. Amundi Alpha Associates AG is a Zurich-based provider of private equity, private debt and infrastructure specialist.

Amundi maintains its dedication to refining the Real Assets division, ensuring an adaptive, multifaceted approach to ESG integration and effectively addressing sustainability challenges within all of our investments.

Strong ESG Governance within Real Assets division

The integration and oversight of ESG governance within the Real Asset division is driven by:

- **ESG team dedicated to the Amundi Real Assets platform**
  - ➜This team works very closely with the management teams and the members of Amundi Group's central ESG team.
- **Real Assets Management Committee dedicated to ESG issues**
  - ➜Amundi Real Assets' Management Committee meeting agenda includes ESG and impact topics related to real assets at least once every quarter.
- **A Real Estate ESG Committee**
  - ➜The members of this committee represent all the key functions at Amundi Real Estate (asset & investment management, ESG analysis, legal, compliance, management, risks, etc.). The committee meets at least quarterly and defines and monitors the entity's responsible investment strategy and engagements.
- **An "ESG Front Runners" community**
  - ➜More than 30 ESG representatives have been chosen from the various teams of the Amundi Real Assets platform (management, ESG analysis, sales, marketing, legal, etc.) to discuss all common issues in the field of responsible investment for the real estate assets areas of expertise. More generally, they have been brought together to ensure a consistent approach and to drive collective ambition. Their meetings are a forum for discussions on regulatory changes and for the sharing of information and good practices between areas of expertise
- Additionally environmental, social, and governance issues are discussed at all meetings of the investment committees of the six different Amundi Real Assets areas of expertise.
- Publication of the fourth edition of its Responsible Investment report will be released in July 2025.

In alignment with the broader Amundi "Ambition 2025" plan, the Real Assets division is implementing new commitments and features, underscoring its continuous drive towards ESG excellence.

	ESG 2025 Objectives	Progress in 2024
Real Estate	– Target for 2024: 100% of our main service providers[14] will sign the supplier charter[15]	90% in 2024
	– Target for 2024: 100% of our main service providers will be rated by Amundi Real Estate	100% in 2024
	– Each year, the ESG team commits to organising five training sessions for employees	Completed
Multi-Management	– Since 2022: all new investments are subject to an ESG rating	Completed
	– Implementation of a proprietary ESG scoring mechanism	Completed
	– Raise an infrastructure fund of funds (article 8 SFDR)	Completed
	– Preparation of a multi-strategy fund of funds (article 8 SFDR)	Completed
Private Debt	– 100% of new investments will have a carbon footprint assessment and associated roadmap	85% in 2024
	– 2022: first ESG awareness seminar for portfolio borrowers	Completed
	– Objective for 2023: organisation of the second ESG seminar	Completed
	– Commercial launch of the ACREL 2 real estate debt fund, with a focus on the contribution to the energy transition	Completed

14. Our main service providers are property managers, developers and facility managers.
15. The supplier charter is a contractual document signed between Amundi Real Estate and property managers, committing them to a responsible investment approach.

Private Equity	– 100% response from our holdings to our ESG reporting questionnaire	82.5% in 2024
	– 100% of our holdings will have an ESG roadmap	Completed
Social impact	– Launch of 2050 net-zero just transition fund	Completed
Green infrastructure	– Launch of a 2050 net zero transition fund	Completed
	– Creation of an industrial partner charter	Completed
	– Systematically establish an ESG roadmap with our developers/industrial partners	Work in progress
	– Entry into force of the Responsible Investment policy	Completed

Integrating ESG into the Investment Process

We acknowledge that there are limitations in our central ESG rating methodology to cover private instruments and issuers within our investable universes. However, Amundi continues to make significant progress in developing tailored methodologies for private equity, private debt, fund of funds and real estate. These nuanced approaches are aligned in our Responsible Investor Charter – Real Assets that was published in 2022 and updated in 2024[16].

The central role of non-financial criteria in real assets

There are five key stages to applying ESG criteria within real assets, with some specific nuance for sub-asset classes as appropriate:

a. Exclusion policy

Amundi Real Assets applies targeted exclusion rules in line with those set out in the Group's Exclusion policy. A full list of exclusions can be found in the responsible Investment policy and Section 4 of this principle. The nuclear sector is also excluded for Amundi Energy Transition products and solutions.

b. Selection policy

A preliminary assessment ensures that the Investment team is exclusively concentrating on the sectors permitted under the Responsible Investment policy for the category of assets, the fund, or the mandate. Additional exclusions may be applied depending on the strategy of the fund. In addition to the exclusion list, social impact funds only invest in companies whose primary purpose is to create a positive impact for the intended beneficiaries of their actions. At each stage of the investment strategy, the impact analysis and the situation of beneficiaries take precedence over any other decision-making criteria.

c. Due diligence

In addition to the Exclusion policy applied as a first filter, any opportunity received and presented to the Investment Committee is subject to ESG due diligence that includes an in-depth analysis of any non-financial risks identified. This due diligence is an integral part of the analysis criteria and supplements the parallel financial and technical analysis. This enables investors to limit the financial risks (regulatory, operational, and long-term reputational) associated with an investment and to fully discharge their responsibilities.
ESG due diligence is carried out by the Amundi Alternative Real Assets ESG team in collaboration with investment teams of all areas of expertise. Depending on the assets in question it may include the sending of questionnaires, discussions with the company's management and reviews of sector studies by nonfinancial rating agencies.

d. Investment decisions

The investment decision-making process and the investment memorandum for each area of expertise systematically includes the ESG due diligence results. Each team is particularly attentive to opportunities and ways of reducing the carbon footprint of assets.

Amundi Real Assets' investment decisions involve two key ESG processes:

- **Within real estate, private equity, corporate private debt, multi management and social impact investing:** The ESG representative has the right to veto investment decisions in advance of or at meetings of the Investment **Committee.**
- **Within green infrastructure:** The Investment Committee ensures that the appropriate ESG criteria for the fund in question are properly applied before any investment decision is made.

16. https://www.amundi.fr/fr_instit/actifs-reels-alternatifs

Other points to note:

- Within private equity, corporate private debt, multi management, social impact investing and green infrastructure areas of expertise: At the time the investment is made, the agreement entered into with the entity in receipt of the financing includes a commitment on providing ESG data and meeting objectives, in line with the relevant fund's strategy.
- For Amundi Alternative & Real Assets' impact funds: Intentionality is a key factor, as borne out by specific analysis for each of the funds that is used for investment theses and investment decisions.
- Within real estate area of expertise: Account is taken not only of the asset's performance, but also the environmental and social performance of the main stakeholders in the property (property managers, maintenance companies, builders, etc.).
- Within multi management: An in-depth review is carried out on the ESG practices of the managers of each fund and the integration of ESG criteria into its decision making process.

e. Holding period

Where possible during the holding period, each investment manager or Director maintains an ongoing dialogue with the companies and/or the managers of the assets held in the portfolio. This close relationship is used to monitor action plans and to improve ESG performance. The management teams have two priorities in terms of responsible investment: a periodic review of the non-financial performance of the assets in their portfolio and the production of carbon footprint assessments.

Each expertise has developed practices specific to its investment universe:

- **Within Real Estate:** The ESG rating is reviewed at least once every three years during the holding period. This allows account to be taken of the progress made on underlying assets. This progress can be achieved in several ways, in particular:
  - ➜ A direct/physical improvement as a result of work carried out and measures to be taken. The results of these actions are directly transcribed in the annual questionnaire and the maintenance or educational actions for occupants, which feed into the assessment of environmental and social performance.
  - ➜ Better management of the underlying asset, reflected by efforts in relation to the carbon footprint.
- **Within Multi Management:** An annual survey is carried out to monitor the progress made by the portfolio. The team applies a number of performance indicators that benchmark developments in ESG practices and metrics.
- **Within Corporate Private Debt and Private Equity:** ESG performances are reviewed annually as part of portfolio monitoring, using indicators chosen in advance with the issuer/investee company and in line with the ESG information obligations defined in the contractual documentation. A meeting dedicated to implementing an action plan to improve ESG performance is also offered to each issuer/investee company. Through their participation on the Boards, the representative of the Private Equity team is able to discuss and monitor material developments in ESG matters included on the agendas of committee meetings.
- **Within Social Impact Investing:** Each company in the portfolio is the subject of impact analysis. A series of quantitative criteria are assessed each year, resulting in the publication of an impact report for investors. Monitoring is carried out annually throughout the holding period, involving participation in meetings of strategic committees, introducing the business owner to our ecosystem and partners, and support with the implementation of the economic and impact business plan. At each meeting of the Strategic Committee, the results are compared with the stated objectives and the impact made by the company is assessed.
- **Within green infrastructure:** Impact reports for each fund are published every year with details of the environmental, social, and governance monitoring carried out by the area of expertise. In addition, each investee company's supervisory committee reviews the assets' ESG performance to track it as closely as possible.

OUR PROGRESS AND SUCCESS IN 2024

Our achievements in the 2024 reporting period include:

- The Multi Management team launched Amundi PRIMA : an ELTIF evergreen fund which is classified article 8 SFDR and that aims to finance the big transitions (ecological, social territorial and digital).
- As an active member of the Commission of the French Association of Real Estate Investment Companies (ASPIM) for the update of the SRI label dedicated to real estate funds, Amundi Immobilier renewed in 2024 the SRI Label for 4 funds.
- Launch of Alpha Global infrastructure II fund, which marks the first cooperation within the new Platform Amundi Alpha Associates.
- Amundi PEF received the ESG Sustainable Development Award from Private Equity Magazine in recognition of its collective commitment to sustainability in its practices and investments.

E. Delegation of fund management to third parties

As part of our routine investment due diligence of delegated managers, we take a two pronged approach. In the first instance, we perform a qualitative evaluation based on the Responsible Investment policy of the organisation (25%), its responsible investment approaches (best in class, ESG integration, impact, etc.), including the Exclusion policy (25%) and finally on the fund/delegation itself (50%).

As a second step, in order to verify what we have learned from the qualitative evaluation, we calculate a quantitative ESG score, using the proprietary ESG methodology of Amundi. Both these qualitative and quantitative evaluations of a manager's approach to ESG are part of a broader due diligence process of the fund/mandate and the company (operational due diligence, quality of investment process, quality of teams, performances, etc.).

When we delegate funds to managers, we also send them a list of stocks to be excluded each month. When Amundi only performs a fund hosting function, then the exclusion list does not necessarily apply.

ESG is incorporated at every step of the due-diligence process:

a. Qualitative evaluation

We send a qualitative questionnaire to the manager of each external fund. This questionnaire runs to over 100 questions. We systematically score the responses to form a qualitative view at three levels: firm, strategy and fund.

b. Quantitative evaluation

We source the holdings of external funds on a quarterly basis and integrate this data with the proprietary ESG scores for the securities and issuers. This enables us to calculate an ESG score for each fund consistent with our internal Amundi process.

c. Integration

We integrate these two scores in our investment due diligence in a dedicated section on ESG, scoring each fund based on the combination of our quantitative and qualitative evaluations. The overall rating and conviction level of the fund will be influenced by the ESG evaluation.

d. Portfolio construction

When constructing solutions for clients, fund of fund portfolio managers seek to "Beat the Benchmark" in terms of their ESG Score. To do this they use:

1. The "look through" or "transparency" to underlying securities feature that is available in our front office system, ALTO, to score internal Amundi funds and delegated funds and mandates for ESG,
2. For ETFs, the ESG score of the reference index of each ETF is used as a proxy,
3. The ESG score for external funds (per section 2 above) is integrated in ALTO.

04 Exclusionary approach

As part of its fiduciary responsibility, Amundi has set minimum standards and exclusion policies on critical sustainability topics, triggering specific monitoring, and escalation procedures when breaches are identified, which can lead to engagement, specific voting actions (when applicable) or exclusion.

Amundi Minimum Standards and Exclusion Policy is implemented in our actively managed portfolios and ESG passive products, unless otherwise requested by our clients and always in compliance to applicable laws and regulations prohibiting their implementation. The ESG and Climate Strategy Committee sets out the guidelines of the Minimum Standards and Exclusion Policy and the ESG Rating Committee validates the rules for implementation. Excluded issuers[17] are flagged in fund managers' portfolio management system and pre-trade blocking controls are implemented in the compliance tool to prevent any purchase, except where noted. Second level controls are performed by the Risk teams.

For any new mandate or dedicated fund, Amundi Minimum Standards and Exclusion Policy shall be implemented in accordance with our pre-contractual documentation, unless otherwise requested by the client.

For passive portfolios, the application of the Minimum Standards and Exclusion Policy differs between ESG products and non-ESG products:

- For ESG passive products: All[18] ESG ETFs and index funds apply Amundi Minimum Standards and Exclusion Policy.
- For non-ESG passive products: The fiduciary duty and regulatory obligation in passive management is to replicate an index as closely as possible. Therefore, the portfolio manager has to meet the contractual objective to deliver a passive exposure in line with the replicated index. As a result, Amundi index funds/ETFs replicating standard (non-ESG) benchmarks do not apply systematic exclusions beyond the regulatory ones. However, for securities that are excluded due to the Minimum Standards and Exclusion Policy applicable to Amundi's active investment universe, but that could be present in non-ESG passive funds, Amundi has strengthened its engagement and voting actions that may lead to a vote against the discharge of the board or management, or the re-election of the Chairman and of some Directors.

For formula portfolios, the application of the Minimum Standards and Exclusion Policy also differs between ESG formula products and non-ESG formula products:

- ESG formula funds apply Amundi Minimum Standards and Exclusion Policy.
- Non ESG formula funds do not apply systematic exclusions beyond the regulatory ones[19].

The Minimum Standards and Exclusion Policy distinguishes between corporates and sovereigns' exclusion criteria. The corporate criteria target company activities and practices that can lead to the exclusion of securities of a company. Sovereign criteria can lead to the exclusion of sovereign bonds.

A. Normative exclusions linked to international conventions

Amundi acknowledges international regulation prohibiting involvement in weapons forbidden under international conventions. Therefore, Amundi excludes issuers involved in the weapons prohibited by the following international legal instruments:

- Issuers involved in the production, sale, storage, or services for and of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties[20];
- Issuers involved in the production, sale, or storage of chemical[21] and biological[22] weapons.

17. Please refer to Exclusion Policy Scope of Application in the appendix on page 29.
18. Unless otherwise requested by the client in case of dedicated portfolios.
19. Please refer to Exclusion Policy Scope of Application in the appendix on page 29.
20. Conventions Ottawa 3/12/1997 and Oslo 3/12/2008, ratified by 164 and 103 countries respectively as of July 2018 (including European Union countries and excluding the United-States).
21. Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction 13/01/1993.
22. Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction 26/03/1972.

Amundi relies on the analysis of a trustworthy third-party provider to identify the involvement of a company in the above-mentioned weapons. Those exclusions are applied across all strategies (active and passive) over which Amundi has full discretion.

Moreover, Amundi expects companies to meet their fundamental obligations in the areas of human and labour rights, protecting the environment and ensuring anti-corruption safeguards, wherever they operate, in line with the UN Global Compact Principles. We engage with companies where they fall short and exclude the worst offenders. Thus, Amundi excludes:

- Issuers that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact[23], without credible corrective action.

To determine which companies may be engaged or excluded, Amundi relies among other sources on three third parties' providers to highlight companies that might be at risk. Amundi produces its own research and assessment.

This exclusion is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

B. Sector policies

a. Fossil fuels

Thermal Coal

Objective and scope

Coal combustion is the single largest contributor to human-induced climate change[24]. In 2016, Amundi implemented a dedicated Sector Policy on thermal coal, triggering the exclusion of certain companies and issuers. Since then, Amundi has progressively reinforced the rules and thresholds of its thermal coal Sector Policy.

Phasing out coal is paramount to achieve the decarbonisation of our economies. That is the reason why Amundi is committed to phase out thermal coal from its investments by 2030 in OECD and EU countries and by 2040 in non-OECD countries. Consistent with the United Nations Sustainable Development Goals (SDGs) and the 2015 Paris Agreement, this strategy is based on scenarios designed by the International Energy Agency's (IEA) Sustainable Development Scenario, Climate Analytics Report and Science Based Targets.

> *"Achieving a state of net-zero emissions at the planetary level requires real world cuts in greenhouse gas (GHG) emissions from companies' value chains, and not simply a reduction in exposure to emissions within portfolios[25]"*
>
> **Science Based Targets initiative (SBTi)**

In line with our 2030/2040 phase out timeline from thermal coal, the following rules and thresholds are the baseline for which companies are considered too exposed to be able to phase out from thermal coal at the right pace.

The policy is applicable to all investee companies, but predominately affects mining, utilities, and transport infrastructure companies. This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Using our role as investors to influence issuers to phase out thermal coal

Amundi has communicated our expectations to companies that have thermal coal exposure (based on revenue) in which Amundi portfolios are invested, and that have not yet published a thermal coal phase out policy consistent with Amundi's 2030/2040 phase out timeline.

In addition, for companies that are either excluded from Amundi's active investment universe according to our policy (see below) or have thermal coal policies that Amundi considers insufficiently aligned, Amundi escalation measures consist in voting against the discharge of the board or management or the re-election of the Chairman and of some Directors.

23. United Nations Global Compact (UN Global Compact): "A call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals."
24. IPCC, 2022: Summary for Policymakers. In: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: 10.1017/9781009157926.001.
25. SBTi-Finance-Net-Zero-Foundations-paper.pdf

Exclusions as a tool to deal with unsustainable exposures

Amundi excludes:

- Mining, utilities, and transport infrastructure companies that are developing thermal coal projects with a permitted status and that are in the construction phase.

Companies with thermal coal projects in earlier stages of development, including announced, proposed, with pre-permitted status, are monitored on a yearly basis.

Concerning mining extraction, Amundi excludes:

- Companies generating more than 20% of revenues from thermal coal mining extraction.
- Companies with annual thermal coal extraction of 70 MT[26] or more.

For companies considered too exposed to be able to phase out from thermal coal at the right pace, Amundi excludes:

- All companies that derive over 50% of revenues from the thermal coal mining extraction and the thermal coal power generation.
- All companies that derive between 20% and 50% of revenues from the thermal coal power generation and the thermal coal mining extraction, with a poor transition path[27].

Implementation

To assess companies' thermal coal exposure, Amundi utilizes fossil fuel exposure metrics from data providers (Trucost and MSCI). This allows us to have a large data coverage from a range of sources integrated into our ESG analysis and rating methodology. This also allows us to gain a more comprehensive understanding of companies' thermal coal exposure and provide our investment teams with additional insights on the topic. When both providers have thermal coal-related data for the same issuer, we apply a conservative approach, which consists in retaining the data with the highest thermal coal exposure between the two providers. Due diligence can also be performed to enrich or challenge the information received by providers.

To assess the development of new thermal coal capacities, Amundi performs an annual due diligence to enrich or challenge the information received by the provider and sources.

Unconventional Fossil Fuel

Objective and scope

Investing in companies significantly exposed to unabated fossil-related increasingly entails social, environmental, and economic risks. Once produced, shale oil, shale gas or oil sands do not differ from natural gas or oil that are expected to continue contributing to the global energy mix in the forthcoming years under both IEA "Sustainable Development Scenario" and IEA "NZE 2050 Scenario. However, unconventional oil & gas exploration and production is exposed to acute climate (due to potentially higher methane emissions – if not properly managed – for shale oil and shale gas and higher carbon intensity for oil sands), environmental (water use and contamination, induced seismicity and air pollution) and potential social (public health[28]) risks.

This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Exclusions as a tool to deal with unsustainable exposures

Amundi excludes companies whose activity is exposed to exploration and production of unconventional oil & gas (covering shale oil, shale gas and oil sands) by over 30% of revenues.

Implementation

To assess companies' unconventional fossil fuel exposure, Amundi utilizes fossil fuel exposure metrics from data providers (MSCI and Sustainalytics). This allows us to have a large data coverage from a range of sources integrated into our ESG analysis and rating methodology. This also allows us to gain a more comprehensive understanding of companies' unconventional fossil fuel exposure and provide our investment teams with additional insights on the topic.

Due diligence can also be performed to enrich or challenge the information received by providers.

26. Millions of tons
27. Amundi performs an analysis to assess the quality of their phase out plan.
28. https://e360.yale.edu/features/fracking-gas-chemicals-health-pennsylvania

b. Tobacco

Objective and scope

Tobacco not only has a negative impact on public health, its value chain faces human rights abuses and specific health challenge for its workforce, with significant environmental consequences and substantial economic costs (believed to be more than USD 1 trillion a year globally, according to World Health Organisation estimates[29]).

In May 2020, Amundi became a signatory of the Tobacco-Free Finance Pledge.

Amundi caps the ESG rating of issuers exposed to the tobacco value chain and has set an Exclusion Policy for companies producing cigarettes. This policy is applicable to the tobacco sector in its entirety, including suppliers, cigarette manufacturers and retailers.

This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

ESG rating of companies exposed to tobacco

The ESG rating (ranging from A to G) of the tobacco sector is capped to E. This policy applies to companies involved in the production, supply and retailing of tobacco (thresholds for application: revenues above 10%).

Exclusions as a tool to deal with unsustainable exposures

Amundi excludes companies that manufacture complete tobacco products (thresholds for application: revenues above 5%), including cigarette manufacturers, as no product could be deemed to be child labour free.

This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Using our role as investors to influence issuers

Concerning the remaining exposure to companies falling within the scope of our Exclusion Policy (see above), our policy consists of voting against the discharge of the board or management, or the re-election of the Chairman and certain Directors.

Implementation

To assess companies, Amundi uses MSCI as a data provider.

c. Weapons

Beyond the normative exclusions set out in section 4.1, Amundi excludes the following weapons:

Nuclear Weapons

Objective and scope

As stated by the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), “the proliferation of nuclear weapons would seriously enhance the danger of nuclear war” and such a war could create “devastation that would be visited upon all mankind”. Consequently, there is a “need to make every effort to avert the danger of such a war and to take measures to safeguard the security of peoples”: the fundamental purpose of nuclear weapons should clearly be for deterrence and trade with extreme care.

This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Exclusions as a tool to deal with unsustainable exposures

Amundi restricts investments in nuclear weapons companies involved in the production of core components of the nuclear weapon or dedicated components. Issuers are considered for exclusion when they fall under at least one of the three following criteria:

- They are involved in the production, sale, storage of nuclear weapons of States non-Party to the Treaty on the Non-Proliferation of Nuclear Weapons and of States signatories of the Treaty on Non-Proliferation of Nuclear Weapons but not members of NATO.
- They are involved in the production of nuclear warheads and/or entire nuclear missiles; as well as components specifically developed and/or significantly modified for exclusive use in nuclear weapons.
- They derive over 5% of total revenues from the production or sale of nuclear weapons, excluding revenues from ownership and dual use

29. https://www.hrw.org/report/2014/05/14/tobaccos-hidden-children/hazardous-child-labor-united-states-tobacco-farming

components as well as delivery platforms.

Implementation

To assess companies' exposure, Amundi uses MSCI and ISS ESG as data providers. ESG analysts conduct a complementary analysis. The ESG Rating Committee is informed and validates additions to Amundi's exclusion list.

Case study 3: Engaging on coal phase-out commitments

<table>
<tr><th>Company</th><th>Initial Assessment</th><th>Recommendations</th><th>Prior Evolution</th><th>2024 Status</th></tr>
<tr><td rowspan="5">Company A: RWE
Sector: Energy
Region: Europe</td><td rowspan="5">Power generation business:
– Concrete commitment to phase out from thermal coal power generation by 2030

Mining business:
– The company stated that thermal coal mining will stop when generation stops in 2030
– This was misaligned with Amundi coal policy, lacks explicit strategy such as specific dates on mine closures and end dates for third party sales of thermal coal</td><td>1. We encouraged the company to commit to phase out thermal coal mining by 2030, accompanied by an explicit strategy and expected closure dates.</td><td>No firm commitment due to government's option for security reserves until 2033.</td><td>As in the previous year, government energy security reserve prevents development on this recommendation.</td></tr>
<tr><td>2. We recommended the establishment of a strategy for exit from third-party sales of lignite-refined products by 2030.</td><td>The company acknowledged our request, but we are yet to see progress .</td><td rowspan="3">The company was receptive and demonstrated willingness. We continue to encourage progress on these items.</td></tr>
<tr><td>3. We encouraged the company to increase its transparency on third-party sales products (i.e., industrial usage).</td><td>Discussed during engagement, remains work in progress.</td></tr>
<tr><td>4. We recommended the company to disclose concrete projections on the reduction in mining volumes leading up to the 2030 phase-out.</td><td>Discussed during engagement, remains work in progress.</td></tr>
<tr><td colspan="3">Next Steps:
The government's option to allocate up to 3.7 GW of power capacity into a security reserve until 2033 is a legitimate systemic blocker to the engagement progress. However, we will continue to encourage the company to progress with all other open items.</td></tr>
</table>

Case study 4: Engaging on coal phase-out commitments

Company	Initial Assessment	Recommendations	Prior Evolution	2024 Status
Company B **Sector:** Utilities **Region:** Asia	- No phase out from thermal coal by 2040 in line with Amundi policy. - We have conducted engagement with the company as part of an investor led collaborative engagement programme launched by The Asia Investor Group on Climate Change (AIGCC). - We have also engaged independently with the utility company	1. We encouraged commitment to phase out from thermal coal by 2040.	No progress.	Coal retirement timeline: 5 units by 2040 (respective PPA[30] expiry years). But, two units have PPAs beyond 2040. Need regulator collaboration.
		2. We encouraged the company to develop science-based emission reduction targets.	Progress: Net Zero 2050 target; 35% intensity reduction and 50% coal reduction by 2035.	No progress.
		3. We encouraged the company to prioritise investment and ambition in renewables.	Commitment to 8.3GW increase of renewables capacity by 2025.	No update, but the company is investigating H2, CCUS[31] and grid to meet the country's target of 70% renewables by 2050.
		4. Finally, we recommended improvement in transparency and accountability around climate KPIs.	Progress: first Chief Sustainability Officer (CSO); sustainability team; new Board Sustainability & Risk Committee.	Improved disclosure of sustainability-linked KPIs for performance evaluation of senior management.
		Next Steps: *We will continue a two-way dialogue with the company, to encourage the company to phase out the remaining two thermal coal units by 2040 (in line with our policy). We will also continue engaging with the issuer on other crucial decarbonisation indicators and levers.*		

C. Sovereign Bond Exclusion

In addition to exclusions applicable to corporates, Amundi excludes sovereign bonds issued by certain countries. To identify these countries, Amundi uses its own exclusion framework.

We first select countries on the European Union (EU) sanction list whose assets are frozen. We then use our ESG data provider, Verisk Maplecroft, which provides a "Trade Sanction Index" score. This index assesses restrictions imposed by the United States and/or the EU on a country or state actor in the following areas: ❶ financial restrictions and asset freeze, ❷ restrictions on trade & service, ❸ arms restriction and ❹ travel restrictions & admission ban. Countries with the lower scores (i.e. highest level of sanctions) are identified for exclusion. Finally, after this formal review, the countries to be excluded are approved by the ESG Rating Committee.

D. The specific case of non-ESG passive funds

Our exclusion policies already apply to all our actively managed funds and ESG ETF products, but do not apply to the non-ESG passive range. To increase the scope, Amundi's "Ambition 2025" plan includes a commitment to extend our ETF ESG products to a minimum of 40% of our ETF range by 2025. As of December 2024, 37% of the passive fund range is comprised of ESG funds, up from 33% at the end of 2023.

In parallel, for issuers held in non-ESG passive portfolios but excluded from our active and ESG ETF universe, Amundi uses our engagement and voting capabilities to express our concerns. Where insufficient action is being taken to reduce harm and/or transition to a sustainable business model, we will vote against the discharge of the Board or Management or the re-election of the Chairman and of some Directors.

30. Power Purchase Agreement.
31. Carbon capture utilisation and storage.

05 Enhancing integration of ESG considerations into investment activities: “Say on Climate”

A. Amundi’s “Say on Climate”

Based on the progress of the 2018-2021 ESG plan, we are especially aware of the efforts that still need to be made to ensure that all sectors and companies adopt a strategy aligned to the Paris Agreement.

As a listed company, Amundi believes that we have a responsibility to be transparent with our shareholders about our climate strategy. In line with the commitment made in the ESG “Ambition 2025” plan, the Board continues to monitor the progress of each indicator specific to “Say on Climate”. With progress reported at the 2024 General Meeting, the resolution received 96.73% votes in favour.

B. Amundi’s approach: a progressive and evolving process

While scientific knowledge and methodologies grow and evolve, and as the broad spectrum of asset classes and regions of the world in which Amundi invests do not all yet benefit from the analytical frameworks and data necessary for a comprehensive action plan, we understand that Amundi must adopt a progressive approach in setting the ambitions of a long-term climate strategy, with intermediate steps.

Amundi’s climate strategy will therefore evolve in-line with methodological developments, protocols for defining ambitions, regulatory frameworks, and the data available for assessing alignment with a 2050 carbon neutrality objective.

Based on our commitment to climate issues and our responsibility to our clients, Amundi’s climate strategy is dynamic and steady, with short- and medium-term objectives. It is based on three convictions:

1. The need for a scientific approach: Transition is a fundamental issue that calls for an industrial revolution based on both established scientific findings and the development of proven technological solutions,
2. he need to support the transition of companies in which we invest rather than excluding them or divesting from them, a method which must be restricted to businesses that compromise this transition. The transition involves supporting the transformation of high carbon-emitting business models into models of decarbonised development,
3. The search for social and economic progress: We are of the opinion that the transition will only be achieved if it is deemed socially acceptable.

In addition to joining the Net Zero Asset Managers initiative (NZAMI), Amundi has put in place a Climate 2022–2025 Action Plan based on three key goals:

1. The integration of climate change within our business operations, namely the resources implemented within our organisation, the alignment of our employees, governance, and commitments to reduce direct greenhouse gas emissions,
2. The integration of climate change within our management for third parties, describing our commitments in regard to savings and investment solutions,
3. The integration of climate change within our actions targeting the businesses in which we are invested, describing our Exclusion Policy, shareholder dialogue and policy on the use of voting rights in order to accelerate the transition of these businesses to a decarbonised business model associated with the objectives of the Paris Agreement.

C. Detail of Say on Climate and progress in 2024

In line with the best practice of reporting annually on the state of implementation of the climate strategy, at its 2024 General Shareholders' Meeting Amundi submitted an ex post "Say on Climate" resolution, progress made across all indicators. This resolution was approved by 96.73% of the vote.

The following table lays out specific objectives defined to meet the three key goals, and the progress to towards achieving them in the 2024 reporting year.

➜: In line with the objective **✔: Achieved** **★: Objective of the ESG Ambition 2025 Plan**

			Target/ex-post measurement	Maturity	Achieved at 31/12/2024	Progress status
1. INTEGRATION OF CLIMATE ISSUES INTO THE CONDUCT OF BUSINESS						
A. Putting climate at the centre of governance, aligning and empowering						
Role of the Board of Directors	*"Concerned with developing their skills in this area, every year since 2020 members of the Board have received training on topics related to climate issue."*	- Number of hours devoted by the Board of Directors to climate issues	No. of hours	Annual	4.25 hrs	✔
		- Average attendance rate at sessions on Climate and Responsible Investment	>80%	Annual	95.8%	✔
Employee Alignment System, through a new compensation policy	*"The implementation of the climate strategy can only be achieved by raising awareness among all Amundi's stakeholders and by aligning the employee compensation policy with Amundi's ESG and climate strategy. This decision is currently being rolled out."*	- Existence of a compensation plan for the CEO indexed to ESG and CSR objectives	100%	Annual	100%	✔ ★
		- Existence of a compensation plan for 200 senior executives indexed to ESG and CSR objectives	100%	Annual	100%	✔ ★
		- % of employees with ESG objectives in the group in question sales representatives and portfolio managers	100%	Annual	99.6%[32]	✔ ★
B. Setting objectives for reducing direct emissions						
Alignment of the CSR policy with *Net Zero* 2050 targets	*"A 30% reduction in its CO_2 emissions from energy consumption (scopes 1 and 2) and from business travel (scope 3) per FTE, by 2025 in comparison with the 2018 reference year." Elements relating to climate change and aiming to reduce the carbon footprint generated by purchasing (scope 3) will be included in the purchasing policy from 2022. And suppliers will be engaged in an approach to evaluate their CO_2 emissions, with a view to setting decarbonisation objectives."*	- Reduction in energy-related GHG emissions (scope 1 + 2) per FTE vs 2018[33 34]	-30%	2025	-73%	➜ ★
		- Reduction in business travel-related GHG emissions (scope 3) per FTE vs 2018[24 25]	-30%	2025	-57%	➜ ★
		- Integration of the carbon footprint reduction objective into the Purchasing policy	Objective to be defined in 2023	2023	100% (Target=reduction > 35%)	➜

32. Based on employees present during evaluation campaign.
33. Measurement carried out on entities with more than 100 FTE, in intensity. CASA has defined targets in terms of absolute value as part of committing to a SBTi (Science Based Target initiative) approach, excluding refrigerants.
34. Updated bi-annually.

			Target/ex-post measurement	Maturity	Achieved at 31/12/2024	Progress status
C. Deploying the resources necessary to achieve the objectives						
Deployment of resources dedicated to our ESG and climate commitments	*"As such Amundi has almost doubled the size of its ESG team in the past three years, reaching 40 employees, and its target is to increase it by a further 40% in 2022."*	- 40% increase in the number of employees in the ESG – Responsible Investment team	100%	2022	100%	✔
Continuous training of employees	*"From 2022 onwards, a climate and ESG training programme created with Amundi experts and covering all staff will be implemented, with modules tailored to different levels of expertise, to ensure that over time every employee receives appropriate ESG and climate training."*	- Percentage of employees trained in responsible investment[35]	100%	2023	100%	✔
	"In addition, ensuring that senior executives and members of key committees have the necessary climate knowledge is essential to enabling the robust, high-quality implementation of a climate strategy. Amundi is thus developing a specific training programme for this audience."	- Number of training hours dedicated to Climate issues provided to the SLT (Senior Leadership Team)	No. of hours	Annual	4.15	✔
Contribution to industry efforts	*"Amundi is actively involved in marketplace initiatives that are essential to improving market standards."*	- Activity report on collective commitments	Activity report	Annual	100%	✔
	"Furthermore, Amundi is committed to helping its clients as they align their investment portfolios. To this end, Amundi is making available its research and education documents relating to the climate challenge and the terms of net zero trajectories."	- Activity report on Climate-related research published by Amundi on the Amundi Research Center website	Activity report	Annual	100%	✔
	"It is gradually offering its institutional clients the opportunity to manage their portfolio with a view to alignment."	- Number of institutional clients[36] canvassed on *Net Zero* challenges	Number of clients	Annual	964	➜
	"Lastly, to better contribute to the empowerment of its clients on climate issues, and as part of its Ambition 2025 Plan, Amundi announced the launch of Alto Sustainability, a technological analysis and decision-making solution for investors on environmental and societal issues."	- ALTO* Sustainability marketed and number of modules offered	No. of modules marketed	Modules marketed	ESG module marketed; Climate module defined	➜ ★

35. Training Scope: Amundi training catalogue, individual or collective training, industry certifications, and webinars conducted within the framework of the Investment Academy; data monitored by DRH Formation.
36. Existing clients and prospects.

			Target/ex-post measurement	Maturity	Achieved at 31/12/2024	Progress status
D. Implementing this strategy in a fully transparent manner						
Voting and responsible investment policies	*"The way in which Amundi integrates the climate challenge and ESG issues within its investment policy, as well as within its use of voting rights, is explained in various documents (...)."*	- Voting policy	Publications	Annual 2024	100%	✔
		- Responsible investment policy	Publications	Annual 2024	100%	✔
The Stewardship Report	*"This report, which meets the standards of the UK Stewardship Code as well as similar codes (...), provides an annual summary of actions implemented in the delegation of management for third parties in order to fully enhance our clients' interests. The Engagement Report and Voting Report, both published annually, summarise the campaigns conducted by Amundi in its shareholder dialogue, and the use of its voting rights."*	- *Stewardship report* approved by the FRC	Publications	Annual 2024	100%	➜
		- Voting Report	Publications	Annual 2024	100%	➜
		- Engagement Report	Publications	Annual 2024	100%	➜
The Climate Report - TCFD	*"This annual report, which meets the requirements of the TCFD (...), describes the governance structure in place to address climate issues, risk management and initiatives to support transitions to a low-carbon economy."*	- Climate and Sustainability Report	Publications	Annual 2024	100%	➜
2. INTEGRATING CLIMATE CHANGE INTO ITS MANAGEMENT FOR THIRD PARTIES						
A. Systematically incorporating the assessment of transition into actively managed open ended funds						
Incorporating 100% of the assessment oftransition into actively managed open-endedfunds[37]	*"Amundi is thus working on the implementation of a rating methodology in order to assess, via a best-in-class approach, the transition efforts of issuers in relation to a net zero scenario, specifically through the effort made to decarbonise their business and develop their green activities. By 2025, the stated objective of the portfolios in question will be to have a better environmental transition profile than their benchmark investment universe."*	- Implementation of the environmental transition assessment in the investment process	100%	2025	Currently carried out	➜ ★
B. Developing *Net Zero* 2050 transition funds on major asset classes						
Active management *Net Zero* range on the main asset classes	*"By 2025, Amundi will also offer open-ended funds for the transition to the Net Zero 2050 objective for all major asset classes (...)."*	- Number of asset classes offering a *Net Zero* transition investment product	6	2025	4	➜ ★
C. Contributing to the energy transition financing effort						
Supporting the energy transition financing effort	*"In 2022, Amundi will continue its efforts to develop solutions aimed at investing in businesses or financing projects that make a positive environmental contribution."*	- Report of activities on green solutions, climate	Activity report	Annual	100%	✔

37. Scope of actively managed open-ended funds, where a transitional rating methodology is applicable.

			Target/ex-post measurement	Maturity	Achieved at 31/12/2024	Progress status
3. INTEGRATION OF CLIMATE ISSUES INTO BUSINESS INITIATIVES						
Divestment from unconventional hydrocarbons > 30%	*"Amundi is committed to publishing its exclusion policy for the oil and gas sectors, following the announcement of its intention to divest from companies with more than 30% exposure to unconventional hydrocarbons by the end of 2022."*	- Published policy & eligible scope divested[38]	100%	2022	100%	✔ ★
A. Establishing an active dialogue to speed up and further urge the transformation of models						
Climate Commitment extended to over1,000 companies	*"As part of its Ambition 2025 Plan, Amundi will begin a cycle of engagement with 1,000 additional businesses by 2025."*	- Additional number of committed companies on climate	+1,000	2025	1,478	✔ ★
B. Promoting a socially acceptable energy transition						
Activity report on the "Fair Transition"	*"The social dimension of the energy transition remains an important focus for Amundi, which will continue to invest resources in terms of both research and commitment."*	- Report on engagement on the "Just Transition" dimension[39]	Activity report	Annual	Integrated into the engagement report	✔

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 investing in solutions to accelerate the transition and by progressively aligning our portfolios with the 2050 neutrality objective.

38. Scope of application defined by Amundi's Responsible Investment policy – Non-conventional extraction: oil sands, shale oil and gas.
39. For informational purposes: 547 climate-related commitments from a scope of 464 companies at the end of 2021.

Principle 8

Signatories monitor and hold to account managers and/or service providers

Amundi continually monitors the market for developments and to ensure access to quality information. This ensures we are aware of increases in coverage and scope of the ESG data that is available, including making sure we have access to innovative products, including raw data and forward-looking assessments.

01 Data providers

Amundi constantly monitors ongoing developments at major and innovative ESG data providers. Outlier data on individual companies are also checked. In addition to this ability to cross-reference, the use of multiple data providers has several additional benefits:

- It allows for a greater overall coverage of issuers by combining different datasets (some providers have better coverage of particular regions/sectors/asset classes),
- As data providers take different approaches to analysing a particular criterion, the use of multiple data sources gives the ESG Analysis team a 360° view on critical ESG topics and relevant issuer behaviour,
- It gives Amundi access to more frequent analysis updates, as each data provider updates their analyses according to different schedules.

We monitor companies for controversies and survey the team for their views to ensure our ratings reflect the current reality. ESG analysts may override any company rating if it does not reflect their judgement. If such an override would result in an exclusion, the decision is made by the Ratings Committee.

We also continuously monitor the quality of our ESG research and external data sources. This monitoring includes an automated quality check (set out under Review and assurance of our ESG approach), as well as an ongoing qualitative review by our ESG analysts, who are specialists in each of their respective sectors.

Comparing data is crucial to assess the quality of the underlying information used in our strategies. Typically, if ESG or climate-related data produce very different outputs, we take note of these discrepancies and conduct a deeper analysis. Sample ESG data are statistically verified internally at a high level to ensure their consistency.

On a formal basis, analysts from the ESG Method and Solutions team and the ESG Research team carry out the following actions and produce annual reports for consideration by the ESG Ratings Committee:

- Complete an annual review of each major ESG data supplier and produce a detailed assessment,
- Prepare a summary table of supplier offerings in relevant ESG categories, updated regularly and including an assessment of services,
- Maintain a monitoring table of regular supplier meetings and discussions, including the main points covered, and update the annual supplier assessment report with input from the ESG Analysis team, integrating the views of different analysts on all ESG data suppliers.

Amundi conducts an annual review of its main ESG vendors and their offerings (ESG ratings, climate, controversies, etc.). Amundi also has regular calls and meetings with those vendors to keep up to date with the latest methodological developments and to provide feedback on their services and data, including any potential shortcomings.

PROGRESS IN RECENT YEARS - ENHANCING BIODIVERSITY ANALYSIS WITH ADVANCED PROPRIETARY METRICS

Amundi has leveraged its access to a broad and diverse range of data to develop advanced proprietary methodologies aimed at refining and enhancing its understanding and management of biodiversity-related risks. We have created two complementary metrics, each designed with distinct objectives.

The first methodology, the Biodiversity Safeguards Filter (BSF), is an absolute approach developed internally to identify investments with a direct and significant negative impact on biodiversity. The BSF evaluates issuers through a multi-dimensional analysis, considering the key drivers of biodiversity loss and various data types. This methodology is not sector-neutral, as it focuses on pinpointing the most harmful issuers regardless of their industry.

The second methodology, the Biodiversity Score, is a relative metric that assesses a company's biodiversity performance compared to its sector peers. Unlike the BSF, this approach is sector-relative and aims to benchmark companies within the same industry based on their biodiversity impact.

Both methodologies benefit from the qualitative insights of our analysts. They are integrated into our tools to support portfolio managers in incorporating biodiversity considerations into their investment decisions.

02 Proxy advisors

Regarding proxy advisors, the team undertakes regular due diligence meetings with ISS during which we discuss issues, including the timeliness and quality of their research and the application of our Voting policy, through monthly meetings and email exchanges. We provide feedback to proxy advisors on their methodology and any potential gaps we observe in their analysis.

Analysis from ISS, Glass Lewis, and Proxinvest is used to identify problematic resolutions more efficiently in forthcoming AGMs, while Amundi retains complete autonomy vis-à-vis their recommendations. ISS also provides customised voting recommendations based on Amundi's voting policy. Such an approach enables the Voting & Corporate Governance team to make informed decisions, taking into account different viewpoints, the dialogue the team undertakes with companies, as well as the knowledge of internal experts, including the ESG team. All the votes are instructed via the voting platform ProxyExchange, in accordance with Amundi's voting policy or with custom voting policies established for specific client mandates.

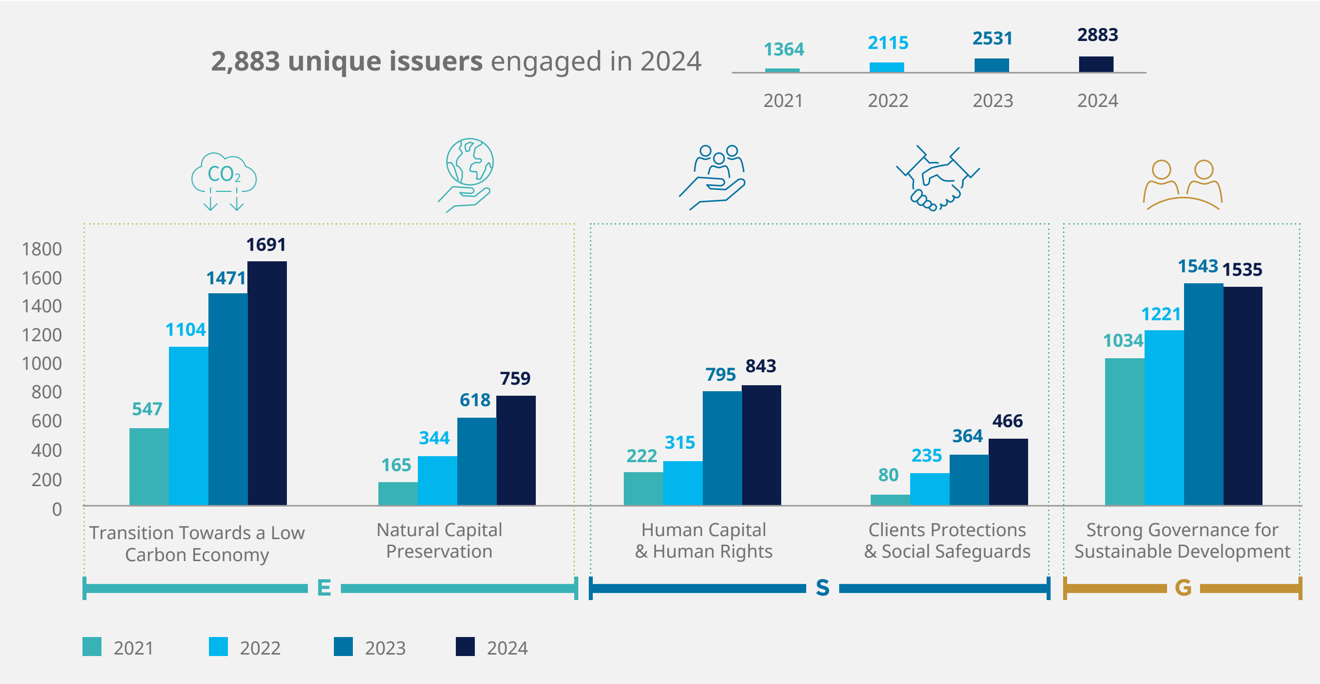
Principle 9

Signatories engage with issuers to maintain or enhance the value of assets

Guided by Amundi's foundational commitment to being a trusted, long-term partner working in the interests of clients and society, our stewardship activities are driven by the ambition to forge a resilient and sustainable economic future. As one of Europe's leading asset managers, our legacy is deeply anchored in responsible investment and ESG integration. Our commitment to engagement is deeply rooted in our core investment values, strategies, and ethos (highlighted in Principle 1), as well as our responsibility to serve our clients (as described in Principle 6). Leveraging our expertise, we don't just aim to manage positive change by actively influencing investee companies, we spearhead it. We hold the steadfast belief that active engagement, when integrated seamlessly into our robust ESG framework, can yield more significant and enduring impacts than mere divestment. At Amundi, engagement is more than just an activity – it's a results-driven pledge that sits in harmony with our overarching mission to cultivate lasting value for our clients and the wider community.

Amundi's 2024 Engagement Overview: A detailed snapshot of sustainability engagements and their geographic distribution, highlighting our commitment to active stewardship.

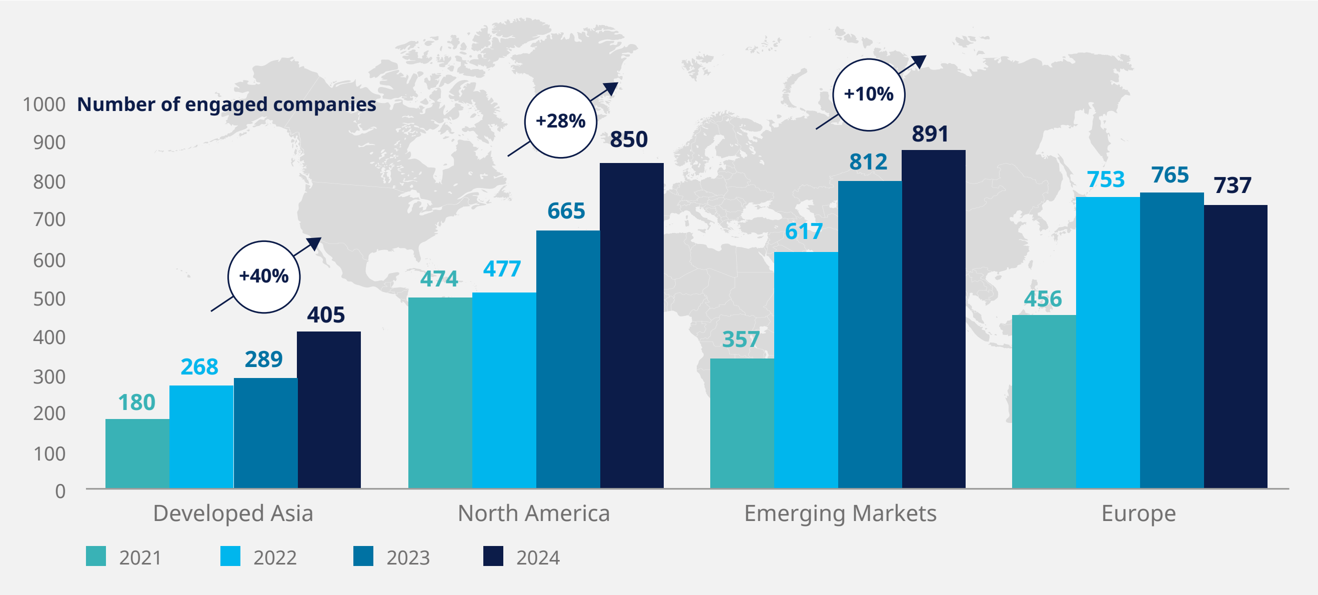
Amundi 2025 engagement statistics



Source: Amundi. Statistics 2024.

We increased our engagement across all macro themes in 2024, with the greatest gains made on the transition to a low carbon economy.

Regional Breakdown of Engagements (by number of issuers)



Source: Amundi, statistics 2024.

While this principle offers a snapshot of our stewardship efforts concerning engagement, a more detailed account of all our engagement policies and activities for the reporting period can be found in our 2024 Engagement Report.

01 The Aims of Engagement

At Amundi, we define engagement as a process distinct from corporate access and traditional corporate dialogue. The primary objective of engagement is to influence the activities or behaviours of investee companies, guiding them to improve ESG practices or make an impact on key sustainability linked topics, as seen as long-term value creation for investors. More specifically, this process is characterised by having a specific agenda and targets that focus on real-life outcomes within a pre-defined timeframe.

Our approach falls into two distinct categories, which sees us engage issuers to:

- Improve their integration of environmental and social practices within their operations and strengthen the quality of their governance to limit sustainability risks.
- Elevate their positive impact on key environmental, social, and human rights related issues which are material to society and the global economy and could translate into higher ESG-related risks, such as controversies, fines, or lower valuation.

A. Selecting companies for engagement

Amundi's engagement process is holistic, encompassing investees and potential investees, regardless of the nature of our holdings. The selection hinges on an issuer's exposure to the specific engagement theme, termed the 'engagement trigger'.

Given the potential far-reaching implications of environmental, social, and governance issues on companies, it is imperative to evaluate an issuer's ESG calibre, irrespective of the size of our stake. ESG challenges that could lead to financial repercussions are integrated into the valuation models and investment protocols used by our investment experts.

B. How we engage

Amundi conducts engagements both individually and collectively with other investors.

Collaborative engagement: working with our peers to help drive the conversation

Collective efforts can often have great impact. Just as we encourage issuers to act collectively on key sustainability issues, investors also often join forces. Collaborative initiatives can provide additional scale and scope for engagement or provide opportunities for greater impact.

When deciding between collaborative engagement or acting on our own, Amundi will choose the most efficient method to push the agenda. We might supplement collaborative efforts with solo engagement if a collaborative engagement would not cover particular issues, sectors, or companies, or if the collaborative initiative does not address the topic in the way Amundi wishes. Amundi values both engagement types as a means to have a positive impact on sustainable outcomes, and will only be active in a collaborative engagement when it is in line with our own policy.

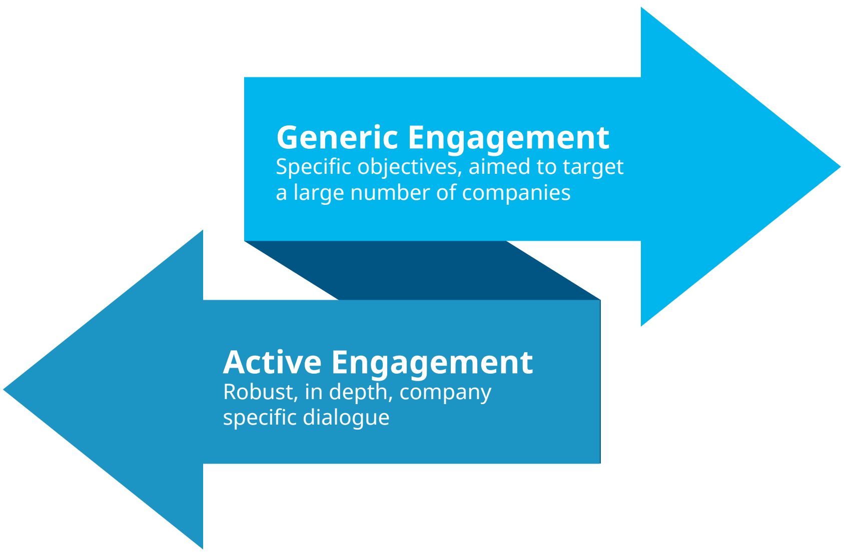
Further details of our collaborative efforts can be found in Principle 10.

Direct engagement with issuers

Where Amundi chooses to engage on a standalone basis with issuers we do so through various means of communication. This can include in-person meetings, phone or video calls, emails, formal letters, or questionnaires. We divide these forms of communication into two categories: active engagement and generic engagement. Whatever the format, the ultimate aim is to set an engagement objective and to track and monitor a company's progress.

How we Engage: defining Active Engagement

Selecting an Active or Generic engagement strategy



Active engagement with issuers

Active engagement is defined as any engagement which includes active dialogue between Amundi and the company. For active engagement, the targets or intermediate objectives are specific to the situation of each issuer. This can include robust dialogue on topics through meetings, calls, direct emails, and questionnaires. In cases of active engagement, issuers tend to provide robust responses and extensive information to set objectives and track progress.

Generic Engagement

Generic engagement is how we describe engagement campaigns that cover large numbers of companies and very specific (often narrower) engagement objectives. These campaigns are usually done via email and enable us to reach a larger numbers of companies simultaneously where the engagement objective is, for the most part, uniform across the entire engagement group. One example is how we communicate our thermal coal policy to companies and outline our objectives accordingly. Large engagement campaigns are arguably limited in scope, but they have their own value as they enable us to target a larger number of issuers with specific requests related to Amundi policies and ambitions. Generic engagement could also be the first step of an active engagement in order to set clear expectations to a large number of companies.

C. Addressing regional nuances through collaboration of portfolio managers and analysts

Amundi is a global organisation; not only in terms of where our clients are based and the types of assets we manage on their behalf, but also in terms of having a presence in different regions. We are headquartered in France, which is where 52% of our employees are located, with nearly a third of our remaining headcount based across the rest of Europe, 8% in the Americas and 8% in Asia.

One example of how these insights support Amundi's stewardship activities is the way in which the ESG Research, Engagement, and Voting team has developed a robust set of resources to support investment professionals in their engagement processes, which take into account regional nuances. This informs theme selection, issuer targeting, best practice in how to conduct thorough engagements with explicit and actionable demands, and monitoring progress. While ESG considerations are integral to our company-wide dialogues, it is evident that our ESG analysts, in collaboration with investment professionals, are pivotal to achieving Amundi's engagement goals. In addition to their in-depth ESG interactions, these professionals also address ESG topics of financial significance. Our global team of portfolio managers and both ESG and financial analysts engage in meaningful discussions, ensuring that local insights are taken into account. The overarching aim is to maintain global standards while accommodating regional specificities.

D. Measuring, monitoring, and escalating in the engagement process

Defining the engagement period

Amundi's engagements typically span around three years, varying based on the defined agenda. Progress and developments are systematically tracked through our internal engagement tool, accessible to all investment platforms. Through yearly assessments, we aim to maintain an ambitious yet practical dialogue with investees, fostering broad-spectrum actions for the collective benefit. At the heart of our mission lies the belief that constructive dialogue is foundational to advancing towards a sustainable, low-carbon economy.

Measuring engagement progress

Amundi diligently measures issuers' progress toward set objectives using defined milestones. Our paramount goal is to effect positive change, so we shape our engagement strategies around efficacy. Navigating the transformation of large organisations can pose considerable challenges for issuers. Adopting a long-term perspective, we frame intermediary targets for engagements, considering the unique circumstances of each company. Balancing our aspirational long-term objectives, we emphasise achievable and quantifiable short- to medium-term enhancements. As proactive investors, our role is to be both rigorous and adaptive, championing the shift to a sustainable and inclusive economy. Recognising existing challenges in accurately gauging sustainability, climate, and human rights themes, we view sustainability as an evolving benchmark. Consequently, our engagement approaches are continually refined to resonate with emerging insights.

Amundi's dedicated proprietary tool for monitoring engagement

All open engagements are recorded and are accessible to all investment professionals. For transparency and traceability reasons, any fund manager or financial analyst can contribute. In order to monitor issuer-specific engagement objectives and the ensuing progress, Amundi has created a proprietary engagement reporting tool. This tool documents the feedback provided to issuers on specific engagement topics (in terms of KPIs for performance improvements) and tracks issuer performance towards these targets. An internal milestone system assesses progress towards these KPIs including:

- Issuers who have made little or no progress towards the target after a sufficient period of time or have remained unresponsive, (negative) flagging them for a potential escalation depending on the severity of the issue,
- Issuers who have not yet indicated if and when they will achieve the objective, but it is still too early to assess if their trajectory is a positive or negative, or issuers that have had varied progress (neutral), and
- Companies who have largely met the KPI or are on course to achieve them in the near future (positive). Engagements logged in our tool can generate auditable statistics to assist in reporting.

Engagement escalation

When engagement fails or if the action/remediation plan of the issuer appears weak, Amundi employs a "toolbox" approach to engagement escalation, aiming to incentivise positive change in issuers. We may enact a mode of escalation up to exclusion. Escalation modes include, in no particular order, negative overrides in one or several criteria of the ESG score, questions at AGMs, votes against management, public statements, ESG score caps, and, ultimately, exclusion if the matter is critical.

See additional detail on how we escalate our stewardship activities to influence issuers in Principle 11.

02 The nature of engagement

Engagement centres on various sustainability aspects, can involve multiple approaches, expect different outcomes and be initiated based on unique rationale. Amundi aims to reach a balance between ambition and pragmatism in order to optimise the efficiency of our engagement and, therefore, maximise our impact. For this reason, while pursuing the same midterm goal, our practices and demands are adapted to the context of a geography, market, theme, or issuer.

A. Themes framing our engagement activity

In 2024, we continued to engage with issuers on our five key themes:
1. Climate: impact amid complexity
2. Natural Capital Preservation
3. Human Capital & Human Rights
4. Client Protection & Social Safeguards
5. Governance

Promoting the UN Sustainable Development Goals through engagement

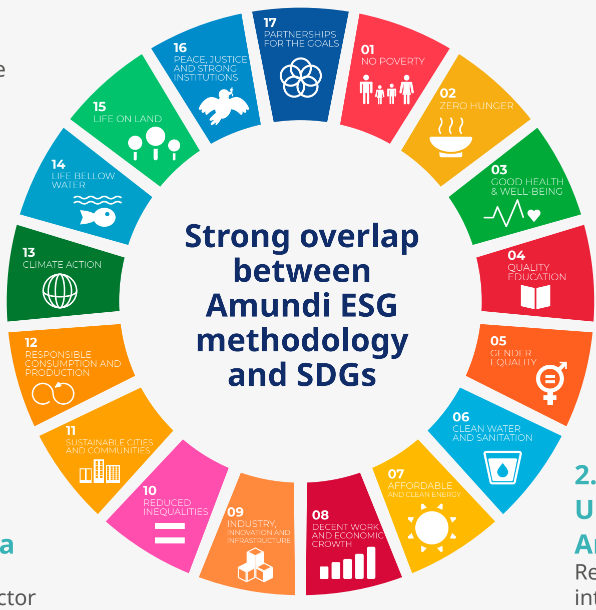
In 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development, which aims to provide a “shared blueprint for peace and prosperity for people and the planet, now and in the future”.[40] Sustainable Development Goals (SDGs) are a globally collaborative and relatively comprehensive set of goals that apply to all countries and all actors. They include universally pressing issues such as poverty reduction, health, inequalities, environmental sustainability, ethics, and economic growth.

Each SDG has specific targets and indicators to monitor global progress to achieve these goals. These indicators present opportunities, not only the public sector but also the broader society and private entities, to engage in sustainable development in a meaningful way. The SDGs do not always directly correlate to ESG but they can provide a framework to help investors understand how they can promote global sustainable development through a wide variety of products and strategies within the realm of responsible investing.

Incorporating the SDGs into our Amundi ESG & engagement process

ESG Rating
• Measures company performance
• Sector based

SDGs
• Measures Global impact
• Issue/theme based



1. Identifying the overlap between SDG Targets and Amundi ESG rating criteria
Identify the most material SDG targets and indicators for each sector which SDGs are reflected in our rating criteria

2. Create a Bridge between UN SDG Indicator and Amundi Engagement KPIs
Reinterpret nationally focused KPIs into corporate engagement KPIs to encourage companies to concretely contribute to the SDGs

40. https://sdgs.un.org/goals

Engagement remains a key tool to promote the SDGs by influencing investees to tackle those challenges and have a positive impact on their outcome. While not every indicator may be relevant to the target sector, the SDGs can help drive the engagement agenda towards goals and targets where the private sector has a key role to play and where investor engagement can encourage greater momentum.

ESG themes	Primary SDGs
Transition towards a low low-carbon economy	7 Affordable and clean energy; 13 Climate action; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities
Natural Capital preservation	12 Responsible consumption and production; 14 Life below water; 15 Life on land; 6 Clean water and sanitation; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities
Social Cohesion	1 No poverty; 3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities
Client, Product & Societal Responsibility	1 No poverty; 2 Zero hunger; 3 Good health and well-being; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 16 Peace, justice and strong institutions; 17 Partnerships for the goals
Governance practices for sustainable development	16 Peace, justice and strong institutions; 17 Partnerships for the goals; 5 Gender equality; 8 Decent work and economic growth; 13 Climate action; 10 Reduced inequalities
Dialogue to Foster a Stronger Voting Exercise	5 Gender equality; 8 Decent work and economic growth; 13 Climate action; 10 Reduced inequalities; 16 Peace, justice and strong institutions

B. Factors triggering our engagement

Amundi initiates engagement based on specific context, issuer-related situations, or sustainability concerns within a company. Companies might also be approached based on how material or salient a particular theme is to its business model or their exposure to relevant risks/opportunities.

While the general areas of focus remain consistent, the specific reason for engaging with each company varies. Our overarching goal is to either enhance their practices or suggest phasing out certain activities. At times, the engagement aims to highlight sustainable opportunities that could deliver additional benefits to companies and investors. Regardless of the topic, Amundi wants to encourage overall improved performance as well as inspire companies to meet specific performance benchmarks or impacts.

Amundi selects issuers to engage based on their exposure (or lack of exposure) to specific risks, both ex ante (depending on their activities or location of operations) or ex post, in case of controversies. Our experience is that research-based engagement is more impactful, therefore, we always conduct our own research, performed by sector specialists on top of the different quantitative and qualitative inputs we use to select issuers. Additionally, based on our experience, we believe that issuers operate within interconnected systems. Therefore, where possible, we aim to reach issuers across the entire ecosystem and generate efficiency.

Case study 5: Pre-AGM engagement – on capital allocation

Region: Europe
Sector: Gas Utilities

Context: In 2024, Amundi initiated a dialogue with an European company that develops, operates, and maintains gas infrastructure globally, to discuss the Company's dividend policy and better understand whether the latter reflected a sustainable and responsible approach to capital allocation.

Company Dialogue: Amundi regularly engages with the Company on various governance matters. This year, Amundi expressed concerns regarding the elevated level of dividend relative to the Company's leverage. As a result, we addressed this issue during a meeting to gain a clearer understanding of their approach. The Company presented a significant adjustment made to its dividend policy for the 2024-2026 period. Specifically, the company will distribute EUR 1 per share to its shareholders over the next three years, which represents a 42.5% reduction from the previously proposed pay-out. This strategic decision aims at supporting the execution of an ambitious investment plan focused on hydrogen infrastructure, positioning the Company as a leader in the transition to sustainable energy solutions.

Voting action: In light of our discussions and the Company's revised dividend policy, Amundi endorsed the updated approach and voted in favour of the dividend proposal at the 2024 AGM.

Voting results: – Item : Approve Allocation of Income and Dividends – FOR : 96.43%.

1. Engagement around specific challenges, sustainability risks, or opportunities

Contextual engagement can be triggered by specific challenges or sustainability risks faced by the issuer or its sector. An example includes industries utilising a specific metal whose extraction might imply human-right related challenges.

Examples of how we exercise our rights and responsibilities can be found in *Principle 12*.

2. Specific ESG performance

A company's ESG performance, whether in general or based on our proprietary ESG rating tools, can trigger engagement. For those lagging or showing progress, the engagement aims to spur improvement in ESG performance or an endorsement regarding the adoption of industry best practice. Engaging with a company may require multiple angles and, thus, the above are not mutually exclusive.

For illustration, please see the updated case study on energy company later in *Principle 9*.

3. Amundi specific policies

As part of its fiduciary responsibility, Amundi has set minimum standards and exclusion policies on critical sustainability topics. Specific monitoring and escalation procedures are triggered when breaches are identified, which can lead to engagement, specific voting actions (when applicable), or exclusion.

Details on our stewardship escalation activities, which includes exclusion, can be found in *Principle 11*.

4. Engagement following a controversy

Please refer to the case studies on forced labour in a chemicals company, as detailed in *Principle 10**, for additional details.*

5. Engagement for specific asset classes

Specific asset classes, such as green bonds, social bonds, asset-backed securities, and sovereign debt, may require dedicated engagement strategies. These engagements have a specific focus on ESG topics relevant to the asset class and aim to foster better practices or disclosures.

Examples of our engagement with sovereign issuers can be found later in this principle.

C. Established versus emerging themes shaping outcome expectations

Established themes

Amundi recognises that our demands and expectations of issuers depend on their level of maturity, the particular circumstances they face, such as the country in which they operate, and the nature of the theme in question. Amundi aims to encourage the adoption of best practices across established themes that are frequently discussed and well researched yet still require corporate action (for example climate and water risks). While improvement on these themes is still expected, companies and sectors are likely to have a strong level of awareness of the importance of the topic.

Emerging themes

Emerging themes are important for the transition towards a sustainable, low carbon and inclusive economy, but awareness remains limited and best practice is still emerging. With these themes, Amundi's objective is to raise awareness, create positive momentum and contribute to establishing market standards.

D. A specific relationship with investees leading to specific target setting and modalities

Through our engagement activities, investees gain access to Amundi's perspective on industry best practice and to valuable insights, especially on emerging topics.. This is significant as it encourages them to see the benefits of engagement, rather than dismissing it as a useless exercise.

Amundi engages current and potential investee companies at the issuer level regardless of the type of holdings held. The primary criterion for selecting issuers for engagement is their level of exposure to the engagement topic.

Given the sustainability implications of environmental, social, and governance issues, both in terms of risk and opportunities, we need to assess the ESG quality of an issuer regardless of our position in the balance sheet (whether a shareholder or a bondholder). If ESG issues could have financial consequences for businesses, those issues will be considered by our investment professionals (equity or credit analysts, portfolio managers) in their valuation models and investment processes.

Illustration 5: Engaging with all companies, no matter their ESG performance, is important to trigger adoption and improvement of best practices

Engagement angle for ESG performance	Definition	How and why Amundi engages on this angle
Engagement with leaders	Discussions with leading issuers with strong ESG performance to offer them positive encouragement and incentivise them to remain a leader through continued improvements. *"Best in Class"* is a moving target and it is important to recognise leaders with strong performance but continue encouraging them to make improvements.	Engaging with leaders can help Amundi get a better sense of current best practice and the sector's evolving approach to managing specific risks. These key insights can help set feasible benchmarks for companies who may be lagging.
Engagement with Improvers	Companies in the early days of their ESG journey that lag behind peers but express a strong desire to improve. Includes companies with a limited knowledge of ESG best practice, such as SMEs (small-medium enterprises) or companies in Emerging Markets.	Amundi may work closely with the company to encourage improved performance by helping the it identify feasible yet ambitious short-term and longer-term targets that will lead to improved ESG performance.
Engagement with laggards	Companies that demonstrate poor performance on one or more ESG criteria and lack the motivation to improve.	Engagements target specific areas where companies lag behind and aim to incentivise them to make necessary improvements.
Engagement for better ESG disclosure	Companies that lag behind their peers because of poor disclosure but not necessarily poor practices (such as in high yield, small cap, or Emerging Market spaces).	Amundi engages with companies to encourage transparency and support them in developing their reporting, while becoming a more responsible actor. Having a clear, well implemented management framework for ESG issues is key to demonstrate to investors that the company prudently manages risks, as measurement is the first step of management.

Source: Amundi Asset Management

E. Asset-class based engagement

Private Equity

We exercise our responsibility as an investor through shareholder dialogue with companies and consider ESG factors in our investments and our Voting policy.

Amundi Private Equity Funds (PEF) follows the Amundi Asset Management Voting policy in their company interactions, with particular focus on two societal issues:

- The energy transition, specifically the decarbonisation of the economy.
- Social cohesion, specifically employee welfare and profit-sharing systems in private companies.

In 2024, we engaged on their ESG roadmap with 100% of our investees on the five macro-themes identified by Amundi.

The growing importance of CSR within small and medium sized companies became increasingly apparent during 2023, with the appointment of CSR managers (part-time or full-time), the inclusion of CSR issues on Supervisory Boards, and the development of CSR reporting. The latter practice is strongly encouraged by growing European regulations, in particular the Corporate Sustainability Reporting Directive, to which 75% of our investees will be submitted to by FY25.

We are, therefore, seeing Corporate Sustainable Responsibility governance becoming more structured, enabling us to strengthen our engagement requests on this subject. Some of our requests have been well received and rapidly implemented by companies; examples of such requests include: the appointment of a CSR manager, CSR representative on the CSR Council, inclusion of CSR criteria in executive remuneration. Other requests still seem to require time: for example, greater inclusion of women in very male-dominated sectors where there are not yet enough candidates, and the advantage of opening up the Supervisory Board to independent members is not yet well understood.

As far as environmental issues are concerned, our commitment remains focused on the need to carry out a carbon footprint assessment followed by defining a plan to reduce greenhouse gas (GHG) emissions that is aligned with the Paris Agreement. There is still a lot of awareness-raising to do on how to reconcile business growth and GHG reduction.

In terms of social issues, our commitment is focused on gender equality and a better profit-sharing system. The workforce of our investees is very male dominated, partly due to the large number of companies in the industrial sector.

Companies are also facing a tight labour market, with recruitment difficulties and a sharp decline in employee loyalty. As a result, Amundi PEF was one of the first signatories of France Invest's Value Sharing Charter and promotes all its initiatives to our holdings. Indeed, we consider value sharing to be a priority because:

1. It is a means of attracting and retaining talent in a tight labour market,
2. It represents an additional income and the recognition of employees' contribution to their company's success, and
3. It contributes to a better alignment of interests between employees, management and company shareholders.

Thus, we are delighted to announce that 60% of our investees have opened their capital to their employees.

Next Steps

In 2025, our key ESG objectives will be:

- Achieve 100% response from our portfolio companies to out ESG reporting questionnaire
- Ensure 100% of our portfolio companies have an ESG roadmap
- Ensure 100% of new investments have a carbon footprint and an associated roadmap

Case study 6: Case study on Private Equity Engagements

Context: In 2022, we invested in a tech company which describes itself as a digital transformation operator. As with many private companies in its country, their CSR framework lacked structure and they had little management experience in this area.

Amundi Actions: Starting in 2022, Amundi decided to engage with the company to discuss ESG and help improve the company's understanding and approach to the topic. We offered to lead on the ESG Roadmap on behalf of other investors. It covered 22 ESG actions across a range of topics, including ESG-linked KPIs in variable remuneration for executive Board members, carbon assessment for Scopes 1,2 & 3, as well as the implementation of a diversity & inclusion policy and addition of one female onto the executive committee. The company made many improvements in the first two years of the engagement (achieving 33% of the 5-year roadmap by the end of 2023, including the latter 3 objectives mentioned above) leading us to deepen our engagement and encourage the company to set even greater ambitions.

Due to the progress achieved in previous years, we focused on the following new objectives in 2024:

- Setting targets for GHG reduction, including Scope 3,
- Maintain an employee turnover rate below the sector average, which increased following the company's decision to shut down some of its subsidiaries
- Maintain an accident frequency rate below the sector average, which increased for unknown reasons.

Engagement outcomes and issuer momentum: We encouraged the company to prepare a remediation plan for these 3 topics, which was done and followed over the course of 2024. We hope to see the final figures reflect the success of this remediation plan.

Next Steps: We will continue to closely follow the engagement and follow up with the company on specific ESG matters and targets that are yet to be set or achieved, to help the company meet its ESG targets over time, especially with regard to improving ESG reporting.

Fixed income

When it comes to corporate and sovereign debt stewardship, Amundi's approach centres around teams of specialists that provide a variety of assessments; including proprietary, fundamental analysis and covenants, prospectuses and transaction document assessment when needed. In case of default, Amundi actively participates in negotiations with the issuer and the other investors. When we are a member of the Restructuring Steering Committee, Amundi seeks to protect the interests of our own clients, but also those of the other investors, rather than members of the committee. We also push, when possible and relevant, to include sustainability-related KPIs, however this is not always possible as terms are approved by all investors, and the distressed issuer might not have the resources nor the processes to comply with such a demand in the short term.

Case study 7: Engaging with EM Banks on the Consistency of their ESG practices with their Green Bond Issuances

Context: Since 2022, we have been engaging with banks located in emerging economies which are issuing green bonds. In 2023, we sent out a questionnaire covering questions relating to ESG strategy and green bond allocation and/or impact reporting practices for 19 banks to receive a more precise view on their ESG profile, out of which we received responses from 16 of them. In 2024, we followed up from the responses received to tailor our recommendations to each of the banks based on the areas of strengths and areas of improvement we have observed, and to better support them in their ESG journey through providing guidance on best practices. As of end of 2024, we have engaged with 27 banks and received 23 responses.

Amundi Actions: As part of the campaign, a questionnaire was sent out covering 6 main themes dedicated to assessing various aspects of the issuer's ESG strategy and green bond practices. The primary objective of the questionnaire was to ensure that the issuer's ESG strategy is closely aligned with their green bond frameworks, and we are looking for evidence that the green bond would play a critical role in supporting the issuer to achieve their ESG targets and ambitions. We raised questions related to the lending practices such as having dedicated green loan offers or target on the percentage of new business that is dedicated to sustainable projects. Questions relating to the project selection practices were also raised to ensure that the issuer's financing activities do not significant harm other sustainability factors and consider minimum social safeguards features, amongst other topics. The 6 themes are as follow:

1. Exclusion policies applied to lending practices and capital market activities
2. Carbon footprint assessment on internal operations, loan and capital market portfolio
3. Net zero targets and strategies
4. Physical climate risk assessment and governance
5. Sustainable lending practices and associated products
6. Management of negative externalities that may arise with project financing

Following the questionnaire responses received from the banks we engaged in 2023, we conducted a review and made a scoring of the banks' performance across the 6 pillars. An anonymised chart was then generated which provides a peer-to-peer comparison of the performance of the bank with other comparable banks within the engagement pool. This comparison chart functions as a helpful resource for the bank to benchmark their ESG performance with their peer group and allowed us to craft more specific recommendations based on areas identified to require more work on.

In addition, for the 7 banks we had previously engaged in 2022, we reviewed their latest sustainability reporting to verify if they had incorporated our past recommendations and provided a new set of recommendations based on the areas of further improvement that we identified.

Engagement Objectives:

The main objectives of our engagement is to foster better ESG practices were:

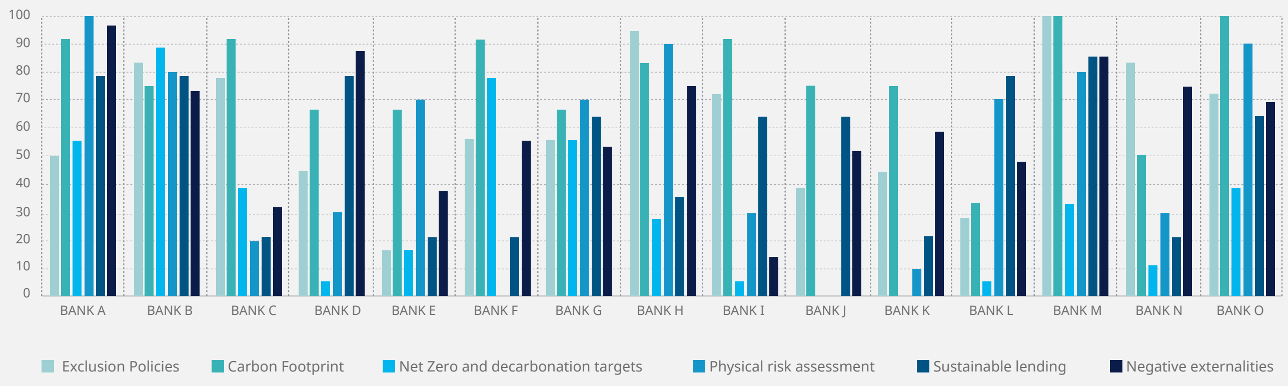
- Make recommendations to the banks related to their physical climate risk strategy that should be part of the assessment of assets financed by GSS bonds
- Encourage banks to develop a sustainable business that gives a rational for the GSS bonds issuance
- Ensure that the banks have an environmental and social risk management in place for the projects funded by the GSS bonds.

Engagement Outcomes: Issuing sustainable bonds on the international market comes with the need to interact with foreign investors, and transparency is key to support sustainable financing. Dialogue is a powerful way to better understand the current practices of issuers and foster improvement, and we can also communicate with issuers on certain best practices.

We noted positive improvements in some of the banks we started engaging in 2022, in particular on the topic of physical risk assessments. For instance, one bank has improved its assessment methodology by incorporating the IPCC climate scenarios and analysing the effects of specific physical climate hazards on the geographical locations of their assets. One bank has improved the transparency of disclosures for their physical risk assessment. Another bank intends to develop better climate modelling capabilities and an enhanced stress testing framework covering both physical and transition risks.

For the banks we engaged in 2023, a few observations were noted in the benchmarking exercise. Mixed scores were seen in the exclusion pillar as the scope of exclusion in banks' lending policies tend to differ (e.g. some do not cover exclusions for coal and deforestation), with the more advanced banks implementing external references, such as IFC exclusion lists. The banks tended to score highly on the carbon footprint pillar as the entire sample group had made a carbon footprint assessment of their internal operations, with the majority having measured the financed emissions of their lending activities. Scores under the net-zero pillar tended to be weaker as most banks have yet to commit to a net-zero target or set interim- and long-term emission reduction targets for scopes 1 to 3. Approaches for physical risk assessments vary, with some banks referencing IPCC scenarios, with others referencing internal data. Banks, in general, offer a range of sustainable lending products, with the more advanced banks offering both social and green products, but only slightly more than half have put a sustainable lending target in place. While most banks have implemented an Environmental & Social Risk Management policy, conduct human rights due diligence and have adequate governance structure to oversee such risks; there is typically less clarity on grievance mechanisms, escalation process for controversies and any remediation plans or procedures for unresponsive engagements.

Benchmarking of EM banks across select ESG topics



Scoring methodology

Each bank was assigned individual scores for each of the six pillars and each individual pillar contained sub-categories where either a Yes or No was assigned depending on whether the practice was observed or a High/Medium/Low to differentiate the quality of disclosure or practice observed. For instance, under the "Net Zero" pillar, examples of sub-categories includes whether the issuer has a net zero pledge and emission scopes (scopes 1/2/3) that have in place a reduction target. Scores from sub-categories were tallied to give an overall score for the pillar.

In addition, we provided the following recommendations specifically in relation to green bond issuance and management of associated project risks financed by the bond:

- **Physical climate risk:** Implement physical risk assessments on loan portfolios and investments with disclosures made on public platforms regarding physical risks identified (acute/chronic), assessed impact of climate hazards, methodology of assessment (e.g. scenario analysis, stress testing, external references such as IPCC climate scenarios, tools employed), governance of risks (including audit processes), and monitoring procedures of such risks (particularly for high-risk assets). Assessments should be done at the asset-level and location-specific and could be further enhanced to identify the financial impact and value-chain impact of physical risk, with an engagement in place to engage loan portfolio companies to assess their physical risk exposures.
- **Sustainable lending:** Setting targets around the % or amount of new business dedicated to sustainable lending and having sustainable product offering (such as discount rate for green loans; better affordability for asset renovation / debt staggering for low-income borrowers). This provides evidence linking the rationale of green bond issuances to the bank's ESG strategy in terms of the sustainable assets being financed through the green bonds, and disclosure on sustainable CapEx would be a core quantitative metric here.
- **Externalities of projects:** E&S risks management processes in place for financing of projects, disclosure of risk mitigation steps for risky lending and use of external certifications to ensure that project financed do not have negative externalities. We recommend alignment of such policies with international standards (such as IFC, EBRD, EIB, Equator Principles). We also look out for governance structure in place to oversee E&S management, particularly on human rights due diligence, and relevant escalation & engagement processes in place in response to project controversies (e.g. grievance mechanisms, stakeholder engagements, appropriate remediation plans).

Next Steps: The engagement campaign and approach have enabled us to effectively identify the gaps in the ESG strategy, as well as the lending practices, of the banks and benchmark their performance within the peer group. We will continue to have conversations with the banks in 2025 on the consideration and potential implementation of these recommendations, as well as to track their progress in the coming year.

Case study 8: Engagement with Multilateral Development Banks (MDBs) on Social bond issuances

Context: Multilateral Development Banks (MDB) play an integral role in providing financing and technical expertise for developing nations to facilitate a variety of projects that improve economic development and overall social well-being. According to a joint report published by a group of MDBs in 2023, a total of USD 63.3 billion in private financing were mobilised by MDBs for the year 2021 directed towards middle- and low-income countries.

Driven by a strong demand for social projects, Development banks are actively prioritising a wide range of initiatives aimed at fostering social progress and sustainable economic development. These initiatives encompass critical areas such as:

- Poverty reduction by improving living conditions and providing economic opportunities for marginalised communities.
- Human development with efforts directed towards enhancing education and training for youth.
- Health to improve access to affordable healthcare services, particularly in underserved regions.
- Gender equality with many organisations launching initiatives that empower women, promote their rights, and address gender disparities in various sectors.
- Reducing inequality and facilitating the integration of refugees and migrants into host communities, recognising the importance of social cohesion and inclusivity in achieving sustainable development.

These initiatives are often funded through social bonds, which play a crucial role in financing projects that align with the banks' socio-economic goals. By integrating social bonds into their funding strategies, these institutions reaffirm their dedication to achieving impactful sustainable outcomes.

As such, in an effort to foster best practices in the social bond market, Amundi launched an engagement campaign in 2023, targeting MDBs to better understand their approach towards issuing social bonds based on their social agenda, and to promote transparency and more robust disclosure of social projects and associated impacts.

Amundi Actions: A total of 21 MDBs and related agencies active in the social bond market were engaged in 2023. These include a mix of both regional developmental finance institutions and national public sector banks. 67% of the engaged issuers answered to our engagement request, and the main outcomes of this engagement programme are described below.

Engagement Objectives:

The engagement campaign had three main objectives:

1. Encourage stronger contextualisation of social bond project categories with issuer's social priorities, and clearly defined target population for the projects.
2. Develop stronger alignment of social bond frameworks with ICMA Social Bond Principles and improve transparency in the reporting of bond allocations and impact data.
3. Implement appropriate social safeguards, due diligence and risk mitigation measures to ensure that financed projects do not result in negative externalities or severe controversies. Projects should also promote additionality and high impact.

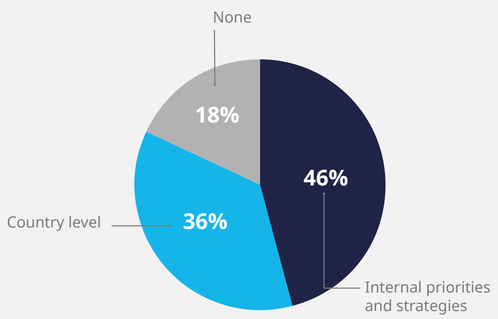
Engagement Outcomes & Issuer Momentum:

Contextualisation

The responses from various multilateral development banks and agencies indicate an overall **strong commitment to contextualising their framework in alignment with their social priorities and local context**. However, even if most of the MDBs have strong processes ensuring these alignments, some institutions are lagging with broad definitions and selection processes.

Most organisations confirm that they finance projects financed by the social bond to **specific internal objectives and priorities**, with several planning updates to enhance this alignment. This alignment is often achieved through the **integration of specific processes** that guide project selection and implementation.

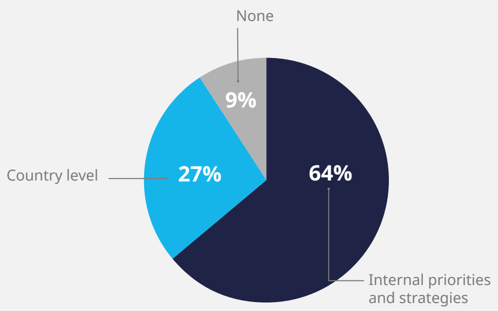
Figure 1: Integration of specific process



To add contextualisation in the projects, these bond frameworks are often aligned with the **Sustainable Development Goals** (SDGs), which provide a global blueprint for addressing pressing social, economic, and environmental challenges. By aligning their projects with the SDGs, institutions can strengthen their contribution to local specifics efforts.

However, some rely heavily on **general country strategies without delving into the specific social contexts** of the populations they serve. This approach may overlook critical local nuances and the unique challenges faced by different communities. **Some institutions could benefit from more specific criteria to ensure that the most vulnerable populations are effectively reached**, suggesting a need for more tailored assessments that reflect the socio-economic realities of the communities they serve.

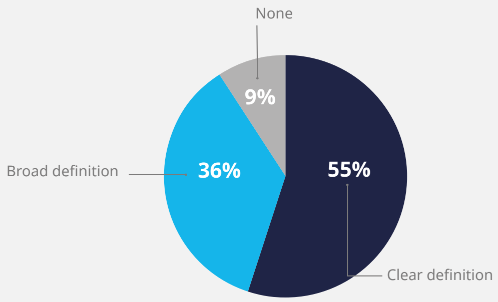
Figure 2: Projects contextualisation approach



The reasoning behind defining target populations is driven by a focus on **maximising social impact, designing projects that address immediate needs while contributing to long-term social development**. Institutions often conduct assessments of social inequalities within communities, analysing socio-economic data and demographic information to identify gaps and challenges faced by vulnerable groups.

However, even if some institutions have processes in place, work with local authorities or have specific methodologies, the **target populations are not well defined in the frameworks globally**. The effective reach of the vulnerable population is often described broadly without external references and definitions.

Figure 3: Target population definition



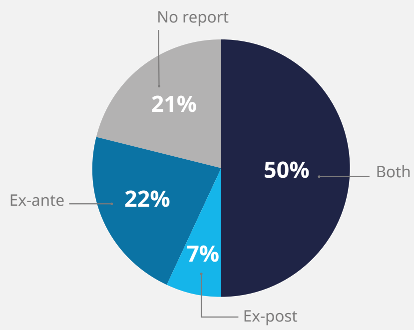
Transparency and standardisation

The sustainable bond market made significant improvement in term of harmonisation, with nearly almost all frameworks from conventional corporates adopting the ICMA Principles, including Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. While many organisations embrace these principles for their value in enhancing transparency and aligning with established standards, others choose to pursue their own paths. The MDBs are particularly concerned, the **lack of harmonisation lies mostly categorisation of projects funded by the proceeds**.

Effective communication of social impact results to stakeholders is crucial for building trust and demonstrating accountability. Reporting should describe impact data and if they are calculated on a pro-rata basis, ex-ante or ex-post, the proportion of the project's co-financed, the calculation method and assumptions used. We observed that some institutions are able to have a **very comprehensive and systematic approach at projects level** to compute the social impact with key KPIs chosen and even methodologies to measure and track developments outcome under the SDGs.

However, some MDBs **aren't able to report or produce ex-ante data**. Reporting is a core component of the sustainable finance market. It is the only way for investors to have details on the type of projects the issuers will finance and to evaluate their impact on the environment and/or on society.

Figure 4: Ex-ante/Ax-post data reporting



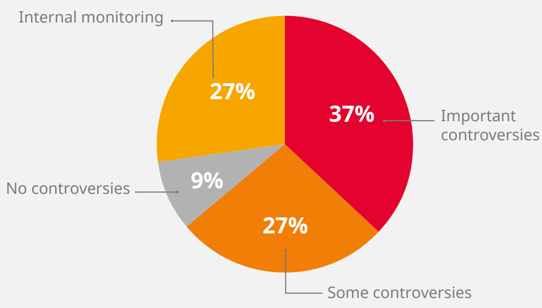
Externalities

The responses from various institutions regarding the selection and prioritisation of social issues reveal a comprehensive and collaborative approach to project development. Many organisations emphasise the importance of aligning their initiatives with the specific development priorities of the countries they serve.

Processes for environmental and social (E&S) due diligence reveal a strong commitment to ensuring that projects are developed and implemented with careful consideration of their potential negative impacts. This includes conducting thorough evaluations before project approval and ongoing monitoring throughout the project lifecycle to track effectiveness and make necessary adjustments.

Institutions implement a range of mechanisms and processes to effectively address controversies related to financed projects and provide access to remedy for impacted stakeholders. These include establishing grievance redress mechanisms that allow affected parties to report concerns and seek resolution, often with options for escalation to independent recourse mechanisms. However, MDBs are often subject to controversies. Most of these institutions have controversies attached to their projects and three of them are monitored closely by our ESG controversy process. This makes the efficiency of these grievance and E&S policies mechanisms questionable.

Figure 5: MDBS and controversies



Next Steps and Amundi Perspective of Engagement: At the moment we have continuous discussion with MDBs and agencies, as these are a major player in the sustainable bond market. Their "social by nature raison d'être" is often used as an excuse to broader definition and do not allow us to have standardisation and measurement we need to ensure our impact investing.

Some MDBs undertake significant work to improve their frameworks with strong methodologies and selection process to ensure the best practices and an alignment with their strategy. However, some institutions are still lagging with poor reporting and/or framework which may limit our investments due to risks of green/social washing.

Most of them seem to have processes in place to ensure environmental and social risks associated with funded, however a lot of controversies arise on these same projects.

We will continue to engage the MDBs, as key actors of the social bond market, to improve the quality of financed projects and their transparency.

Case study 9: European Telecommunications Company

Context: Engaging with this issuer is crucial due to the telecommunications sector's role in supporting Paris Agreement goals. The target of the engagement was its reporting practices, specifically its ongoing efforts to align with EU Taxonomy regulations, as well as its initiatives to improve supply chain sustainability. Additionally, even though the issuer is committed to a full fibre network, with renewable energy initially powering 84% of its operations, challenges remained in sourcing renewable energy in Brazil and Germany. The company is enhancing its due diligence efforts to address social controversies in its call centres and is exploring the issuance of social bonds for projects benefiting rural and vulnerable communities, demonstrating its commitment to sustainability and social responsibility.

Amundi Actions: Amundi has actively engaged with the company multiple times over the past year to discuss its sustainability strategy, reporting and performance. The focus was primarily on:
- Recommending third-party verification of sustainable bonds allocation and impact reports
- Discussing progress on their sustainability strategy to reach Net Zero by 2040
- Discussing potential social bond eligible categories and the metrics for measuring impact
- Discussing the management of potentially negative social externalities as well as the positive environmental impact of some of the categories in its sustainability bond framework

Key Objectives for our engagement were as follows:

1. Support improvement in transparency and accountability of the company's allocation and impact reporting, with proper allocation reporting and third-party verification
2. Encourage an increase in Projects Quality and Eligibility in social aspects, especially when it comes to potentially controversial projects
3. Support an increase in Projects Quality and Eligibility in green aspects, where concerns were raised about the "Data-driven solutions" category's additionality and environmental impact

Engagement Outcomes and Issuer Momentum: This year, the engagement with the issuer has shown positive momentum, with several notable developments outlined below. Some points are still pending to close the engagement.

	2024
Annual Open Engagement Objectives	We recommended the company to: 1. Improve transparency and accountability of its allocation and impact reporting 2. Increase Projects Quality and Eligibility in social aspects 3. Increase Projects Quality and Eligibility in green aspects
Company Performance during year	1. The quality of the company's allocation and impact reporting has significantly improved and now includes bond-by-bond reporting, evolution of realised impact YoY and external verification 2. The company has addressed some social and governance controversies related to its operations in Brazil and Venezuela and reinforced its due diligence processes and monitoring of potential controversies 3. We recognise some clarity has been provided on "Data-driven solutions" projects, however we have asked the company to provide more information about the additionality and positive environmental impact of such projects, that are still to be demonstrated
Change	↗

The engagements provided valuable insights into the issuer's climate initiatives, supply chain management, and approach to EU Taxonomy alignment. The company is making significant strides in sustainable finance reporting, in controversy management and oversight, as well as in reducing emissions and engaging with suppliers on sustainability practices.

Next Steps: Moving forward, Amundi plans to continue its engagement with the company by:

- Following up on offline questions regarding its data-driven solutions and requesting further details on their carbon shadow pricing.
- Monitoring the implementation of its sustainability practices and the impact of its lobbying efforts for EU Taxonomy inclusion.
- Engaging in discussions to address any remaining concerns related to their operations in Brazil and Venezuela.

Engaging with sovereign entities

Engagement with sovereign issuers is gaining momentum in the market but is generally less developed than engagement with companies. According to the PRI, the four main barriers to engagement with sovereigns are:

1. The fear that voicing concerns could be interpreted as political criticism,
2. The lack of impact if holdings are too small and the risk of attracting undesired attention if holdings are large,
3. The rise of passive investment, which provides structural demand for sovereign issuers included in major bond indices,
4. The perception that ESG risks are relevant mainly for emerging markets.

Amundi's Approach to Sovereign Engagement

Amundi's sovereign engagement is built on multiple pillars, integrating the ESG Research and Engagement teams (Sovereign ESG and GSS Bond analyst teams) with portfolio managers.

Amundi Asset Management's Sovereign Framework

Issuer Level	Sovereign ESG Team / EMD PM team participate in investor calls with the Ministry of Finance etc.
Bond Structuring / Restructuring	PM use bondholder position to pin relevant KPIs to the bond structure (exemple, via SLBs)
Industry Level Collaboration	Amundi is part of the Advisory Group of UN PRI led ASCOR project, sharing expertise & skills to help develop a Sovereign ESG framework (participants include pension funds, TPI and asset managers)

Source: Amundi Asset Management

In 2024, we engaged with sovereign issuers at two levels:

1. At issuer level, focusing on their thermal coal policies and on their progress towards gender equality,
2. At issuance level, assessing countries' GSS bond frameworks and issuances, and their consistency with the issuer's ESG policy.

Regarding engagement at issuer level, we started a campaign on thermal coal in 2023, focusing on issuers with a significant dependency on this source of energy for power generation. Although engagement with sovereign issuers is not widespread practice, we managed to initiate a discussion with two sovereign issuers on their climate policies. We had follow-up meetings with them in 2024.

Separately, in 2024, we also started engaging sovereign issuers on the question of gender equality and diversity through their commitment to the UN SDGs (SDG 5: Achieve gender equality and empower all women and girls).

Going forward, the completion of the first phase of the ASCOR project should support engagement with sovereigns. This initiative, led by investors – including Amundi, is aimed at setting up a framework and a freely available dataset to assess countries' decarbonisation pathway and climate-related risks. More information on ASCOR can be found in Principle 10 of this report.

Case study 10: Engaging with Sovereign issuers on thermal coal

Context: Amundi has committed to reducing its exposure to thermal coal in its portfolios, with a formal exit for OECD countries by 2030 and for the rest of the world by 2040, in line with the Paris Agreement.
Our commitment to such deadlines does impact our capacity to invest in companies exposed to thermal coal, notably utilities and banks. As we recognise that companies are constrained by the legislative framework and energy policies of the countries in which they operate, we have decided to engage with sovereign issuers on this topic.

Amundi Actions:

Engagement Selection

Amundi decided to engage with countries' governments alongside utility companies and domestic banks, in order to find the right path towards a low carbon energy mix and phase out thermal coal. We selected a few countries with significant reliance on coal in power generation and no full commitment to phase-out to pursue this engagement campaign: Australia, Indonesia, Kazakhstan, South Africa and Türkiye. Only 2 sovereign issuers answered positively to our request.

Sovereign issuer	Issuer answered our engagement request	Share of coal in electricity production	Coal phase-out commitment	Net Zero target
Australia	Yes	47%	No	2050
Indonesia	No	66%	Party*	2060
Kazakhstan	No	62%	No**	2060
South Africa	No	84%	No	2050
Türkiye	Yes	36%	No	2053

* Indonesia did not sign clause 3 (no new plant) of the coal exit at COP26; In 2022, Indonesia set a 2050 phase out date for unabated coal-fired power generation.
** Kazakhstan has only endorsed clause 4 of the coal exit at COP26, which focuses only on financial, technical, and social support for a just transition. It has not committed to a coal phase-out nor ceasing to permit issuance or construction of new coal-fired plants.

Engagement Objectives

Our intentions are to:

- Explain to sovereign issuers Amundi's thermal coal policy and its impact on the companies we hold, notably utilities and banks
- Obtain clarifications on the country's thermal coal phase out plans and target date
- Exchange information on ways for the government to support the energy transition of its economy, through a transformation of local utility companies and support from the financial sector

Engagement Outcomes & Issuer Momentum: In 2024 we had follow-up discussions with the two sovereign issuers (Türkiye and Australia) we started to engage in 2023. We tried again to reach out to the other countries in our selection but did not receive an answer yet.

Regarding Türkiye and Australia, the progress on the commitment to phase-out coal is limited for the time being, for different reasons (energy security; weight of coal in the domestic economy; difficulty to meet growing energy demand without fossil fuels). There is, however, acknowledgement of the need to develop low-carbon sources of energy.

It is worth noting that in Australia, besides our engagement at federal level, we also discuss with the states of South Australia and New South Wales on the topics of coal phase-out and decarbonisation policies.

Issuer	2023 recommendation	2024 assessment
Australia	– Commit to coal phase-out by 2030 as Australia is an OECD country. – Strengthen the country's carbon pricing scheme (Safeguard Mechanism): 1/ enlarge the coverage (currently only a small part of the GHG emissions is covered); 2/ reduce the use of offsets.	- Still no plan to phase out coal by 2030 and no timeline for now. Progressive phase down as the coal power plant fleet is ageing and investment in renewables is catching up. + Push to develop renewable energies by supporting companies' transition. - Safeguard Mechanism: 1/ will continue to cover only facilities that emit at least 100,000 tonnes CO_2-e in a year; 2/ no discussion to reduce the use of offsets.
Türkiye	– Publish a Nationally Determined Contribution (NDC) following Türkiye's ratification of the Paris Agreement in 2021, with a clear roadmap for sector decarbonisation. – Commit to coal phase-out by 2030 as Türkiye is an OECD country. – Put in place a carbon pricing scheme.	+ Türkiye updated its NDC to the UNFCCC in 2023. - The NDC targets were not upgraded, implying further increase in GHG emissions by 2030; - There is still no pathway or timeline on the phasing down of coal (capacities continue to increase). - The climate law with a roadmap to reach Net Zero in 2053 has still not been published. + The development of renewables and other technologies is going on. + Consultations to set up an ETS have been launched.

Next Steps and Amundi Perspective of Engagement: We will again contact the issuers that have not answered yet, as well as other sovereign issuers exposed to thermal coal. We will also follow up with Türkiye and Australia in 2025.

Case study 11: Engaging with Sovereign issuers on gender equality

Context: As mentioned in the UN's 2023 SDG report, progress towards gender equality is slow. Overall, 15.4% of SDG 5 (Achieve gender equality and empower all women and girls) indicators are on track with the 2030 targets, 61.5% are at a moderate distance and 23.1% are far or very far off track. The report says that "at the current rate, it will take an estimated 286 years to close gaps in legal protection and remove discriminatory laws, 140 years for women to be represented equally in positions of power and leadership in the workplace, and 47 years to achieve equal representation in national parliaments".

At sovereign level, a strong argument to move the topic up the priority list is the positive economic and financial impact of a higher (or better) female inclusion, especially for less-advanced countries. According to IMF estimates, EM economies could boost GDP by about 8% over the next few years by raising the rate of female labour force participation by 5.9 percentage points—the average level by which the top 5% of countries reduced the participation gap during 2014-19.

We expect countries to have a national strategy on gender equality and empowerment of all women and girls, in line with the 2030 UN Sustainable Development Goals.

Amundi Actions:
Engagement Selection
We decided to engage EM sovereign issuers in different regions on their progress towards SDG 5, as better inclusion of women would have a significant positive impact on their economic development on top of improving the position of girls and women.

Engagement Objectives

Our intentions are to:

- Make sure that countries have ratified international conventions and protocols on women's rights and converted them into domestic law
- Assess whether countries have laws, policies, action plans and monitoring tools aimed at progressing towards SDG 5's objectives, notably in the areas of education, work, as well as politics and public affairs
- Encourage countries to better report and monitor on the topic of gender equality to allow better assessment of policy outcomes
- Encourage countries to include gender-related projects in their social or sustainable bond frameworks

Engagement Outcomes & Issuer Momentum: The outcome of our first year of engagement campaign was mixed. Five of the 11 countries contacted acknowledged our request for engagement and provided answers, which is quite encouraging given that sovereign engagement is not mainstream. One difficulty for engaging on gender is the lack (or low quality) of data available on some topics. For instance, most of the countries covered do not have reliable statistics on the gender wage gap.

One key conclusion of this engagement so far is that having a legal framework supporting women's rights is not enough. Even when countries have ratified the main international treaties and conventions related to women's rights, and have domestic laws in line with these, implementation processes and frameworks are often lagging, leading to weak outcomes. Another conclusion is that while gender equality in education appears to have been achieved or almost achieved in the targeted countries (except Peru), there is considerable room for improvement in the labour market and in public affairs and politics, where female representation is generally low.

SDG 5-related KPIs and targets

Sovereign issuer	Ratio of female-to-male mean years of education received (SDG target = 100%)	Ratio of female-to-male labour force participation rate (SDG target = 100%)	Seats held by women in parliament (SDG target = 50%)	Response to request for engagement
Brazil	105%	73%	15%	Answered
Colombia	104%	67%	19%	Answered
Costa Rica	102%	69%	46%	Not answered yet
Ecuador	100%	70%	39%	Not answered yet
Hungary	97%	78%	15%	Answered
Malaysia	99%	67%	15%	Not answered yet
Mexico	97%	59%	50%	Answered
Peru	89%	84%	40%	Not answered yet
Philippines	106%	65%	28%	Answered
Qatar	120%	62%	4%	Not answered yet
Türkiye	97%	NA	32%	Not answered yet

03 Thematic engagement activities

A. Engagement on transition to a low carbon economy

Amundi's engagement on climate change - overview

At Amundi, our engagement strategy is designed to work constructively with issuers to find pragmatic transition options that balance climate imperatives with investor interests.

Amundi strives to engage with purpose, selecting the issuers with the highest emissions that can have the most significant impact on climate change while enlarging the engagement pool overtime to issuers that have lower emissions but are clients or suppliers of high emissions sectors. We seek to do this by tracking the weighted contribution of each issuer towards the carbon intensity of major indices and further subdividing for high-intensity sectors and issuers/sectors lacking science-based targets. Throughout 2024, we engaged with over 1,600 unique issuers on climate.

The main topics we addressed in 2024 were complementary actions for tackling the broad issue of bringing about a low-carbon economy. Net zero (or carbon neutrality) – aligning companies' emissions and investors' portfolios, is critical to meeting the objectives of the Paris Agreement. Amundi, therefore, engages with issuers and financial services companies on the importance of decarbonising supply chains, products, and portfolios. To this end, we engage across the Scope 3 value chain to cascade transitions through the economy and across geographies. Meanwhile, we are focusing on reducing methane emissions, as its short half-life and extreme carbon impact (>80xCO_2) can mean big gains on global warming, fast. Thermal coal has been a key topic since 2019, with a multi-layered approach by region[41] because it continues to be a major source of power, despite the existence of viable alternatives. And lastly, because some degree of climate change is now inevitable, Amundi engages on physical risk and adaptation, encouraging high-risk issuers to anticipate rather than pay the price of ignorance.

Engagement momentum and outlook

Significant progress was made in aligning companies with net-zero targets, particularly in high emission sectors like steel and electric utilities, where many firms are continuing to commit to SBTi-validated targets. Additionally, thermal coal remains a critical focus for Amundi, by the end of 2024 we engaged 226 unique issuers on the subject of exiting thermal coal. The percentage of issuers who are not aligned with our thermal coal policy remained consistent for OECD and EU countries (53% across both 2023 and 2024), while for the rest of the world we saw a significant decrease, from 74% to 54%. In oil & gas, engagement around methane reduction was encouraging with discussions centred around methane measurement and abatement solutions, as well as the role of the OGMP. We also worked to connect issuers with relevant partners who can assist them in their journey to reduce methane emissions.

Looking ahead, Amundi plans to maintain ongoing engagement with all issuers from the Net Zero campaign to ensure stronger accountability and encourage progressive climate action. In 2025, we aim to develop value chain maps across our areas of coverage to ensure we focus on clear and pragmatic routes which cut across sector boundaries instead of engaging where there are systemic blockers to progress. We will continue enhancing our methodology, reformatting our engagement approaches to focus on criteria relevant to each issuer's stage in their decarbonisation journey.

41. Amundi is committed to phase out thermal coal from its investments by 2030 in OECD and EU countries and by 2040 in non-OECD countries.

Illustration 6: Engaging on thermal coal

Amundi's Thermal Coal policy remains a key part of our climate and engagement strategy. Amundi has committed to reducing exposure to thermal coal in its portfolios, with a formal exit for OECD and EU countries by 2030 and for the rest of the world by 2040, in line with the Paris Agreement.

Amundi has two segments to its policy: coal developers, namely companies developing new thermal coal assets, and coal-exposed companies (by revenue) that are not developers. We have engagement streams around both segments. Full detail of Amundi's Thermal Coal policy can be found on page 20 of the Amundi 2024 Engagement Report.

In 2024, for the fourth year, we communicated our coal policy to companies flagged for thermal coal revenue that did not have an aligned phase out plan. Full details of the criteria used to select companies for engagement can be found on page 21 of the 2024 Engagement Report.

By the end of 2024, 226 unique issuers[42] were engaged on the subject of thermal coal exit, ~55% of which were companies previously excluded from Amundi's active open-ended funds and ESG ETFs as of 31 December 2024.

Going forward, we will continue to engage on the subject of thermal coal with all relevant issuers that do not have a timely phase-out plan.

Amundi believes that banks play a crucial role in the ongoing energy transition, alongside public authorities and the banks' clients. The following case studies demonstrate how Amundi has engaged with banks in Asia, Africa and Latin America:

Case study 12: Engaging with banks in Asia, Africa & LatAm

Bank	Initial Assessment	Recommendations	Prior Evolution	2024 Status
Bank A **Region:** Africa **Start year:** 2022	– The bank's coal policy did not align with the Paris Agreement – Executive remuneration is based on external ESG ratings of the institution by rating agencies, rather than internal metrics	1. We recommended aligning thermal coal policy with Paris Agreement (phase out by 2030 for OECD and EU, by 2040 for the rest of the world)	The bank updated its thermal coal policy in June 2023, and pleasingly, it committed to reduce its thermal coal exposure to zero by 2030, thus ahead of the 2040 timeline for its non-OECD activities. The bank's coal exposure was small, at 0.05% of loans and advances as of March 2024	N/A
		2. We encouraged the company to create internal climate related ESG KPIs rather than use external ESG ratings	No progress yet	No progress yet
		Next Steps: *We will continue to encourage the bank to create internal, quantifiable ESG metrics rather than using external ESG ratings to drive executive variable remuneration.*		

42. For misaligned subsidiaries, if both the subsidiary and parent company were in our focus list then we engaged only with the parent company. We have also included issuers we engaged where Amundi did not have investment at the end of 2023, however we have removed issuers that we discussed our policy with/or engaged with on the same that did not have thermal coal exposure at the end of 2023 (however it may have had exposure at some point earlier). – update needed.

Bank B **Region:** Asia **Start year:** 2023	– Amongst the country's largest banks with customers who are exposed to deforestation risk – Exposure to clients with coal activities (coal exclusion did not include coal infrastructure and developers) – The bank has a coal policy but does not have a deforestation policy – In 2023, the bank's sustainability-linked loans and green financing target were less than 1% of the bank's total loans – Climate risk is well understood by management, and the bank's climate strategy is credible. The bank has set decarbonisation targets.	1. We encouraged the bank to strengthen its thermal coal policy and align with best practice by excluding all thermal coal activities.	Engagement initiated in 2023	The bank's coal policy still does not cover all coal activities. Notwithstanding the above, the bank has a credible climate strategy compared to its emerging markets peers.
		2. We recommended the bank to publish a deforestation policy to guide its engagements and dealings with customers exposed to deforestation risk.		The bank still does not have a standalone public deforestation policy although it relies on internal procedures to manage the risks.
		3. We encouraged the bank to ramp up green loans and financing.		The bank doubled its sustainability-linked/ green finance target. Resources for transition and low carbon increased at a faster rate than the bank's total loans.
		Next Steps: *We will continue to engage the bank and nudge it to address some of the remaining issues. The bank has already made tremendous improvements in most climate risk aspects, with a commitment to attain net zero and thermal coal phase out timeline that is in line with the Paris Agreement.*		
Bank C **Region:** Latin America **Start year:** 2023	– One of the largest national banks with exposure to sectors that are vulnerable to deforestation and biodiversity loss – The bank has set decarbonisation targets for high emitting sectors that have been validated by SBTi – However, the bank does not have a public thermal coal exclusion policy	1. We encouraged the bank to develop a public coal policy with a commitment to phase out all thermal coal activities by 2030 for OECD and EU countries and by 2040 for the rest of the world.	Engagement initiated in 2023	The bank did not develop a public coal policy. It indicated its thermal coal exposure was less than 1% of its total loan book. The bank indicated that it would take on board our recommendation(s) when reviewing its policies
		2. We recommended the creation of a public deforestation policy.		The bank did not create a public deforestation policy. It uses internal procedures to manage client deforestation risks. The bank stated that all projects meet the Equator Principles.
		Next Steps: *Amundi will continue to engage the bank and nudge it to address the remaining issues: the creation of a public coal policy and a deforestation policy.*		

Case study 13: Engaging with a European bank

Context: This European bank updated its thermal coal policy in July 2021. Although positive momentum is always welcome, Amundi saw room for improvement. The policy remains misaligned with the objective of the Paris Agreement to limit global warming to 1.5°C or well-below 2.0°C. Amundi considers that the bank's policy remains deficient, as it includes no commitment to phase out exposure to thermal coal power generation and that lacks transparency (no full exclusion of coal developers).

We therefore started engaging with the issuer in 2023 to discuss the policy, as well as its wider climate strategy. Interestingly, the bank is quite active in terms of sustainable finance, being a player in the issuance and facilitation of green and social bonds. However, minimum level of commitment is lacking to limit and reduce brown financing (including a commitment to phase out thermal coal according to a 2030/2040 timeline), in addition to efforts to grow the green part of the business.

Amundi Actions: To intensify our engagement efforts, we decided to participate in the 2024 AGM by asking a public question. We found this appropriate because the issuer remains one of the few large European banks that have not yet committed to phase out thermal coal power generation.

Engagement Objectives

Through the question we raised during the bank's AGM, we urged that the thermal coal policy be brought in line with leading practice in the sector. More specifically we asked the bank when it will:

- Commit to phase out thermal coal power generation (by 2030 for OECD and EU and by 2040 for the rest of the world)
- Expand the scope of its thermal coal policy to also cover investment activities and securities underwriting

Through our regular exchange with the bank during 2024, we also recommended it to strengthen the following climate-related issues:

- To extend sectoral decarbonisation targets to also cover the capital markets activities (the so-called "facilitated emissions"), on top of lending and investments
- To develop and publish a client transition framework, which we have seen emerge as best practice in the banking sector

Engagement Outcomes & Issuer Momentum: In line with our recommendations from last year, the bank updated its unconventional oil & gas policy in June 2024 to clarify the definition of companies covered by this policy. The new policy now stipulates that the exclusion concerns "counterparties that derive >15% of their production revenues from unconventional resources".

It is also worth noting that the bank said to have submitted near-term targets to the SBTi in March 2024. We understand from the engagement that these targets cover own emissions as well as Scope 3 Category 15 emissions. Both developments are clearly positive.

Unfortunately, we did not get traction regarding our request for a commitment to phase out exposure to thermal coal-fired power plants. Nor did we see progress on our recommendation for a full extension of the bank's thermal coal policy to also cover investment activities and securities underwriting.

Regarding the client transition framework, we have noted the bank's work on this topic and reference to it in its public documents. Nonetheless, we see room for enhanced transparency on this framework, including disclosure of the methodology used to assess these plans, of the assessment output at portfolio level, of the engagement strategy and of potential escalation measures.

On the facilitated emissions target setting, the bank stated that it is closely considering the Net Zero Banking Alliance guidelines. These stipulate that capital markets targets, where significant and where data and methodologies allow, should be included by November 2025.

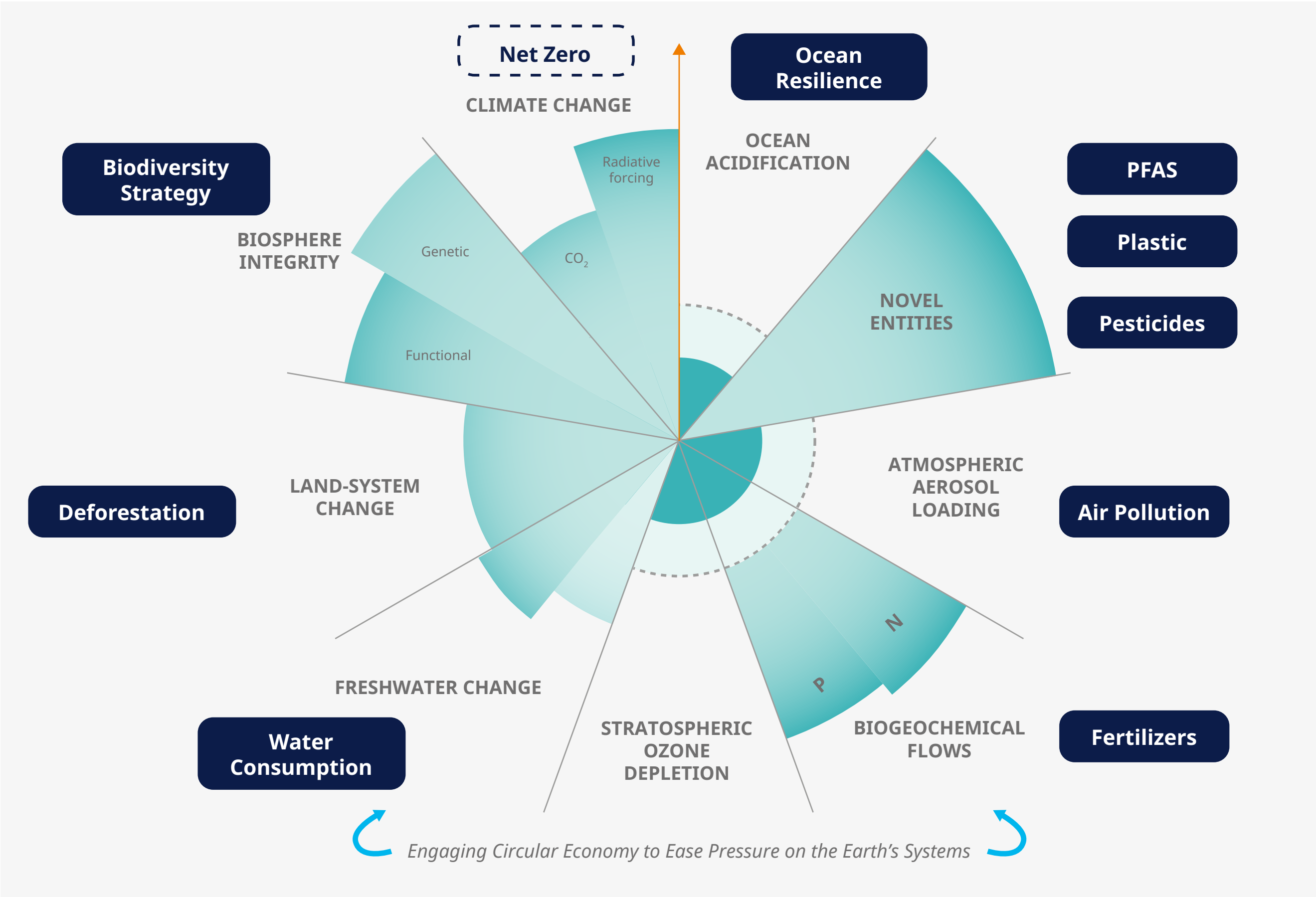
Next Steps and Amundi Perspective of Engagement: The bank is certainly demonstrating progress on climate-related issues. Nonetheless, we see room to continue to engage on the topics of thermal coal, emission reduction target setting for capital markets activities and further development of its client transition framework.

B. Engagement on natural capital preservation

Amundi's engagement on natural capital – overview

Our engagement on the preservation of natural capital is structured around the widely accepted notion of *planetary boundaries*,[43] which provides a framework for looking at processes that regulate the stability and resilience of Earth's systems which ensure the healthy functioning of environments that support clean air, fresh water, climate regulation, and pollination, among other essential services.

At Amundi, engagement on this theme focuses on key areas where corporate activities impact biodiversity loss and natural capital, many of which contribute to the transgression of planetary boundaries. We engage with issuers to identify activities or actions that contribute to this and begin taking action to mitigate its impact. Our engagement topics and targets will, of course, develop as the available body of work on measuring impact and quantifying safe operating limits grows and matures.



Source: Stockholm Resilience Institute

By necessity, this category covers a broad range of issues and issuers. Broadly speaking, our engagements fall into two main categories:

1. Protecting and conserving precious natural resources (biodiversity, ocean protections, water, and combating deforestation) that provide or enable crucial ecosystem services,
2. Reducing and preventing damaging materials and byproducts that can quickly cascade, posing a threat to human and environmental health (plastic waste, chemical pollution, pesticides, fertilisers, and air pollution).

In view of its critical role in sustainable resource management, Amundi also engages companies on transition to a circular economy (CE) business model.

43. Set forth by the Stockholm Resilience Centre, the concept was originally developed in 2009. It has been used by EU policymakers since 2015 and gained traction in global finance with the publication of the Task-force on Nature-related Financial Disclosure (TNFD).

Engagement momentum and outlook

In the past two years, we have seen some noticeable progress on biodiversity, although substantial advancements are still needed. We will continue engaging with companies to ensure they are sufficiently addressing nature-related risks and will hopefully see major strides forward in the context of CSRD reporting and the establishment of new targets for 2025-2030. Additionally, in 2024, we engaged with 66 companies on the subject of ocean impacts and, while we see isolated examples of positive development, overall awareness remains small, especially in sectors where the impacts on oceans are indirect and the risk is less acute.

In 2025, we will continue our work on ocean impacts by focusing on the sectors that have a strong impact on ocean health, as well as the key drivers of ocean degradation including plastics and pollution. Moreover, having engaged with 145 issuers on water in the past year, we see that some sectors and companies – technology, beverages and mining, in particular - are making headway and can demonstrate examples of “best practice” across target setting and the publication of specific and relevant KPIs. On deforestation, a growing number of companies are improving their efforts to conduct thorough assessments of forest-related risks, ensure compliance, establish policies and strategies, and enhance board oversight on forest-related issues. Regarding plastic waste, progress in 2024 was limited due to a number of factors. However, Amundi recognises that issuer momentum on this topic is unique to each sector and based on its particular plastic risks and exposure; therefore, we will adjust the required engagement approach to address sectors’ unique characteristics.

Further, 2024 was an important year for PFAS (forever chemicals) action, with a number of companies in our engagement pool either setting time bound commitments to end PFAS manufacturing or phasing out PFAS in existing and new products; or, at a minimum, reduce reliance on PFAS. On fertilisers, companies are mainly focusing on optimising the application of fertilisers with digital tools to minimise environmental impacts and increase yield. Finally, we will continue engaging with companies on air pollution as we saw limited development in 2024 beyond ensuring compliance with laws and following mandated remediations. We will also continue engaging on the circular economy as companies remain in the early stages of their respective journeys and the theme will require a longer timeframe to fully unlock its potential.

Amundi will continue engaging to improve transparency and reporting on natural capital and biodiversity impacts, risks, and management strategies, consistent with emerging global standards like the TNFD[44]. We will seek to ensure sector-specific guidance, continuing our focus on high-impact sectors such as agriculture, chemicals, fashion, fishing, food & beverage, forestry, mining, packaging, and electronics. Likewise, we will continue to encourage circular economy strategies to promote a shift in business models. As data becomes more available, Amundi will further develop its engagement activities on each of its key topics.

More detail on Amundi’s Biodiversity policy and approach to engagement on biodiversity can be found on the 2024 Engagement Report.

44. Taskforce on Nature-related Financial Disclosures.

Case study 14: Collaborative engagement through Nature Action 100 with an Asian commerce company

Context: Amundi took an active role on the engagement with an Asian commerce company during the launch of the Nature Action 100 Collaborative Engagement in 2024. Nature Action 100 is a global investor led engagement initiative focused on supporting greater ambition and action to reverse nature and biodiversity loss.

The commerce company distributes and retails various products ranging from consumer electronics and apparel to food, chemicals, and other products. The company also provides online services such as online shopping, search engine development and cloud computing services to customers worldwide. The company has had quite a lot of positive momentum in recent years on its overall ESG strategy, and on climate, as demonstrated by its increased alignment with ESG reporting standards such as ISSB and TCFD. However, the company is still early on in their biodiversity journey, like most companies in the Nature Action100 benchmark. The company's nature strategy is limited to small efforts and anecdotal examples mostly focused on direct buildings and operations, the greening of headquarters, and reducing waste at offices through waste management strategies.

Amundi Actions: The collaborative engagement focused primarily on the broad investor expectations outlined by the NA100 initiative including:

- **Ambition** - encourage companies to publicly commit to minimise contributions to key drivers of nature loss and conserve and restore ecosystems throughout value chains by 2030
- **Assessment** - assess and publicly disclose nature-related dependencies, impacts, risks, and opportunities throughout the value chain
- **Targets** - set time bound, context specific science-based targets informed by nature assessments and disclose annual progress against those targets
- **Implementation** - develop a companywide plan on how to achieve targets
- **Governance** - establish board oversight and disclose management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities

Additionally, based on the commerce company's current practices Amundi has set the following KPIs:

- Establishment of greater top-down oversight to drive biodiversity/nature across the company. Biodiversity and nature are largely assimilated into the company's overall ESG strategy but there is no specific team or individual in charge of nature specifically to drive a strategy at the company
- Begin assessing its links to nature by mapping out its impacts, dependencies, risks, and opportunities
- Establishment of a specific top-down strategy with high level oversight that incorporates efforts they are already working on and topics not yet managed by the company
- Increase efforts on already known key environmental impact topics, for example on plastic impacts on nature across the value chain such as via products sold across online retail operations

Momentum and Outcomes: Two calls occurred in 2024 with the company to discuss the subject. The company was very open to dialogue and eager to learn about investor expectations. During our calls with the company, they elaborated on some of their efforts, including the use of AI to better identify products that could be in violation of laws to combat illegal wildlife species trade. In addition, the company disclosed in the calls that they made some efforts to promote sustainable agriculture and sustainable supply chains. In addition, the company had begun some analysis on certain topics such as waste and water. They also mentioned the existence of an internal environmental policy that included biodiversity, but the policy did not appear to have any high-level oversight and there was no specific working group on nature internally which would better drive a cross-cutting nature strategy across departments.

It remains too early to see any concrete evolution as this was only the first year of the engagement. During the second call later in 2024, which occurred after the release of the NA100 Benchmark, the company mentioned that they were working on communicating internally on nature and on the NA100 expectations via a webinar for teams and departments. We see this as a positive sign that the company is working internally on the subject which will hopefully lead to greater strategy going forward.

Next Steps: We are looking forward to continuing our dialogue with the company in 2025. In 2024, we helped them identify some of the 'low hanging fruits' where they can easily improve in the short term. This includes the development of a specific nature strategy and increased governance and oversight. We hope to see some evolution in the near future which will help the company establish a foundation and begin tackling nature related risks more concretely across operations.

C. Engagement on human capital and human rights

Engagement momentum and outlook

In 2024, we engaged with 157 issuers on human rights policies, processes and strategies to mitigate against key material risks. Throughout 2024, Amundi encouraged companies to adopt robust human rights policies and practices, address forced labour risks and implement effective grievance and remedy mechanisms. We also engaged on the promotion of safe and healthy working conditions at companies across sectors ranging from mining and oil & gas to the gig economy. Amundi continued to encourage companies to assess opportunities to pay more workers a living wage and encourage their suppliers to do so. We anticipate that recent developments from the International Labour Organization (ILO),which defined the living wage and endorsed living wage policies, will give our dialogue with issuers even greater credibility. Our engagements on forced labour delivered mixed outcomes. In general, companies are more aware of the risks involved and the growing expectations from regulators and investors, but there remains a lack of transparency. Issuers are also showing greater awareness concerning access to remedy, but it remains a challenging topic across all sectors. Our diversity and inclusion efforts are aimed at encouraging companies to leverage talent that represents a broader diversity of experience and thought. We noted some growing difficulty discussing gender diversity in 2024 and observed large differences in disability inclusion, which is often correlated with national regulation. While taking into account local legislation, Amundi remains committed to emphasising the importance of diversity at all levels of management. We also continued our engagement on a just transition towards a low carbon and sustainable economy. Awareness around what is required to achieve a just transition continues to increase; however, we noted some companies have shifted their transition strategies in light of the more turbulent political and economic environment. As a result, we saw mixed progress, with some companies advancing and others taking time to identify their next steps.

Illustration 7: Launch of the German 30% Club chapter

In Germany, the lack of diversity in the boardrooms of listed companies is still very pronounced compared to their Western European peers. We noticed structural obstacles and a lack of prioritisation from German businesses that have been slowing progress. In view of the growing evidence of the importance of a better gender-balance at management level for business performance, Amundi co-launched the 30% Club Germany Investor Group with other asset managers in late 2023. With the launch of the club, we aspire to push representation of women on DAX40 management boards by 2030. Our active engagement focused on DAX 40 and MDAX companies to address laggards but also identify best practices and facilitate peer learning.

Engagement selection

The engagement encouraged DAX 40 companies to focus on the following:

- Governance bodies: have an action plan in place to ensure that companies' management teams consist at least 30% of women. We aspire to extend this scope to the MDAX in the future. 30% is the level at which a critical mass is achieved and contributions from a minority group are heard and valued, positively impacting leadership decision dynamics.
- Operational effectiveness: Outline the internal policies in place and how these support the development of a gender diverse talent pipeline as well as allow the progression and promotion of women at all levels of the organisation.
- Transparency: Consistently disclose the gender composition of the first three levels of top management positions ("Vorstand" and 1. and 2. "Führungsebene") and overall workforce in their annual report, and also how the company is aiming to improve its gender balance across teams.
- Accountability: While all members of the board are responsible for promoting diversity, the overarching responsibility should come from the top and sit with the CEO and chairperson of the board. Be clear on where the accountability lies and how this drives commitment towards the company's diversity strategy.

Momentum & Outcomes

In 2024, the 30% Club Germany Investor Group launched its inaugural annual engagement efforts. After sharing our general aspirations and expectations with all DAX40 and MDAX companies, we deepened our conversations with 17 DAX40 and 4 MDAX companies during the year. In preparation for our discussions, we collected, analysed and compared publicly available data on gender diversity that we consider to be KPIs.

The following are key observations we made during our engagements that show where we believe companies need to continue to step up their efforts:

- The German two-tier board system could make the promotion of women to the management board more difficult, as members of the supervisory board would need to have visibility of female candidates on the level below the management board (MB-1)
  - ➔ We recommend DAX companies establish a dialogue between the supervisory board and senior female managers in the firm to enhance visibility
- For numerous companies, we observed a significantly lower share of women at MB-1 level than on MB, underlining a persistent issue among German large-caps
  - ➔ We want to better understand how companies approach this topic, and believe it is helpful for investors and companies to analyse the reasons for the lack of internal promotion of women into senior and management board member roles
- Companies have been trying to bridge the pronounced gender care gap in Germany and help talented women compete for management positions on an equal footing
  - ➔ We support companies in continuing to promote supportive initiatives such as job sharing, flexible working hours and equal paternity leave
- Companies often take a broad approach to improving female representation in management roles across all levels but lack a more focused approach to 'leaky pipelines'.
  - ➔ We consider it to be just as important to have additional targeted programmes for senior professionals, as these can contribute to improved gender equality
- Most German companies do not publish gender pay gaps
  - ➔ We encourage greater transparency on pay gaps as we believe potential employers can send a strong and positive signal to women regarding equal treatment

Case study 15: Companies engaged on diversity in Europe

Company	Assessment at the start of the campaign	Recommendations & Next Steps
Company A **Sector:** Semiconductors and Semiconductor Equipment **Country:** Germany	The company has had a designated diversity and inclusion team in place for over 10 years, covering all dimensions of DE&I, but with a specific focus on gender balance and work-life balance. Female representation includes: - 17% managerial roles - 12% in executive positions - 10% in technical roles However, the top 10% of highest earners are male. The company has committed to consider at least one female candidate in recruitment processes and offers mentoring programmes to its female employees. Maternity leave policies are aligned with local laws.	We encouraged the company to track the number of women participating in its coaching and mentoring programmes. We also encouraged the company to consider more ambitious parental leave policies, as opposed to only meeting local regulations. Additionally, we expressed interest in better understanding the company's strategic priorities for gender diversity, and how these align withits broader business objectives, which could be explained in relevant public disclosures. We will continue our engagement dialogue in 2025.
Company B **Sector:** Software **Country:** Germany	The company's Code of Conduct and corporate governance policies address gender. It has clear diversity targets set through 2027, with executive remuneration linked to progress on these goals. The company noticed that women were not volunteering for leadership roles due to family (work-life balance) concerns. Pipeline building was also identified as a challenge for improving women's representation and progression.	We suggested that the company considers benchmarking parental leave policies against those of relevant globalpeers, and assesses how to align the diversity of new hires with its gender diversity targets to avoid diluting progress on representation.

Our first engagement year ended with positive momentum. The proportion of women in leadership roles in German businesses reached a new high. Around a quarter of the members of the management boards of the DAX 40 companies are now female - this means the proportion of women at the top management level has risen by two percentage points compared to the end of 2023. Looking ahead, we would like to build on this trend and follow up with the engaged companies on their progress and share best practice to further move towards our goal of the 30% threshold at board management.

Next Steps and Amundi Perspective of Engagement: Going forward, we will start evaluating companies based on the aforementioned list of indicators. This will enable us to create a proprietary dataset that can be shared between investee members and help us encourage more robust and granular reporting on the topic. Furthermore, the group will expand the pool of investee companies under engagement and begin monitoring and tracking their progress over the coming years.

Case study 16: Gender diversity action plan with European bank, and successful outcome[45]

Amundi started the engagement with the Chairman in January 2021, as part of Amundi's involvement with the 30% Club initiatives. At the start of the engagement, the investor group's specific objectives were as follows:
- Demonstrate a greater gender balance at the General Management level (highest governing body below the board) with concrete momentum towards targets and communication on a near term action plan.

Publicly disclose a clear action plan on how the bank intends to drive gender diversity at the company all the way up to the highest management levels. Based on the company's developments and our 2022 engagement dialogue, our objectives evolved for the company to include:
1. More granular diversity data disclosures to assess progress, e.g. gender breakdown of turnover rates.
2. Disclosure of the percentage of women among the company's top 10 earners.
3. Greater ambition than the target of "at least 30% of women in management bodies by 2023," especially given the company's overall gender composition.

Amundi has seen great progress in the following years.

Diversity & inclusion has become a strategic priority for the company, which had a target to have at least 30% women on its management bodies by 2023, with performance towards this target as follows:
- Strategic Committee (Top 30 positions), 23% women at the end of 2021
- Management Committee (Top 60), 26% women at the end of 2021
- Key group positions (Top 150), 25% women at the end of 2021

Moreover, in 2023 company published a new ambition of "more than 35% of women in senior leadership roles by 2026."

Engagement outcomes and issuer momentum: After three years of engagement, in 2024 we have observed the following outcomes:
- Implementation of a high-level DEI Steering Committee, made of 12 members from the Group Management Committee, plus a DEI expert to guide discussions and proposals;
- A new Gender Equality target: a 35% increase in the number of women in the Top 250 positions by 2026 (aligned with engagement goals).

Concrete progress includes over 40% of women at Board level, 31.4% female representation in the Top 250 positions (as of 2023), and disclosure of the gender breakdown of the employee turnover ratio.

Next Steps: Following these updated, we have positively closed out two of the three engagement requirements with the company (turnover-related disclosures and women's representation on the Board).

45. In 2023 and 2024, the company was engaged by Amundi directly.

Case study 17: Amundi's Disability Inclusion Engagement Campaign - cross-sector engagement

Although approximately 15% of the global population suffers from some form of disability, the topic of disability inclusion has received less attention than other issues within the diversity, equity and inclusion (DE&I) umbrella.

Several studies have demonstrated that promoting the inclusion of people with disabilities in the workforce contributes to sustainable growth and development. The 2023 update to a study by Accenture and Disability:IN on the relationship between corporate disability inclusion and financial performance revealed that "companies that lead their peers in disability inclusion realise considerable financial gains: they earn 1.6x more revenue, 2.6x more net income, and 2x more economic profit than other index companies".

Amundi launched a dedicated disability inclusion engagement stream in 2022.

Inclusion of persons with disabilities is a topic that concerns all sectors. Still, the challenges and practicalities certainly differ between service and manufacturing companies, and nuances exist within individual sectors. To have a wider reach and deeper understanding of the challenges at hand, we deliberately chose for this engagement stream to include a range of sectors: TMT, healthcare, consumer, industrials and financials.

Engagement Objectives

There were two broad aims for our engagement that apply to all sectors:

1. Increase company awareness on the topic of disability inclusion.
2. Encourage the adoption of disability inclusion best practices.

In 2024, we engaged with 76 issuers on the topic of disability inclusion.

Engagement Outcomes and Issuer Momentum: We continue to observe that, while most companies do have an overall DE&I strategy in place, a dedicated strategy for disability inclusion is often missing. Such a strategy would include a relevant standalone policy, which is distinct from other DE&I policies, as well as active direction from senior leadership on the topic and a regular policy review. Some companies have pointed to their anti-discrimination policies, however these are distinct from a disability inclusion strategy.

It is also apparent that national regulation plays a crucial role in the content and strength of disability policies. Companies operating in countries that have human capital reporting requirements (e.g. the USA) or impose a minimum quota or aspirational goal (e.g. France, the USA, Japan) are generally seeing a higher level of disabled people integrated in the workplace.

The first engagement recommendation we generally make, specifically to companies that are at an initial stage of including disabled people, is to seek collaborative partnerships with external stakeholders, such as Disability: IN and The Valuable 500 , (both US initiatives), Business Disability Forum (UK) or non-disability specific associations like the Indonesian Human Capital Forum. These partnerships can provide useful guidance, support and best practice to help the company move forward.

We observe that an initial step often taken by companies is the establishment of a dedicated Employee Resource Group (ERG). These ERGs serve as a community of support for employees that have (or care for a loved one with) a disability, focusing on advocacy and inclusion.

Another finding relates to an evolution in the different types of disability observed, with more and more attention being paid to neurodiversity. We are seeing an increasing number of companies focusing on the attraction, hiring and retention of neurodivergent talent. In terms of monitoring and communicating on the representation of employees with disabilities, it became apparent that only a minority of companies discloses this information. Still, the number of companies monitoring these metrics appears to be on the rise. This monitoring is often driven by the voluntary disclosure by employees of their disability status (also referred to as self-identification). Where the number of (self-)reported people with disabilities remains low and when there is no obligation for companies to externally communicate on the subject, these figures are often not made public. For European countries, we noted that self-identification and reporting on minority group representation is rendered difficult due to regulation, including data privacy laws. It also appears that employees find it difficult to self-report. Accenture research shows that 76% of employees with disabilities do not fully disclose their status Many issuers said they are continuing to work on creating an environment in which people with disabilities feel comfortable self-identifying. Overall, given these challenges, even when the available data regarding people with disabilities is published, the figure is likely underestimated.

Publicly reporting on disability is increasing, as a direct result of both market pressure and legislative developments. Since November 2020, the US SEC requires companies to provide a human capital overview in their filings. Under the upcoming EU CSRD directive, in-scope entities will be required to report on their practices for the inclusion of persons with disabilities or outline a plan to put in place such practices.

Globally, we are seeing companies working to encourage people to speak up about their disabilities and create disability-inclusive cultures. This is typically done through awareness raising programmes, unconscious bias training for employees, employee resource groups, and the deployment of DE&I champions, among other strategies.

Next Steps: We continue to observe large differences in progress across the companies in our engagement pool. These differences are not necessarily linked to specific sectors, but are more pronounced across geographies. The progress on disability inclusion is often correlated to national regulation, which does motivate companies to work on the inclusion of employees with disabilities. Inversely – in some countries – national regulation can prevent companies from reporting relevant data, for example due to privacy-related laws. Overall, companies are aware of the importance of the topic, with many working on building a 'disability-inclusive' culture with varying degrees of strategy and policy development and implementation. We see room for progress for all companies, regardless of their industry or country of incorporation.

We will continue to advocate for companies to adopt the best practice we have identified over the course of our engagements on disability inclusion, namely:
- Develop a stand-alone strategy on disability inclusion, separate from the DE&I strategy
- Ensure active direction from top management
- Appoint a disability sponsor at senior management level and disability champions across the organisation
- Improve monitoring of the number of people with disabilities, through voluntary self-disclosure. Potentially set a target for this number and disclose it
- Create a disability-inclusive culture
- Roll out recruitment and retention programmes tailored for people with disabilities
- Where relevant and appropriate, encourage top managers to openly identify (internally and/or externally) as having a disability

Participate in local or global initiatives, such as Disability: IN or the Valuable 500 group.

Case study 18: Disability inclusion at a large technology company

Context: Amundi started the engagement on disability inclusion in the workforce with a global technology company. Competition for talent in the technology industry has been rising exponentially in the recent years. Analysts at Deloitte had estimated that over one million additional skilled workers will be required to meet the demand for semiconductors.[46] As a result, companies are increasingly looking to expand their talent pools and reach wider geographies – and demographic groups – in their search for human capital. For the company, competition from peers, startups and former customers meant that it needed to scale up its inclusion efforts.

The company had recognised this challenge and, in 2021, published its Commitment to Disability Inclusion, which references its corporate accessibility policy and aspiration to seek positive impact for people with disabilities through technology. As part of the company's RISE 2030 goals, it also wanted to increase the percentage of employees who self-identify as having a disability to 10% of its workforce. We wanted to assess the company's plan to achieve this goal.

Amundi Actions: In our 2022 meeting, the company shared its inclusion commitments and outlined how disability inclusion fitted within the broader DEI strategy led by the Chief DEI Officer. It also shared its aspiration of building an equitable technology sector – for instance, by launching the Alliance for Global Inclusion. The company's ability to achieve its goal, however, would require building an internal inclusivity culture where employees could come forward and self-identify as having a disability in staff surveys. That number went up from 1.4% to 3.8% of US employees in 2020 and 2021, respectively, but the company was actively considering how to scale up self-identification while ensuring employee privacy. In 2024, we observed that the the targeted disability employment rate of 10% had been extended to the global workforce. By this metric, the rate of employees with a disability reached 2.4% in 2023 (versus 2.2% in 2022). The company was also named one of the best places to work for disability inclusion by Disability:In. At the same time, we continued to reiterate our original expectations.

Engagement Objectives

Key objectives for our engagement in 2024 were as follows:

- Demonstrate improvements in self-identification,
- Encourage the company to consider developing a formal retention programme for employees with disabilities.
- Encourage leaders with disabilities to openly identify as such.

Engagement outcomes and issuer momentum: In 2024, the company continued its progress, and share with them two areas of improvement: a lack of a formal retention programme for employees with disabilities, and a lack of visibility for senior leaders with disabilities.

Next steps: We welcome the company's progress on disability inclusion and its efforts to use its voice in the industry to draw attention of the technology sector to this important matter. We will continue to engage with the company given its otherwise strong performance.

46. https://www2.deloitte.com/us/en/pages/technology/articles/global-semiconductor-talent-shortage.html

Case study 19: Ongoing engagement on disability inclusion with NTT

Context: Disability inclusion receives less attention than other DE&I topics, such as gender equality and ethnic diversity. However, approximately 15% of the global population has some form of disability. By attracting and retaining this workforce, telecommunication companies increase the size and diversity of their talent pool in terms of competencies and perspectives. We believed NTT to be a great example of this.

Amundi actions: Amundi started engaging with Nippon Telegraph and Telephone Corporation (NTT) in 2022, alongside the launch of our Disability Inclusion campaign. During the campaign, we noticed that companies most often simply add a section on disability to their existing DE&I policies, rather than establishing a distinct policy or strategy. NTT, however, has implemented a set of measures specifically focusing on disability. This made the company a 'best-in-class' actor in our engagement universe. Specifically, prior to 2024 the company implemented voluntary disclosure campaigns, both annually and following any staff incidents leading to disability. It also started regular internal meetings to discuss strategies for hiring/retaining people with disabilities in dedicated teams.

Engagement Objectives

- Ensure dedicated monitoring and resource allocation for its disability inclusion strategy,
- Improve communication around disability inclusion strategy,
- Encourage collaborative initiatives and communicate best practices.

Engagement outcomes and issuer momentum: We followed up with NTT in 2024 and noted further progress. The employment rate for people with disabilities rose slightly to 2.57%, suggesting that the disability efforts are bearing fruit.

Next steps: In light of the range of activities implemented by the company, including the sharing of best practice between different companies within the group, we closed the engagement during the year.

Case study 20: Engaging on health & safety with a European Steel Company

Context: Health & safety is a core material topic for the metals and mining sector. Like many heavy industries, the nature of the work exposes employees to dangerous working conditions involving high heat, heavy equipment, and explosive gases among other risk factors. This can lead to injuries and loss of life. In addition to the clear harm facing the workers who are exposed to these occupational risks, poor health and safety performance can also result in increased liabilities and regulatory fines for a company, as well as worker protests and strikes that can lead to halted operations and production delays.

One key company that has had extensive engagement on the topic of health & safety with Amundi is a steel company based in Europe with global operations. The company remains heavily exposed to health & safety risks and has had poor health & safety statistics, historically, including high fatality rates. Amundi started engaging with the company in 2011 due to their poor performance and high fatality rates.

Amundi actions and Engagement Objectives: Since the beginning of the engagement, Amundi has requested robust proof points to evidence that the company's commitments to improving health & safety align with concrete actions and lead to positive outcomes. Consequently, our objectives were as follows:

- Health and safety linked to long-term and short-term incentive plans with clear transparency around the objectives linked to pay,
- Penalties in remuneration for when fatalities occur (as the company has historically had very poor performance, it was questioned if health & safety incentives linked to positive performance would be felt in the near term and sufficiently incentivise change),
- Clear evidence that the company is disseminating best practices across all operations with a particular focus on operations where performance is lagging.

To emphasise the seriousness of the matter, Amundi voted against the discharge of the Board over the past three years due to the company's extreme fatality rates that lag well behind industry peers.

Momentum and Outcomes: The company has historically been very receptive to Amundi's recommendations and demonstrated strong willingness to have a dialogue with us on the issue. In 2024, we were pleased to see this positive evolution continue. Notably, we were pleased to see the establishment of a zero-fatality circuit breaker as seen in the table below.

Year	2021	2022	2023	2024
Fatality Rate (from year previous but reported in the calendar year)	17	22	61 Of which 54 were from one located explosion in central Asia	Not yet disclosed
Lost Time Injury Frequency Rat (LTF)	0.79	0.70	0.92	Not yet disclosed
Amundi Engagement Objectives	- Establishment of health and safety criteria in long term incentive plan - Establishment of circuit breaker or remuneration penalty in health and safety linked remuneration in case of fatality	- Reporting and transparency concerning the third-party safety review including publishing the audit's global and plant level recommendations - Establishment of asset-specific KPIs for sites where health and safety remains a key problem	- Establishment of 0 fatality circuit breaker - Timely updates on third-party health and safety audit including the recommendations that are made and the company's updates on changing practices to align with those updates - Root cause analysis of explosion. - Full remediation in location in central Asia where explosion occurred to support injured employees and the families of the victims. - Responsible exit from Kazakhstan.	- Establishment of granular KPIs and targets to track implementation of recommendations from the Health & Safety Audit including robust disclosure on their efforts at high risk sites where performance is lagging

Company's evolution on health and safety	- 15% of short-term incentive plan linked to health and safety KPI (up from 10% in year previous) but no long-term incentive plan linked to ESG criteria including H&S - Establishment of a H&S council (launch decided in year prior	- Safety target introduced into long term incentive plan at 10% - Fatality circuit breaker applied to remuneration (set to a low fatality threshold but not zero) - Efforts to help prioritise underperforming units in health and safety council that is composed of business COOs and segment CEOs - Thorough review of safety standards with external safety consulting group - Executives did not take short term incentive due to health and safety performance	- 2 explosions in central Asia that led to 46 fatalities (see below) - Fatality-free for own employees before the located explosion (October 2023) and 40% reduction from last year's levels for contractor - Launched new comprehensive and independent health and safety audit to review all practices across the company; committed to publishing recommendations once finalise - No changes to circuit breaker threshold in remuneration but Board likely to re-review compensation scheme in light of the explosion	- Company executives for health and safety linked remuneration which was 15% of total STI bonus - The company moved the Fatality Frequency Circuit breaker from 0.019 in 2023 to 0 in 2024 which is 15% of total weight. - The Company released health and safety audit results in October 2024 which included key observations from the audit, recommendations, and some information on the efforts the company has taken or committed to taking to carry out all recommendations from the audit. - Limited remediation on location where explosion occurred due to the fact that the facility was taken over by the government and the company is no longer allowed to be involved in investigations.
Amundi Actions	Vote against the discharge of the Board	Vote against the discharge of the Board	Flagged for escalation in 2024	Due to the explosion, Amundi voted against the discharge of the Board with a tenure of more than two years.

In October 2024, the company provided stakeholders with information on the audit results which included robust details on the audit including observations from the audit, key recommendation from the auditor DSS+. The recommendations from DSS+ include:

1. Improving identification and understanding of operational risk exposure
2. Strengthening existing health and safety assurance model
3. Continuing to embed safety values, mindsets, and behaviours to strengthen the safety culture
4. Improving contractor safety management standards
5. Adopting best practices for Process Safety Management
6. Integrating health & safety elements into supporting business processes

The company committed to carrying out all the recommendations and outlined some broad actions it has already taken to honour this commitment including already implementing 90% of the interim recommendations given to sites. The other actions reported are broad and few specifics are provided, which is understandable considering the report was only recently finalised. However, when discussing with the company prior to the release of the results, we recommended the company to provide investors and other stakeholders with more transparency by way of concrete KPIs to track progress of implementation, more details on the riskiest sites and assets that are considered top priority for the company (such as Ukraine), and more on the changes internally around governance and oversight of health and safety risks across the company.

With regard to central Asia site and remediation after the explosion, there is not much to report as the company had finalised the exit from the country in December 2023. This matter was under discussion with the related government prior to the October 2023 accident but was finalised after the event. Due to this exit and agreement with the government, the company informed Amundi that they were unable to be involved in the investigations about the accident. For this reason, the audit conducted also did not include this country under its scope.

D. Engaging on Client Protections & Societal Safeguards

In 2024, we continued our engagement with companies to encourage responsible behaviour towards clients and customers and emphasise their broader societal responsibility.[47]

As in 2023, we continued to expand our engagements to encourage companies to address systemic risks and capture opportunities across a range of key areas. We introduced the engagement theme of financial inclusion; which, much like our efforts around access to healthcare, seeks to encourage companies to leverage opportunities in underserved markets. We also expanded our engagement on access to healthcare and medicines to include the medical technology sector, where we see opportunities for companies to progress from philanthropic practices to more formalised access strategies. In addition, we started to engage with food companies to uncover opportunities linked to trends associated with a move towards healthier consumer lifestyles.

With regard to societal risks, we continued our long-standing engagement efforts on tax responsibility, this year focusing on companies that display more aggressive tax strategies. We also widened our engagement on anti-microbial resistance to water and pharmaceutical companies, in order to tackle pollution from antibiotic manufacturing.

As digital transformation gains momentum, we also continued to engage with companies on the responsible use of technology across the value chain. We also expanded the scope of our ongoing engagements to new companies, geographies and sectors in order to reflect the more widespread adoption of new technological developments across the global economy.

Case study 21: Engaging with a media corporation on client protections & societal safeguards

Context: 2024 was our third year of engaging with a North American mass media company whose divisions include television, sports and news programming, among others. Against the backdrop of declining public trust, growing concerns about disinformation and media polarisation and competition from social media, broadcast media companies need to offer quality and trustworthy content to their audiences to maintain their credibility and market position. Having robust and transparent content review policies is of high importance for the companies in the sector to keep both their audience and advertising clients, and to avoid legal action.

The company's daily news programming averaged over 1.2 million in its country, but despite this wide reach, the company's transparency on editorial policies and review processes has been relatively limited compared to peers. This presented a risk to the company's reputation and advertising revenue particularly as, from 2021, the company had faced several lawsuits related to its reporting on political events. Although one of the lawsuits has been settled since the start of the engagement, one of the plaintiffs continued to pursue the case, and it remained pending at the end of 2024. Moreover, the company faced frequent allegations of bias and of broadcasting inaccurate or misleading information on its various shows. Considering the seriousness of the allegations, we found it important to engage with the company on its editorial review processes.

47. Following positive engagement momentum, we closed the risk management engagement with a European Technology Solutions Company reported in our 2023 Engagement Report.

Amundi actions & Engagement Objectives: In our initial 2022 engagement, we asked the company to explain ❶ How its editorial guidelines were developed and to what extent they apply to all its divisions, and ❷ The typical process involved in reviewing research to ensure that content complies with its own policies and guidelines. Although the company provided some acknowledgement of our request for greater transparency, our requests for information remained mostly unaddressed and we raised them again in 2023, which led to a more in-depth engagement. In 2024, we again noted a lack of updates on the above issues in the company's annual CSR report. We therefore reached out to the company in September 2024 to ask for updates and were not encouraged by the response, particularly given the productive dialogue held in 2023. As well, our assessment of the company's approach to managing risks related to content were among the factors that informed our vote at the company's AGM.

Key objectives for our engagement were as follows:
- Increase transparency to clearly outline how the company conducts editorial reviews and oversees compliance with its own editorial/content policies
- Evidence risk management processes in place to address the ability to detect and mitigate against risks associated with inaccurate information and their repercussions, and demonstrate that these processes are adequately resourced. Specific recommendations included assessing the adequacy of human resources available to support editorial reviews and formalising process and timelines to respond to audience and/or stakeholder concerns around content
- Evidence management and Board accountability for addressing such risks and their mitigation

Momentum Outcomes: In 2023, we pointed to the settlement decision and the ongoing lawsuits as a rationale to discuss the company's editorial review and content risk management approach in greater detail. The company acknowledged some shortcomings in its disclosures and editorial review processes and shared some ongoing improvements including training which incorporated learnings from recent cases, awareness raising, greater scrutiny of live programming and review of technological opportunities to enhance existing processes. In 2024, however, observed progress, as reflected in the company's disclosures, was limited. Nonetheless, while the current marker of editorial policy enforcement success is its ability to successfully navigate legal risks, the company shared that it appreciated the challenges investors experience in assessing editorial review and risk management processes in the absence of adequately reported KPIs and was open to considering those.

Next Steps: We will continue to engage for more transparency on editorial oversight at the organisation in 2025, given the continued material reputational risks it faces. We will continue to assess our engagement plans in the context of the company's progress and the development of ongoing controversies.

E. Engaging on Strong Governance for Sustainable Development

Governance is at the core of a company's ability to create sustainable, long-term value. It provides the framework that directs and controls its actions. Governance encompasses board composition, executive decision-making, shareholder rights, transparency and accountability. Robust governance not only supports effective risk management, it also ensures companies are able to respond to evolving environmental, social and economic challenges.

For Amundi, governance has always been an area of focus as it underpins the resilience and integrity of our investee companies. Robust practices are critical for aligning corporate strategies with stakeholder interests, maintaining trust and promoting sustainable business practices. Without proper oversight companies may fail to address risks, including those related to climate change, human rights, corruption, or cybersecurity – issues that may result in reputational damage, financial losses, or regulatory penalties. When controversies arise, they are an important area of focus for Amundi.

The 2021 ICGN Corporate Governance Principles[48] emphasise that effective governance is grounded in fairness, accountability, responsibility and transparency, fostering sustainable value creation and protecting stakeholders' interests. Similarly, the UK Corporate Governance Code 2024[49] highlights the board's responsibility to maintain successful stakeholder relationships and to embed integrity, openness, and trust in a company's culture, ensuring its long-term resilience. Both the Principles and the Code align with our belief that strong governance supports long-term corporate success while ensuring critical social and environmental considerations are addressed.

Amundi believes that constructive dialogue with companies on governance practices leads to improved decision-making processes and better alignment with long-term objectives. Our efforts focus on enhancing board diversity, independence and effectiveness; strengthening shareholder rights; and ensuring transparency in areas such as executive remuneration, risk oversight, responsiveness to stakeholder concerns and ethical business conduct.

With our engagement, we aim to influence corporate behaviour, foster accountability, and drive positive change, ensuring governance remains the foundation of sustainable development. In 2024, under Amundi's engagement theme Strong Governance for Sustainable Development, we engaged on a range of governance topics with 1,535 companies. They include the notices that we send to explain our voting decisions to companies, as well as pre–Annual General Meeting (AGM) dialogues. Amundi holds dialogues with companies and Board members throughout the year to strengthen governance practices.

An example of Amundi's engagement on strong governance for sustainable development with a Japanese electrical utility company can be found in *Principle 10 of this report.*

48. https://www.icgn.org/sites/default/files/2021-11/ICGN%20Global%20Governance%20Principles%202021.pdf
49. https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2024_a2hmQmY.pdf (effective accounting periods beginning on or after 1 January 2026)

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers

As a responsible investor with a clear understanding of the role and importance of ESG criteria, Amundi is a member and/or signatory of numerous initiatives. We are an active participant in working groups at a range of organisations – both regulatory and industry-led – aimed at moving responsible finance, sustainable development, and corporate governance forward in the best interests of our clients.

01 Collaborative engagement: working with our peers to help drive the conversation

When deciding between collaborative engagement or acting our own, Amundi will choose the most efficient method to push the agenda. We might supplement collaborative efforts with solo engagement if a collaborative engagement would not cover particular issues, sectors, or companies, or if the collaborative initiative does not address the topic in the way Amundi wishes. Amundi values both engagement types as a means to have a positive impact on sustainable outcomes, and will only be active in a collaborative engagement when it is in line with our own policy.

Amundi often plays an active role in collaborative initiatives. We generally take the role of lead investor on engagement alongside one or more companies. Sometimes an 'active role' also means that Amundi contributes to the planning, methodology, and operations of the initiative. On some occasions Amundi is simply a participant in a collective initiative. This is usually the case when the initiative is dynamic and impactful without particular assistance from Amundi. For other collective actions, Amundi might contribute to the thought leadership on emerging topics or provide contacts and resources. As a participant, Amundi has the opportunity to gain insights into new and emerging problems or advise the group on the feasibility of proposed methodologies to prepare for active engagement.

International initiatives can include both institutional investors and asset management professionals. The goal is to encourage businesses to improve their practices and transparency in terms of, for example, climate change risk management and deforestation, protecting water resources, and health & safety. We actively participate in the development of standards and initiatives where we believe the additional effort will be important to client outcomes, and lend our weight to other initiatives where we feel this is the most positive contribution we can make. In all collaborative initiatives, Amundi ensures the respect of regulations of all countries into which it operates.

02 Collaborative engagement: involvement of Amundi in industry bodies

Industry bodies on which Amundi staff member hold formal roles

Year	Name	Overview	Amundi's involvement
2003	**United Nations Global Compact**	The UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.	Participation under Credit Agricole. Our commitment to UNGC principles is reflected in Amundi's Global RI Policy, which is reviewed annually.
2003	**Institutional Investors Group on Climate Change**	The IIGCC works to support and enable the investment community to drive significant and real progress towards a net zero and resilient future by 2030. This will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors.	Amundi co-headed the working group that led to the publication of guidelines to asset management companies for setting a fossil fuel policy for the oil & gas sector – Working group on gender diversity and disability
2004	**Carbon Disclosure Project / Disclosure Insight Action**	CDP is a not-for-profit charity that runs the global disclosure system to help investors, companies, cities, states and regions manage their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting as it has the richest and most comprehensive dataset on corporate and city action.	Amundi responds to the CDP questionnaire annually through Credit Agricole. In 2024, Crédit Agricole was reconfirmed as A- despite the more stringent requirements. Crédit Agricole reached the "Leadership" band, which is higher than the Europe regional and financial services sector averages.
2006	**Principles for Responsible Investment**	The PRI is the world's leading proponent of responsible investment, and it works to understand the investment implications of environmental, social and governance factors and to support its international network of investor signatories to incorporate these factors into their investment and ownership decisions.	PRI founding signatory since 2006. Amundi is committed to the six PRI principles, and reports on them annually. In 2024, Amundi was awarded 5 stars in two modules, 4 stars in 10 modules and 3 stars in four modules. It is a platform to drive collaborative engagements (eg. PRI Advance), and ESG frameworks across different asset classes. We have annual involvement in and sponsorship of PRI events (eg. PRI in Person).
2009	**Spain Sustainable Investment Forum**	Founded in 2009 by 39 organisations, SpainSIF is a meeting and reference platform on sustainable and responsible investments in Spain. Its mission is to drive forward the integration of ESG criteria in investment policies	Amundi is an active participant in SpainSIF's sustainable finance events. In March 2024, we participated in the roundtable *'Sustainability Factors in Occupational Pension Plans'* with Fonditel.
2010	**Forum pour l'Investissement Responsable (French SIF)**	Created in 2001, the French SIF is a multi-stakeholder association whose corporate purpose is to promote and develop responsible investment and RI best practice.	Amundi engages with companies through the FIR, annually via both direct engagement and collaborative engagement. Amundi is a member of CAC40 Engagement on (1) Lobbying and (2) Living Wage.
2010	**Association française de la gestion financière**	AFG mobilises and contributes to the emergence of solutions beneficial to all players in the asset management ecosystem and is committed to promoting the industry's influence in France, Europe and beyond.	Amundi completes the annual AFG questionnaire and contributes to drafting position papers related to responsible investment.

2012	**Observatoire de l'Immobilier Durable**	The OID aims to accelerate the ecological transition of the real estate sector in France and internationally.	Amundi has been active in the European Sustainable Real Estate Initiative (ESREI) programme and in the Biodiversity Impulsion Group (BIG) programme since their creation in 2021.
2013	**European Fund and Asset Management Association**	EFAMA is the voice of the European investment management industry. As a trade association, its role is to promote the interests of its members and raise awareness of the importance of the services and solutions they provide.	Amundi leads on various discussions, including those related to responsible investment, annual engagement activities and EU consultations. In 2024, Amundi was a member of two working groups.
2013	**International Corporate Governance Network**	ICGN advances the highest standard of corporate governance and investor stewardship worldwide in pursuit of long-term value creation, contributing to sustainable economies, societies and the environment.	Amundi shares best practices and learns from other practitioners. In 2024, Amundi participated to the updates of the Global Stewardship Principles.
2016	**Science-Based Targets initiative**	Science-based targets provide a clearly defined pathway for companies to reduce GHG emissions, helping prevent the impact of climate change and future proof business growth.	The Crédit Agricole Group is committed to an SBTi approach. As part of the Group, Amundi actively contributes to these objectives. Engagement on SBTi: for example, through the annual CDP-SBTi campaigns in which companies are asked to declare and have their transition objectives certified by the SBTi.
2016	**Swiss Sustainable Finance Association**	Association created to promote sustainability in the Swiss financial market and strengthen Switzerland's position as a leading worldwide centre for sustainable finance.	Amundi Switzerland participates in the SSF by publishing articles in their annual ESG study (which is widely disseminated in the Swiss market) and takes part in SSF events.
2017	**Institut de la Finance Durable (ex-Finance for Tomorrow)**	IFD, led by Paris Europlace, aims to promote sustainable finance in France and internationally, and make Paris an international leader on green finance.	Amundi has been a founding member of the IFD since 2017. It is also a Member of IFD Executive Committee and participates in thematic working groups.
2017	**International Capital Market Association**	The mission of ICMA is to promote resilient, well-functioning international and globally coherent cross-border debt securities markets, which are essential to funding sustainable economic growth and development.	Amundi regularly shares best practice and learns from other practitioners at ICMA. A Member of ICMA Executive Committee. Annual involvement and sponsorship of ICMA events (e.g., Annual Conference of the Principles).
2017	**Task Force on Climate-related Financial Disclosures**	The FSB Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.	Amundi annually publishes the Article 29 French Energy and Climate Law Report, in line with TCFD recommendations. Our commitment to the TCFD is demonstrated, for example, through annual engagements with companies.
2017	**Climate Action 100+**	An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.	Amundi engages with companies through CA 100+ each year, via both direct engagement and collaborative engagement.
2017	**CDP Non-Disclosure Campaign (Climate Change, Water, Forest)**	CDP's annual Non-Disclosure Campaign offers investors the opportunity to actively target companies that have received the CDP disclosure request on behalf of investors but have not provided a response. The objective of the campaign is to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure request.	Annual engagement with non-respondent companies to the CDP NDC (for instance by sending letters).

2017	**Workforce Disclosure Initiative**	This initiative urges companies to disclose better and more comparable data on their employees and supply chains.	In 2024, we followed up on ongoing engagements with 23 issuers.
2017	**European Leveraged Finance Association**	Acting as the voice of the investor community, ELFA seeks a more transparent, efficient and resilient leveraged finance market.	Amundi is active in ELFA through the working group on ESG reporting on leveraged loans. The ESG Committee aims to improve disclosure on ESG topics in the leveraged finance market and develop best practice guidance on ESG disclosure for sub-investment grade borrowers, publish sector level ESG Fact Sheets and support small to medium size companies in their disclosure journey.
2018	**Platform Living Wage Financials**	The PLWF aims to address the non-payment of living wages in global supply chains in the garment industry and has now expanded to agriculture and food retail.	Amundi was lead on the engagement with four companies in Garment & Footwear and two for Retail/Food retail, as well as co-lead and participant for many others. The engagements started in 2023 and continued in 2024.
2019	**One Planet Summit Sovereign Wealth Fund Asset Managers**	Engage a community of investors in its principles to improve the impact and distribution of international capital and, thus, contribute to a gradual energy transition, progressively leading to a more sustainable and less polluting economy.	Amundi regularly shares best practices and learns from other practitioners at OPAM. We submit annual reporting through the OPSWF Companion Document, which includes a section on OPAM.
2019	**Operating Principles for Impact Management**	Amundi has adopted the Operating Principles for Impact Management - a market standard for impact investing in which investors seek to generate a positive impact for society alongside financial returns in a disciplined and transparent way. The Principles bring greater transparency, credibility, and discipline to the impact investing market.	Amundi publishes an annual disclosure statement on the impact strategies that are aligned with the OPIM.
2020	**Tobacco-Free Finance Pledge**	Highlights the leadership of institutions that have implemented tobacco free finance policies and encourage others to follow.	Amundi's commitment to tobacco-free finance is reflected in the tobacco exclusion policy of our Global RI Policy, which is reviewed annually.
2020	**Italian Sustainable Investment Forum**	Founded in 2001, Itasif aims to promote the awareness and the strategies linked to sustainable investments, with the goal to encourage the integration of ESG criteria into financial products and processes in Italy.	Amundi contributes to knowledge sharing platform, with webinars and workshops being organised with updates on trends regarding sustainable investment. Membership has opened up visibility opportunities (at no further cost), such as speaking slots at events.
2020	**Association française des Sociétés de Placement Immobilier**	ASPIM is the French association for real estate investment companies. It promotes, represents and defends the interests of its members, managers of alternative investment real estate funds (SCPI, OPCI and other AIFs invested in real estate). Created in 1975, the non-profit association brings together the actors of unlisted real estate fund management.	Amundi is part of two ASPIM working groups, one of which involves working on the Label ISR update for real estate strategies.
2021	**Net Zero Asset Managers**	The NZAM initiative is an international group of asset managers committed to supporting the goal of net zero carbon emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius, and to supporting investing aligned with net zero emissions by 2050.	Amundi is committed to supporting the goal of net zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C, as well as to support investing aligned with net zero emissions by 2050 or sooner.

2021	**Powering Past Coal Alliance**	The PPCA is a coalition of national and sub-national governments, businesses and organisations working to advance the transition from unabated coal power generation to clean energy.	Our endorsement of PPCA declaration and principles is reflected in the thermal coal exclusion policy of Amundi's Global RI Policy, which is reviewed annually.
2021	**The 30% Club France Investor Group**	Six asset managers, including Amundi, are calling on French large caps to establish an action plan to have at least 30% women in executive management teams by 2025.	Amundi was a founding member of the initiative in 2021 and contributes to the annual report. We engage with companies through 30% Club France Investor Club each year. The Gender diversity Policy has been integrated into the Amundi HR Policy.
2021	**UK Stewardship Code**	The UK Stewardship Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.	Amundi submits its Stewardship Report each year to evidence it is following the principles of the UK Stewardship Code. FRC approval is granted each year.
2021	**Finance for Biodiversity**	The F4B is a commitment by financial institutions to call on global leaders to protect and restore biodiversity through their finance activities and investments and decision making.	Amundi's commitment is reflected in the Biodiversity and Ecosystem Services policy of Amundi's Global RI Policy, which is reviewed annually. Annual engagement with companies. Annual involvement in F4B events.
2021	**Asia Investor Group On Climate Change**	The AIGCC) is a subsidiary of the IGCC. It is an initiative to create awareness and encourage action among Asia's asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing.	Amundi is an active member of the Asian Utilities Engagement Programme.
2021	**World Benchmarking Alliance**	The World Benchmarking Alliance develops benchmarks that companies can use to reinforce the SDGs, all of which is backed by science and institutional norms and standards.	Amundi engages with issuers within the Just Transition and Ethical AI collective impact coalitions (nine issuers altogether). We use the various WBA benchmark data, and we also organised an event in London on advancing engagement on gender with the WBA. In November 2024, Amundi was invited to join the Steering Group of the Ethical AI Collective Impact Coalition.
2021	**France Invest**	Support private equity players in France to take ESG issues into account.	Amundi was part of the working group on the FY23 ESG Reporting Campaign and tailored-made questionnaire. Amundi has been part of working groups working on how ESG can be better integrated into how we accompany investees, especially on value-sharing mechanism.
2021	**Investors for a Just Transition**	The first global investor engagement coalition on the just transition brings together key asset managers and asset owners to promote a socially acceptable transition to low-carbon economies.	In 2023, Amundi's dedicated just transition engagement pool included 103 companies. We published a just transition grid for engagement in October 2024. Amundi participated in and collaborated with different working groups.
2021	**Sweden's Forum for Sustainable Investments**	Sweden's Sustainable Investment Forum (Swesif) is an interest forum that aims to distribute, operate, and increase knowledge about sustainable investments.	Amundi participates in networking events to ensure it remains a leader in sustainable investment.
2022	**The 30% Club Japan Investor Group**	Founded in 2019, the 30% Club Japan is part of the 30% Club global campaign, taking action to increase the proportion of women in key decision-making bodies of companies, including the board of directors.	Amundi contributes to the annual report, as well as annual engagement with companies through 30% Club Japan Investor Club. In 2023: publication of inaugural *"Good Practices in D&I Information Disclosure from the Perspective of Investors"* report.

2022	**Council of Institutional Investors**	CII is a leading voice for effective corporate governance, strong shareowner rights and sensible financial regulations that foster fair, vibrant capital markets. CII promotes policies that enhance long-term value for U.S. institutional asset owners and their beneficiaries.	Amundi participates in CII's bi-annual events, focused on governance and voting.
2022	**Global Investors for Sustainable Development Alliance**	The GISD Alliance seeks to deliver concrete solutions to scale-up long-term finance and investment in sustainable development. GISD's work is supported by a Strategy Group appointed by the CEOs and by United Nations system partners coordinated by UN DESA.	Amundi CEO Valerie Baudson is a member of the GISD and is convened regularly by the UN Secretary General.
2023	**Nature Action 100**	NA100 is a global investor engagement initiative mobilising institutional investors to establish a common high-level agenda for engagements and a clear set of expectations to drive greater corporate ambition and action to stem nature and biodiversity loss.	Amundi is involved in the annual engagement with companies through Nature Action 100 via both direct engagement and collaborative engagement.
2023	**Responsible Investment Association**	Previously called the Social Investment Organization (SIO), the Responsible Investment Association is the Canadian industry association for responsible investment and seeks to incorporate ESG issues into the selection and management of investments	Amundi is a forum member, classified as a 'management company'.
2023	**The 30% Club Germany Investor Group**	The 30% Club is a business campaign aimed at boosting the number of women in board seats and executive leadership of DAX40 and MDAX companies in Germany across various sectors	Founding member of the initiative in 2023. Contribution to the annual report. Annual engagement with companies through 30% Club Germany Investor Club. In 2025: By co-chairing the 30% Club Germany Investor Group, Amundi has triggered discussions with DAX companies on the value of promoting diversity across the company and among the top managers that have been perceived as very positive by the companies engaged with.
2023	**European Sustainable Investment Forum**	The association was created to promote a broader adoption of Sustainable and Responsible Investments (SRI) practices, and more generally, for a broader adoption of sustainability matters into financial markets and the investment chain	Amundi participates in the sharing of EUROSIF's proposals to policymakers.
2023	**China-Singapore Green Finance Taskforce**	The taskforce is aimed at improving cooperation on green and transition financing between Singapore and China and facilitate greater public-private sector collaboration to better meet Asia's needs as it transitions to a low carbon future	Amundi participated in the development of the common ground taxonomy to include Singapore's taxonomy. Amundi participates in taxonomy stream, and the Multi-Common Ground Taxonomy (M-CGT) was released in November 2024. The M-CGT provides a comparison of the sustainable finance taxonomies of China, the EU, and Singapore and aims to enhance interoperability of taxonomies.
2023	**Global Impact Investment Network**	The GIIN is a non-profit organisation dedicated to increasing the scale and effectiveness of impact investing. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry.	Amundi joined the GIIN to share best practices on impact investing and learn from other actors in the impact investing space.

2024	**Singapore Sustainable Finance Association**	The SSFA builds on the work of the Green Finance Industry Taskforce (GFIT) to drive four key initiatives – develop taxonomy, improve disclosures, foster green finance solutions, and enhance environmental risk management practices of financial institutions.	Amundi co-leads the taxonomy working group.
2024	**Capacity-building Alliance of Sustainable Investment**	The CASI is spearheaded by the Global Green Finance Leadership Program (GFLP). The platform aims to deliver higher-quality and higher-impact sustainable finance capacity building services for developing countries, via developing a "global aggregator and distributor of sustainable finance knowledge".	Amundi distributes ESG knowledge and enhances ESG communications through CASI events. Amundi representatives attended CASI's first monthly webinar on 2024 Sustainable Finance Market and Policy Outlook.
2025	**London Coalition on Sustainable Sovereign Debt**	The LC brings together leading financial and public sector experts to redefine sovereign financing and is led by seasoned professionals from the UK Treasury and global financial institutions. It aims to develops pragmatic, market-based solutions that enhance affordability and resilience for emerging economies. The Coalition will champion innovations that improve transparency and provide liquidity relief during economic shocks.	Amundi is part of the Steering Committee, participates to quarterly meetings, and provides guidance on working group outcomes.

03 Illustrations of collective actions in which Amundi has been involved

A. Collaboration with regulators

Singapore-Asia Taxonomy

Amundi has been part of the Green Finance Industry Taskforce (GFIT) since it was convened by the Monetary Authority of Singapore (MAS) in 2019.

Under GFIT, Sylvia Chen, Amundi South Asia Head of ESG, was the co-lead in the development of a green and transition taxonomy for Singapore-based financial institutions, leading to the publication of the Singapore-Asia Taxonomy in December 2023.

In 2024, MAS launched the Singapore Sustainable Finance Association (SSFA) where Amundi is currently an Executive Committee member and co-leading under the taxonomy workstream to enhance the usability and enable adoption of the Singapore-Asia Taxonomy.

ICMA[50] - Green, Social, and Sustainability- Linked Bonds Principles

Amundi has been an Executive Committee member since 2017, with Alban de Faÿ, Amundi Head of Fixed Income SRI processes and Credit Portfolio Manager, elected Deputy Chair of Principles in June 2023. Amundi consequently plays an active role in addressing matters relating to the Principles, e.g. the development of Green, Social and Sustainability-linked Bonds market and the standardisation and impact reporting practices.

In 2024, Alban de Faÿ, Head of Fixed Income SRI Process at Amundi, was re-elected Deputy Chair of the Steering Committee, as investor representative.

50. The International Capital Market Association.

B. Collaborative work promoting best practice

Amundi frequently collaborates with industry associations, think tanks and NGOs on specific topics in order to promote best practice.

Illustration 8: The ASCOR Project[51]

The ASCOR (Assessing Sovereigns' Climate-related Opportunities and Risks) project is a coalition of international institutional investors[52], as well as investor networks (UN Net Zero Asset Owner Alliance, PRI), aimed at creating a framework and database to assess the climate action and Paris Agreement alignment of sovereign issuers (both Developed and Emerging Markets). The projects' academic research partner is the TPI Global Climate Transition Centre based at the London School of Economics' Grantham Research Institute. Amundi is involved in the ASCOR project through initial funding and being one of the Co-Chairs of the framework. Investors seeking to assess sovereign issuers' climate-related risks and opportunities currently face two main hurdles:

1. There is no internationally agreed climate-related framework dedicated to sovereign debt instruments.

2. While a lot of sovereign data is publicly available, it is often not harmonised, comparable, or even consistent, which makes it difficult to conduct an appropriate analysis. This lack of reliable tools hampers investors' ability to undertake material analysis and engage with governments on climate change, and subsequently undermines the climate related investment case.

The aim of the ASCOR project is "for every sovereign debt issuing country to eventually be assessed against a framework which will analyse emissions pathways performance, policy action, and opportunities to finance the transition. The framework will also focus on fairness, recognising the principle of common but differentiated responsibilities that underpins the United Framework Convention on Climate Change".

The framework is expected to facilitate dialogue between private investors and sovereign issuers and help to anchor issuer engagement efforts to support increased climate ambition. It will also support investors in achieving their net-zero transition pathways.

51. https://www.ascorproject.org/
52. (including BT Pensions Scheme, the Church of England Pensions Board, Aktia Bank, Allspring Global Investments, AM, Ceres, Colchester Global Investors, Franklin Templeton, the IIGCC, MFS IM, Ninety One, SURA AM.

PROGRESS IN 2024

The final version of the ASCOR methodology was published in November 2023, following a consultation phase with stakeholders (asset managers, asset owners and sovereign issuers) during spring 2023, and the tool was launched early December of that year.

As a start, the tool covered 25 pilot countries, for which the assessment and all underlying data and related sources are available on the ASCOR website.

During 2024, the ASCOR academic partner - the TPI Center at LSE – worked on increasing the country coverage.

Since the November 2024 update of the tool and the publication of the *State of Transition in Sovereigns 2024 report*, **70 countries have been assessed**. These high-, middle- and low-income countries collectively account for more than 85% of global GHG emissions and 90% of global GDP. They also cover 75–100% of the major sovereign bond market indices.

During 2024, Esther Law, Amundi's senior Emerging Markets Sovereigns PM and co-head of ASCOR Advisory Committee organised a European roundtable to provide investors and sovereign issuers with a forum for knowledge and practice sharing. The aim was to open a constructive dialogue on the global and regional challenges of channelling private finance to climate-supportive sovereign debt, the potential solutions and how the ASCOR tool could be harnessed towards these aims. The roundtable gathered more than 30 representatives of investors, investors networks and European ministries of finances/debt management offices.

c. Collaborative work on Climate

Case study 22: Reducing thermal coal exposure with Asian utility

Context: The issuer is one of the largest electricity utility companies in its home country, operating in both domestic and international markets. Since 2021 Amundi has engaged with the issuer to encourage transparent disclosures and a more ambitious climate strategy. This has included advocacy for investment in renewables over nascent abatement technologies, and requesting a cessation of thermal coal generation development in line with 2030/2040 timeline.

Amundi action: During 2024, Amundi has engaged on multiple occasions with the issuer as lead investors of AIGCC and collaboration with ACCR groups to focus on the objectives detailed below.

Engagement Objectives

- Paris Agreement Alignment: Set science-based short- and medium-term targets aligned with the Paris Agreement for both domestic and overseas operations. Publish timeline for phase-out of thermal coal across all operations by 2030 for OECD and by 2040 for non-OECD countries
- Renewable energy ambition and priority: Prioritise the development of established renewable technologies and green investments over the relatively high cost and nascent coal technologies
- Transparency: Further transparency in areas like carbon pricing, physical risk measures, mitigation and impacts, and links to remuneration policies
- Remuneration linkage to targets: Set and disclose measurable ESG metrics linked to company strategy, with the climate-related KPIs having significant weight

Engagement Outcomes and Issuer Momentum: In 2024 the issuer announced a FY2024-2026 medium-term management plan, which updates the previous climate transition plan. As part of the updates, the issuer committed to closing five inefficient domestic thermal coal-fired power generation units by FY2030 estimated to collectively prevent the release of 16.2Mt of CO_2 per year. The closures include two 250 MW units and a 500 MW unit. It also has plans to shut two more units or repurpose them as backup units, including a 700 MW unit and a 1000 MW unit. When making this announcement, the Company directly cited shareholder climate concerns as a motivating factor.

Further changes to the strategy included:
- Improved transparency on decarbonisation spend, investing ~US$1.924bn towards decarbonisation over the next three years, including ~US$1.284bn on expanding renewables, ~US$385m on enhancing networks, and ~US$192.6m on thermal power transition, with significant investment in nuclear and hydrogen-based power after FY2027

A new renewables target, aiming to increase renewable power generation in its home country by 4 billion kWh/year by 2030, against a baseline of FY2022.

Next steps: In 2024, the issuer took a significant first step in accelerating its decarbonisation strategy, an essential move to remain competitive during the transition to a low-carbon economy. As investors, we now have greater clarity on how the company is managing its exposure to energy transition risks and its roadmap for achieving its 2025 and 2030 emissions reduction targets. However, we believe there are still critical areas within the decarbonisation strategy that require further attention, which is why our engagement with the company will continue.

Our focus remains on several key items, including the alignment of emissions reduction targets with the Paris Agreement, the integration of climate-related initiatives into executive compensation, improvements in ESG governance transparency, more ambitious renewable energy goals, and scrutiny of its lobbying practices. Additionally, while the issuer has recently acknowledged the growing importance of enhancing coal plant flexibility to support renewable energy expansion and mitigate financial impacts from reduced load factors, it has yet to present a clear plan for achieving this. This will be an important area of our ongoing engagement, alongside advocating for a full coal phase-out across all plants by 2030. Given current policy constraints and energy security challenges, we recognise that parallel engagement at the regulatory level may also be necessary in the future.

All in all, while we consider the decarbonisation journey not yet complete, progress so far is commendable. The company's steadfast commitment to constructive and respectful dialogue - even when perspectives differ - is greatly appreciated and aligns closely with Amundi's values.

D. Collaborative work on Natural Capital preservation

Case study 23: Engaging on PFAS

Among Amundi's systemic chemicals (PFAS) engagements, Amundi continues to engage with a company involved in a lengthy, high-profile controversy surrounding PFAS contamination. This previously led to large-scale settlements related to PFAS water contamination and personal injury. The lack of transparency in the toxicity results of its PFAS and related pollution in the past have placed the company on our target list for engagement. Amundi, began engaging with the company on PFAS in 2022, joined the collective engagement on the company with Chemsec in 2023 (taking the role as lead investor). Although past litigation liabilities are largely capped by its spin-offs and the restructured company does not produce PFAS anymore, they still procure larger amounts of short-chain PFAS of which health effects are less known today. Given this background, the company plays a key role in the PFAS issue and lacked transparency around their use of hazardous chemicals in production. This was demonstrated by the company having one of the lowest ratings by Chemsec due to its lack of transparency, leading to Amundi's decision to take on the lead role for the Chemsec engagement.

Amundi Actions: We started the dialogue with the company in 2022 and intend to follow up on the discussion points and progress annually. Overall, our aim for the company is to use its past experience to develop best practices for handling and reducing chemicals of concern in production and encourage a shift in their portfolio to safer alternatives and eventually fully phase out PFAS.

Engagement Objectives
Specific asks for 2024/2025 were:
1. Transparency on production and revenue associated with substances of concern
2. Target setting for safer alternatives for their product portfolio
3. A public roadmap for phasing out the use of PFAS where possible and a clear justification for use where there are no alternatives for critical uses

Engagement Outcomes and Issuer Momentum: Momentum can be broken down as follows according to the above objectives:

Objective 1: In the first two years of our engagement, the company's chemical portfolio was still confidential business information as many of the spinoffs were not finalised. However, in 2023, the company agreed to report substances of concern within their portfolio to the Environmental Protection Agency (EPA). Since 2024 the company reports in its sustainability report on the number of commercialised products where the use of substances of concern was avoided or eliminated. This major improvement was also recognized by ChemScore[53], which raised the rating by two levels.

Objective 2: Over the last two engagement years, the company has also worked on a product development process that prioritises "safer by design" developments and establishes an extensive list with substances of concern that new products are not allowed to contain. Yet, the safer alternative process is not able to affect immediate change to the production process of existing products with substances of concern. Nevertheless, the company understands the importance of target setting and has established a safe and sustainable design goal that they plan to communicate to stakeholders in the future.

Objective 3: The company has an internal roadmap for phasing out the use of PFAS where they consider it to be feasible. We encourage them to share further disclosure on products where PFAS has been phased out versus where it has not been phased out, and to provide information on the phase out strategy and investments. The company is intending to disclose the percentage of products where PFAS has been phased out.

Next Steps: The company's commitment to our recommendations has brought some visible change, notably on the improved transparency regarding substances of concern. For 2025, we expect some positive developments towards sharing measurable KPIs and information on targets related to the portfolio transformation to safer solutions. However, it has also become clear that transformation will happen gradually. As the company remains exposed to PFAS in their products, we will continue recommending increased transparency on phase out efforts and if possible, a more ambitious timeline to do so.

53. The benchmark of Chemsec.

E. Collaborative work on working conditions, living wage & gender diversity

Case study 24: Engaging to Promote Safe and Healthy Working Conditions

Sector: Food products
Region: North America

Company baseline: The Company was assessed as Medium Risk for Working Conditions in FAIRR's Protein Producer Index 2021, signalling gaps in the group's management and enforcement of policies that support the ability of workers to communicate risk.

The company also faced significant controversies related to working conditions and occupational health and & safety along the supply chain in the past.

Key objectives

We encouraged the company to increase disclosure on topics including:

- Grievances reported, disaggregated by employee category
- Company approach to worker representation at the Board level
- The distribution of workers across employment contract types for all operating markets
- Company's strategy to assess the impact of climate change and automation on the workforce to supporting a Just Transition in meat production

Status in 2024 and next steps: We have not observed any progress from the company regarding the previous recommendations made by the FAIRR investor group.

Furthermore, the company has not disclosed whether it has direct or indirect worker representation at the board level.

It has also not yet publicly stated whether it engages with workers on just transition in the food sector. The company no longer holds direct dialogue with investors and instead has periodic investor calls, which has changed the format of engagement. It has asked the FAIRR investor group to reconnect after the next update. We hope for a follow-up call between the FAIRR investor group and the company in 2025.

F. Support for research into responsible investment matters supporting university chairs

Amundi actively supports academic research and has forged several partnerships with university chairs, especially regarding green finance matters:

- Amundi is supporting the work of the MIT Joint Program on the Science and Policy of Global Change, which studies interactions among human and Earth systems to help decision-makers confront critical challenges in future food, water, energy, climate, air quality, human health, and other areas. The mission of the MIT programme is to advance a sustainable, prosperous world through actionable, scientific analysis of the complex interactions among co-evolving, interconnected global systems.
- Academic Chair *"Sustainable Finance and Responsible Investment"*, created in 2007, sponsored by the Association Française de Gestion (AFG) and led by the École Polytechnique and the Institut d'Économie Industrielle (IDEI) in Toulouse.
- Research projects conducted in partnership with Crédit Agricole Languedoc, Amundi Investment Institute and Montpellier Business School, the Centre for Environmental Economics (University of Montpellier - CNRS - INRAE - SUPAGRO) and the University of Montpellier aim to understand individual investors' socially responsible preferences and the tools & interventions that could help increase their interest in sustainable finance products.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers

When engaging companies, Amundi assesses the progress made by the issuer towards certain objectives using milestones. Our first objective is to induce positive change and the way we decide to engage will always be based on its expected effectiveness. When engagement fails or if the remediation plan of the issuers appears weak, we may enact a mode of escalation up to the point of exclusion from our active investment universe, meaning all actively managed strategies over which Amundi has full discretion.

01 Measuring and monitoring engagement progress

Triggering deep change in large organisations can prove complicated, disruptive, and even considered impossible by issuers. This is why we seek consensus and action on reasonable milestones during engagement monitoring, while not settling for progress merely for the sake of progress. As investors, we must temper our ambition with the necessary pragmatism to promote a transition towards a sustainable, inclusive, and low carbon economy in a timely manner. We understand the current limitations to effectively measure and address key themes in sustainability, climate science, biodiversity, and human rights. We consider sustainability to be an evolving benchmark and, as such, our engagement strategies will evolve over time to better improve integration of these developments.

02 Engagement escalation: to have an impact, we need to incentivise change when momentum is slow

Engagement escalation can include (in no particular order):

- Negative overrides to potential or continued investment in one or several criteria,
- Questions at AGMs,
- Votes against the discharge or the renewal of Board Members,
- Filling of resolutions,
- Public statements,
- ESG score caps (main example is tobacco policy: an issuer that has more than 10% of its headline revenue coming from tobacco has its rating capped as E) – *see Principle 7 for more details of Amundi's proprietary ESG scoring system*,
- And, ultimately, exclusion.

For example, in the case of themes that are critical (such as climate, natural capital preservation, social matters, severe controversies, and/or violations of Global Compact principles) or where there has been a lack of response on engagement related to sustainability factors, Amundi can decide to vote against a discharge resolution or vote against the Chairperson or some Board Members. In addition to exercising escalation through our voting activities, failed engagement can have a direct impact on our ability to invest in a company. ESG research analysts can downgrade the related criteria in the ESG score of the issuer, and in the case of a critical issue, the overall ESG score can be downgraded.

Amundi has committed to integrate ESG criteria into the investment process of actively managed open-ended funds, with an objective to fulfil the financial objectives while maintaining the portfolio average ESG scores above the average for their respective investment universe. Negatively overriding ESG scores, therefore, creates a penalty in our capacity to invest in the issuer. Occasionally, an issuer's ESG rating can change from being investable to excluded due to its obstinacy on an ESG issue that we believe to be crucial.

A. Responding to controversies leading to divestment

Case study 25: Engaging on Deforestation with an Agribusiness Company

Context: The year 2024 marked our third year of engagement with an American agribusiness and food products company. Due to its significant exposure to soy and palm oil (among other commodities), the company faces considerable scrutiny regarding deforestation. Over the past years, it has been subject to numerous allegations of biodiversity destruction and illegal deforestation, particularly in highly sensitive ecosystems such as the sensitive biomes in Latin America.

Amundi Actions: Based on our previous engagement discussions, our 2024 engagement with the company focused on multiple aspects of its efforts to combat deforestation, including commodity traceability system and ambitions to enhance biodiversity opportunities throughout its supply chain. Additionally, the company was involved in TNFD working groups. We encouraged their efforts with TNFD to be translated into a concrete report since TNFD leverages major deforestation reporting frameworks into its reporting guidance to support comprehensive and standardised reporting around deforestation risks for stakeholders.[54]

Engagement Objectives

Key objectives for our engagement were as follows:

- Strengthening biodiversity commitments and policies related to the soy and palm oil supply chain, notably through the establishment of a 2020 cut-off date for soy that is in line with international standards
- Encouraging the company to sign the Cerrado Manifesto to combat deforestation
- Improving reporting transparency by disclosing the total number of hectares affected by deforestation/conversion each year, categorized by region, in both direct and indirect operations as well as transparency on the number of hectares that have been deforested if deforestation has been identified
- Encourage transparency regarding company actions in regard to emerging and existing deforestation controversies including company findings around allegations and evidence of remediation
- Encourage formalised remediation policies including commitments to remediate/address grievances/issues within a certain timeframe
- Publish report on impacts, dependencies, risks and opportunities linked to nature with TNFD

Engagement Outcomes and Issuer Momentum: We were pleased to see some progress in 2024. The company did establish a 2024 cut-off date for soy in 2024 since they achieved their 2025 deforestation target that year, however it is still not in line with the 2020 cut-off date that would align them with the developing EU Deforestation Law. In addition, the company has improved its traceability systems for key commodities such as soy and palm oil. It has now tracked 100% of its direct commodities to farm operations in high-priority regions of South America and approximately 98% of indirect sourcing in high-priority areas of Brazil down to the farm level. We believe this progress is crucial in driving greater transparency on key KPIs, such as deforestation and land conversion rates across both direct

54. https://globalcanopy.org/insights/insight/deforestation-in-the-context-of-the-tnfd-recommendations-leveraging-prior-progress-utilising-existing-datasets-and-going-further-with-additional-guidance/

and indirect operations. However, we continue to encourage the company to expand its traceability coverage disclosure, particularly for indirect sourcing beyond Brazil, to ensure a comprehensive approach. We were pleased to see the company making progress on TNFD (Taskforce for Nature-related Financial Disclosures) reporting, as it confirmed its intent to establish a TNFD report by 2025. We look forward to seeing this positive evolution considering the clear role deforestation will play in this reporting.

Despite these actions, the company continues to face numerous allegations of deforestation. While the company claimed to be unaware of these cases, we have asked for more transparency in regard to these allegations and more broadly have continued to encourage the company to establish a clear timeline for responding to grievances and accusations.. This remains essential considering reoccurring allegations of illegal logging and failures to protect indigenous rights.

Finally, the company has not yet signed the Cerrado Manifesto which means that their deforestation policy still does not align with Amundi expectations. As a result, the company maintains a downgrade on its internal ESG score at Amundi for deforestation concerns to reflect the risk.

Given the company's exposure to deforestation risks and the status of their engagement momentum in 2024, we assessed that concerns remained sufficiently material to warrant a vote against the discharge of the board at the 2024 AGM.

Next Steps: Going forward we will continue to monitor the company's links to deforestation, including recent allegations and actions the company has taken to address them in addition to the open KPIs described above such as notably to encourage the company to sign the Cerrado Manifesto as well as any improvements in its policies, adjusting our ESG rating accordingly.

B. Escalation by voting actions

Case study 26: Engaging with a global retailer on Tax Responsibility

Context: For over three years, Amundi has been engaging with a global online retailer on tax responsibility. We first reached out to the company in 2021 for insights into its approach to tax responsibility. Our engagement was prompted by a number of concerns outlined above, including the heightened attention towards the company's tax practices by NGOs and authorities alike. In particular, several studies underscored the discrepancy between the company's reported tax jurisdictions and locations of its activities, as well as its low effective tax rate estimated on the basis of the information provided in its financial accounts. We therefore wanted to better assess the financial, regulatory, and reputational risks the company was likely to face as a result of its tax practices and therefore focused our efforts on tax transparency. In 2022, we voted in favour of a shareholder resolution requesting the company to publish a tax transparency report. Although it did not receive sufficient shareholder support to pass, we maintained our conversations with the company to convey our recommendations.

Amundi Actions: Following a lack of momentum in 2022, we decided to co-file a tax transparency shareholder resolution to be considered at the company's 2023 AGM. We continued to convey our expectations on tax responsibility to the company in 2024.

Engagement Objectives
Key objectives of our engagement were as follows:
- Issue a tax transparency report to shareholders, prepared in consideration of the indicators and guidelines set forth in the Global Reporting Initiative's (GRI) Tax Standard (as requested in the shareholder resolution)
- Integrate tax issues into the company's social responsibility strategy
- Ensure that tax is discussed at Board level
- Publish a tax responsibility charter (or equivalent) and an annual tax responsibility report

Momentum and Outcomes: Our tax transparency resolution received a 17.7% support from shareholders at the company's 2023 AGM, thus failing to pass, but we were encouraged by the fact that in 2023 the company published its tax principles and enhanced disclosures in its annual tax contribution report. In 2024, we continued to encourage the company to consider a stronger country-by-country tax report to address investor and stakeholder concerns and demonstrate that the company's tax policy is a responsible one. Later in 2024, the company published its second economic impact and tax contribution report, which showed improvements on the previous document, as it included details of economic contribution in major markets and explicit expression of support for Organisation for Economic Co-operation and Development (OECD) minimum tax rules (the so-called Pillar Two).

Next Steps: Although we welcomed the continued progress in the company's reporting, we still view the need for the company to more proactively address concerns around alleged aggressive tax practices, not least by following best practice examples from peers who issue more detailed tax reports and provide enhanced explanations around their tax practices for external stakeholders. Therefore, we will not close the engagement yet and continue the dialogue.

Case study 27: Engaging with a Semiconductor Company on Downstream Human Rights Risks

Context: Human rights concerns in the semiconductor industry have risen in prominence with a growing focus on downstream due diligence and product misuse. This has been reflected in tightening export controls but also human rights norms, such as the OECD MNE Guidelines, which confirm due diligence application to downstream business relationships. Combined with chip shortages and security concerns, there is a business imperative for semiconductor companies, especially those whose products are categorised as dual use, to tackle illicit product diversion to meet regulatory requirements, ensure value chain stability and avoid adverse human rights outcomes resulting from product misuse. With this in mind, we started our engagement with an American semiconductor manufacturer in 2022. The company was originally flagged through our research and analysis of the Corporate Human Rights Benchmark, which identified it as one of the lowest scorers in the information and technology sector due to a lack of transparency and human rights commitments aligned with international standards. The company was also named in a research report by a major think tank among those whose chips have been diverted to high-risk countries and potentially misused in conflict settings.

Amundi Actions & Engagement Objectives: Over the course of the engagement, our objectives included:
- Address minimum expectations to improve human rights risk management, specifically:
  - ➜ Develop a dedicated human rights policy aligned with the UN Guiding Principles on Business and Human Rights
  - ➜ Disclose approach to downstream human rights risk management in line with industry best practices

- Disclose specific efforts to prevent product misuse and enhancements to know-your-customer procedures to tackle downstream human rights risks

Additionally, in 2023 and 2024 our concerns about Board oversight of human rights issues contributed to a vote against the discharge of directors and the re-election of relevant directors.

Engagement Outcomes and Issuer Momentum: Over the course of the first two years of engagement we observed limited momentum. The company continued to lack evidence of a comprehensive human rights policy and due diligence processes, with publicly espoused focus on supply chain risks, although scope for improvement was acknowledged. It also shared that some downstream due diligence efforts were in place but was reluctant to share the details publicly due to concerns about enabling malicious actors. Nonetheless, we continued to reinforce our recommendations as reports on product diversion implicating the company regrettably continued to be published in the meantime.

Later in 2024, the company offered a call to investors with whom it had previously held dialogue on human rights, which Amundi was able to join. The company acknowledged that product diversion and potential sanctions circumvention by clients represented a significant reputational risk, which the company took seriously. It outlined a detailed approach to addressing diversion risks, which included collaboration with industry bodies, distributors, authorities and the civil society and appointing a dedicated specialist internally. It acknowledged that communication on diversion and wider human rights risks could be improved and indicated that it was considering publishing a formal human rights policy (or equivalent), having reviewed examples that investors, including Amundi, had previously shared. In a subsequent direct meeting with the company, it also shared plans to conduct materiality mapping in preparation for European sustainability regulations, and indicated that human rights would be included in the scope of the works.

In the meantime, the company also included a statement of acknowledgement of diversion risks in its Corporate Citizenship report, which although brief, supported the position shared in our engagement interactions.

Next steps: We were encouraged by the company's progress in 2024. In 2025, we will continue our dialogue with the company to ascertain that it has made progress on public disclosures around its human rights efforts to reassure investors that the company continues to adequately address the relevant risks. We will look to close the engagement should we see adequate reporting put in in place.

C. Escalation by raising a question at an AGM

Case study 28: Engaging on Decarbonisation Strategy with a global diversified miner

Context: Diversified mining companies face unique challenges to decarbonise in line with the IEA Net Zero Scenario (NZE). These challenges notably include a high exposure to Scope 3 emissions due to downstream processing of their commodities (such as companies producing iron ore or metallurgical coal for steel production) and data gaps to effectively track and report emissions (such as for methane emissions from coal mines) amongst many other challenges.

It is essential that mining companies overcome these barriers to ensure they are adequately addressing climate related risks (including risks around stranded assets for coal mines) while seizing associated opportunities by aligning their metals/minerals portfolio with the commodities required for the energy transition (such as cobalt and lithium).

In 2024, we engaged with a diversified mining company with global operations but domiciled in developed Asia. The company has a diverse product portfolio mining commodities such as copper, iron ore, nickel, metallurgical coal. Notably, their largest exposures are around iron ore and metallurgical coal, both which are used for steel production, though metallurgical coal usage is expected to decrease with the IEA NZE as the use of scrap and DRI[55] increases. Within the context of their Say on Climate, we engaged with the company on their energy transition strategy which they asked shareholders to vote on. The company remains a leader in the sector on disclosure but there were some key gaps in their climate strategy, triggering an engagement.

Amundi Actions: Based on identified gaps in the company's climate strategy, we engaged on and raised the following items to the company within the context of their Say on Climate.

Concern identified in the company's Climate Strategy	Amundi Objective for Engagement
Scope 1 & 2 - The company did not provide updated targets for Scope 1 & 2 despite the fact that they already achieve their 2030 absolute Scope 1 & 2 reduction targets	- We encouraged the company to establish updated, more ambitious targets for Scope 1 & 2 to be met by 2030 as they have already achieved their existing mid-term target
Scope 3 - Lack of granularity on their Scope 3 reduction strategy (including concrete targets) despite a portion of their executive remuneration being linked to Scope 1,2, and 3 - Scope 3 strategy focused heavily on supporting unproven and minimally scaled solutions such as CCUS as opposed to proven routes and technologies (like EAF). In parallel, we believe it would be beneficial for the company to share more details on its strategy to ramp-up production of transition metals - The company's heavy long term focus on metallurgical coal expansion is not compatible with the IEA NZE. The company's 1.5 degree scenario has metallurgical coal demand at 50% higher than the IEA NZE	- We encouraged the company to adjust their Scope 3 strategy to focus less on metallurgical coal expansion and CCUS and instead focus more on proven technologies and adjusting towards a portfolio that is better aligned with the needs in the IEA Net Zero scenario - We also recommended the company increase its green CapEx allocation
Capex Expenditure - The company estimates that USD 4 billion is needed by 2030 to execute their operational decarbonisation plans but only has earmarked USD 75 million between 2025-2029	- We encouraged the company to increase their CapEx spend between 2025 and 2029 to better align with the amount required for decarbonisation (while we do not see USD 4 billion as a realistic number we also find USD 75 million to be somewhat low)
Methane - Lack of critical disclosures around methane emissions despite the fact that some of the locations of their assets have been identified as methane hotspots	- We encouraged the company to improve frequency and accuracy of fugitive methane emissions measurement using enhanced operational practices and technology where applicable (such as satellite technology) - We recommended the company to set concrete targets on reduction of methane emissions
Lobbying - Insufficient information on how the company is working to ensure lobbying associations in which they are a member are not lobbying for items contrary to the company's climate goals and strategies. While the company does provide quite comprehensive disclosure compared to many peers, gaps remain notably around regional memberships that have a history of anti-climate lobbying	- We encouraged the company to increase transparency on how it is ensuring that the associations in which it is a member are not lobbying for items contrary to its climate goals

We expressed our concerns regarding the company's current Say on Climate via voting activity and provided feedback for consideration in line with the above items for its next Say on Climate. Due to these concerns, we were unable to support the Say on Climate and provided feedback in line with the items above for them to consider for the next Say on Climate.

55. Direct Reduced Iron: a type of steel production that does not use metallurgical coal and can produce low carbon steel depending on the energy inputs.

Issuer Momentum: While 2024 was the first year of this engagement, the company did not yet show any concrete evolution, but they did provide comments in regard to our suggestions. Regarding our recommendation that the company increase the ambition of their Scope 1 and 2 targets considering they already achieved their 2030 target, the company indicated that the reason they maintained these targets is because they will be expanding the business, so maintaining a 30% reduction remains quite ambitious. However, as no new or major mergers and acquisitions were announced, we were not able to assess the validity of that argument at the time of the engagement. As such, this recommendation remains pertinent.

With regard to Scope 3, the company maintained that CCUS will be essential to help decarbonise global blast furnaces, which represents 70% of the global steel production.[56] They further supported their focus on CCUS saying that nine out of the 10 largest steel producers globally have CCUS as an integral part of their decarbonisation roadmaps and the IEA Net Zero Roadmap still assumes that 37% of steel production will use CCUS in 2050. While we do understand that, a significant reduction in the use of coal for steel production can be seen in the IEA NZE scenario (see figure below). Notably, the company has proposed some metallurgical coal mine expansion, which would see metallurgical coal production well beyond 2100, making their strategy far from compatible with the IEA NZE. They maintain that the permits are for environmental permitting purposes only and do not imply an intention to necessarily mine that long. Regardless, the company does not provide any evidence of an alternative strategy to move away from metallurgical coal. This was a crucial point we emphasised to the company within the context of our dialogue in 2024.

Emissions reductions by mitigation measure

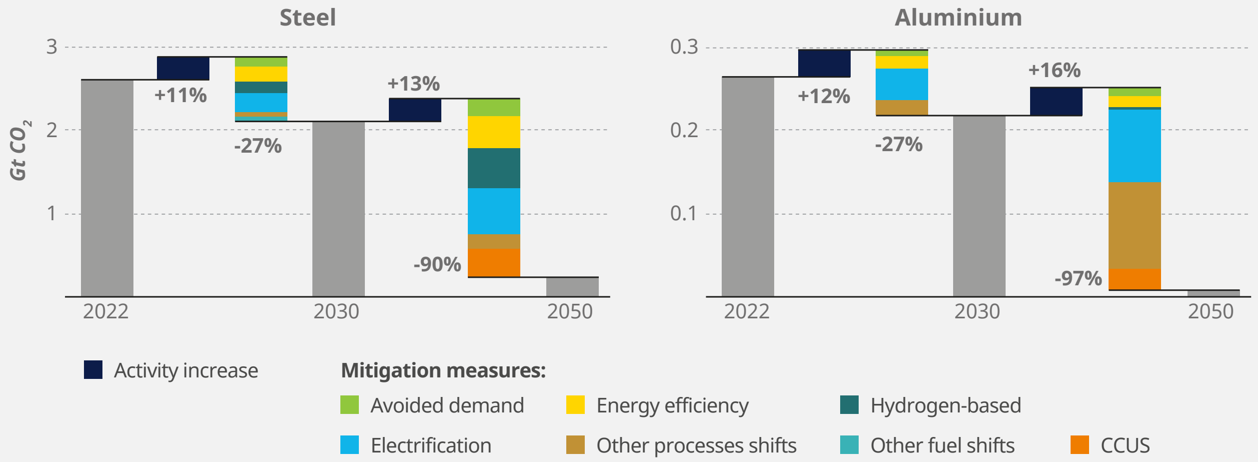


Figure 1 – Steel emissions reductions predominantly due to fuel-switching away from coal, IEA NZE scenario[57]

On CapEx, the company maintained that while $4bn is needed, they cannot be solely responsible for this, therefore, they have engaged in a global partnership to unlock the needed USD 4 billion. While we understand this, we find that many peers provide more granularity as to how they will get the figure both by their own CapEx investments, investment from partnerships, and needed support from governments. We think there is more opportunities for the company to provide greater clarity via a roadmap of where this money *could* come from in addition to increasing their own CapEx contribution.

On methane, the company maintained that their analysis on fugitive methane emissions from their metallurgical coal shows that they have lower methane emissions compared to peers in both regions of high risk and internationally. They elaborated on their strategy regarding methane management including the use of methane drainage to capture and destroy methane from underground mining.

56. Figure provided by the company during our engagement dialogue.
57. IEA (2023), Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach, IEA, Paris https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach, Licence: CC BY 4.0

They did acknowledge, however, that open cut mines remain a challenge, but they were working with major international partnerships to establish trials and testing for enhanced methane management methods. While their methane reduction is not quantified, they did maintain that this was a key part of their plans to meet not only their 2030 but also 2050 climate targets.

Finally on lobbying, the company referred us back to their 2023 lobbying disclosure that was a notable strong step forward on lobbying transparency as it outlined non-material misalignment with regard to lobbying including ceased memberships. However, as of 2024, there were no updates on certain associations where the company had flagged misalignment in 2023 but still maintains a membership. We emphasised this point during our engagement.

Next Steps: Going forward, we will continue to emphasise the points highlighted above to encourage the company to establish more ambitious strategies on this subject. We understand the complexities diversified miners face to transition and, with regard to Scope 3, we support ambitious yet pragmatic strategies that are realistic in terms of what is achievable but also set the company on the right path to capture opportunities associated with the energy transition. We are seeing improvements by many of the company's mining peers to better develop strategies around Scope 3, including more concrete KPIs on how they plan to support the decarbonisation of the steel sector (i.e. supporting the climate strategies of their clients) or through strategies that pivot their metals and minerals portfolio towards growth around those that are needed for the transition. The company maintains a misalignment in long term strategy (notably around metallurgical coal), which was the main concern driving our limited support for their 'Say on Climate'. We hope that the reasons for our vote will be taken into consideration for the next 'Say on Climate' (which the company commits to an advisory vote on every three years). Regardless, we will follow up annually to track progress and encourage improvements in line with our recommendations.

Principle 12

Signatories actively exercise their rights and responsibilities

We regard the considered and intelligent exercise of investor voting rights as a central aspect of our role as a responsible investor. Our voting policy responds to our holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. Further, our voting reflects our overall approach to stewardship, meaning that we are committed to long-term relationships with the companies in which we invest, and to active dialogue with them.

01 How we exercise voting rights?

Our approach

The Voting & Corporate Governance team consists of 10 specialists who analyse resolutions and organise ongoing dialogue with companies, pre and post AGMs, with the aim of:

- Being a responsible investor through the exercise of voting rights and following a clear voting policy that encourages strong governance and accountability of Boards and management on environmental and social issues,
- Encouraging adoption of governance best practice through pre-and post AGM dialogue, by highlighting key elements of our voting policy and, when possible, by explaining our voting decisions to companies, and
- Taking the opportunity to raise awareness among Board members of the challenges and opportunities that the transition towards a sustainable, inclusive low carbon economy could pose on their long-term business success, the necessity for them to handle it at Board level and be accountable to the AGMs.

As part of our regular dialogue with issuers, Amundi informs companies of our proprietary methodology for ESG analysis and the rating assigned to them; and we explain any changes as they arise. The positions we express in our votes should not surprise companies. They are the result of our analysis and dialogue, based on fully transparent criteria. Amundi has centralised the exercise of voting rights within the Voting & Corporate Governance team and exercises the votes on behalf of its subsidiaries and funds.

We are committed to transparency and, where possible, we explain to companies our voting decisions.

The following entities have delegated voting to the Voting & Corporate Governance team of Amundi:

This voting policy covers the following entities[58]:

Amundi Aalam Sdb BhD	**Amundi Luxembourg***
Amundi Asset Management	**Amundi Malaysia Sdn Bhd**
Amundi Asset Management SAI SA	**Amundi Private Equity Funds (only for listed companies)***
Amundi Austria*	**Amundi Sgr***
Amundi Canada*	**Amundi Singapore***
Amundi Deutschland*	**Amundi Taiwan***
Amundi Hong Kong*	**Amundi UK Ltd.***
Amundi Iberia*	**BFT IM***
Amundi Immobilier*	**CPR AM***
Amundi Ireland*	**Sabadell Asset Management***
Amundi Japan*	**Société Générale Gestion***

*These entities have delegated voting to the Voting & Corporate Governance team of Amundi Asset Management (except in specific cases due to the local regulation).

02 Amundi's voting policy

Amundi intends to fully exercise our responsibility as an investor by voting at general meetings according to our voting policy.
Amundi has developed our voting policy according to our holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. Our voting policy is supported by our own data and KPIs. A portion of the analysis is performed in-house, mainly on priority issues and companies, and part of the custom analysis is performed by ISS, an external provider, that provides customised voting recommendations based on Amundi's voting policy. This is supplemented by the analysis of three different proxy advisers ISS general voting policy, Glass Lewis, and Proxinvest to identify problematic resolutions more efficiently in forthcoming AGMs, while Amundi retains complete autonomy vis-à-vis their recommendations. The policy is reviewed on an annual basis and is available on our corporate website.

The key elements of the voting policy include:

Shareholder rights

A corporate governance regime must protect and facilitate the exercise of shareholders' rights and ensure fair treatment of all shareholders, including minority and foreign shareholders.

Boards, committees and governing bodies

Boards have strategic authority and their decisions affect the future of their company, both in the short and long term, and all Board members have individual responsibility. Boards are accountable to the company and its shareholders, but must also have due regard to, and respect the interests of, other stakeholders, particularly, employees, creditors, customers, and suppliers. Compliance with social and environmental standards is also a Board responsibility. For a Board to be effective, a fair level of independence and diversity is needed as well as a limitation of over-boarding.

58. Other entities may decide to apply this voting policy. Please refer to the website of the asset manager.

Amundi fully backs the 8 principles of the World Economic Forum's Climate Governance Initiative:

- Climate accountability on Board,
- Command of the subject,
- Board structure,
- Material risk and opportunity assessment,
- Strategic and organisational integration,
- Incentivisation,
- Reporting and disclosure,
- Exchange.

Compensation policy & dividends

We analyse executive compensation holistically and vote based on two main criteria: the CEO's compensation must be reasonable and economically justified. Further, we are vigilant to ensure that the company's approach to pay, and more broadly its sharing of value overall, do not generate unsustainable situation in the workforce. Pronounced socioeconomic inequalities are detrimental to GDP growth, and even though inequalities have different grounds, corporates have an impact on them.

Therefore, we have reinforced our dialogues with companies concerning the critical need to focus on the long term with a conservative approach on dividend payment and temperance in executive compensation. Social cohesion, wage balance, and employee involvement in the company's growth have long been engagement topics for Amundi. We are also vigilant on the inclusion of stringent ESG performance criteria in the variable remuneration, as well as KPIs related to climate for issuers from the climate high impact sectors.

Amundi assesses each environmentally or socially related shareholder resolution

Corporate governance analysts seek, when needed, the help of the ESG analysts to assess the value of the proposal for the shareholders.

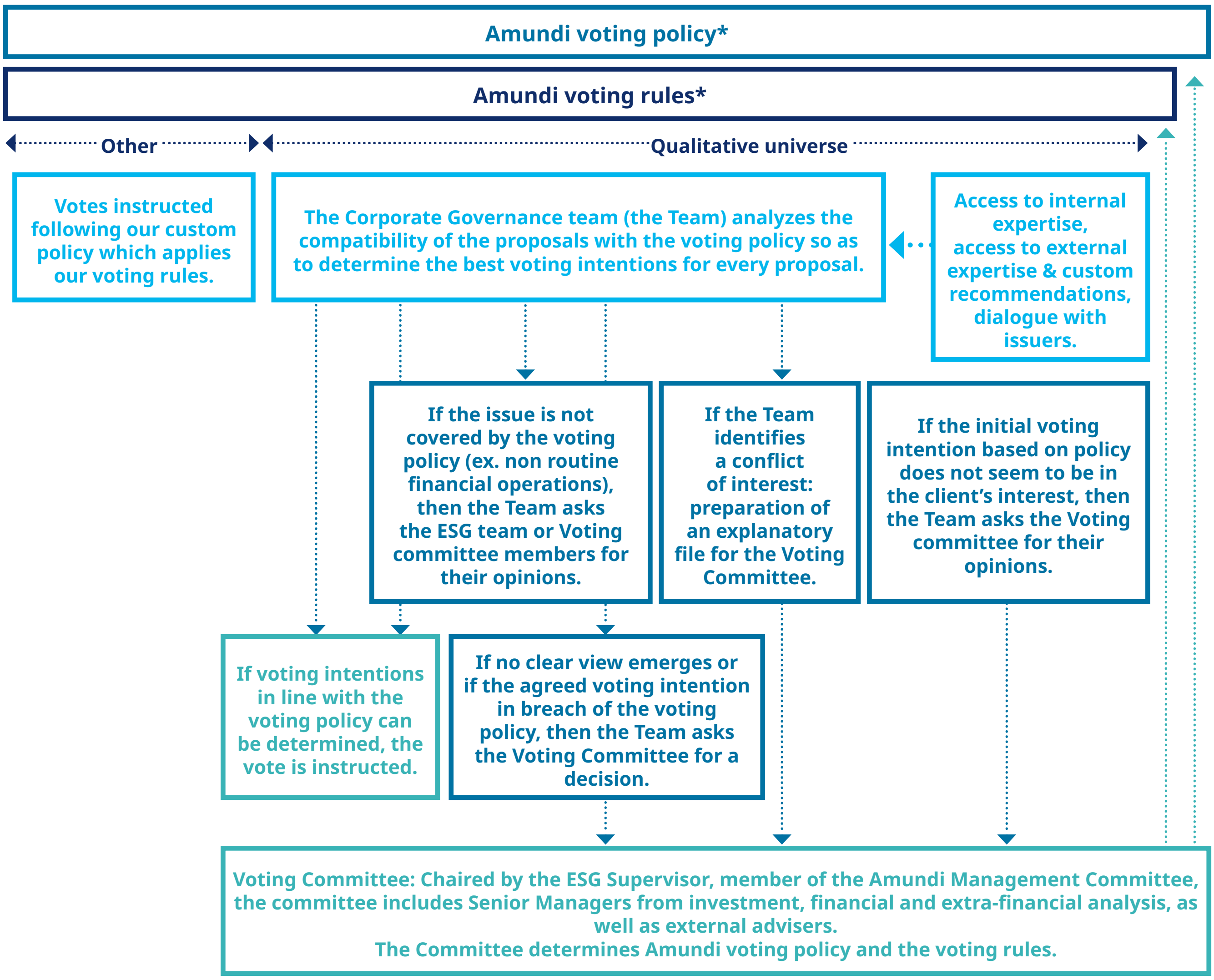
03 Scope of the voting policy

The funds exercise their voting rights at equity investee company meetings whenever possible. Our voting approach applies to all Amundi managed equity funds. Voting rights are exercised for all shares held, unless the required period during which trading is blocked, or any custodian risks create a potential adverse impact on our clients by hindering the portfolio managers' trading discretion. In some rare instances we may not be able to ensure effective voting for some, or all, of the shares held. In 2024, we voted on 99% of the votable assets under the responsibility of Amundi.

When the management of an equity portfolio is entrusted to an outside manager, that manager may have the voting rights, as provided in the delegation contract. Clients with segregated mandates can require that we apply their own voting policy. Voting rights are exercised for securities held in the portfolio at the time of the general meeting. To fully exercise these rights, the lent securities can be recalled in accordance with local laws, technical constraints, and the interest of the meeting. The decision to recall the shares will be based on a qualitative appraisal, taking into account the nature of the proposal, the size of Amundi's voting power, and/or the potential consequences of the vote. For the SRI labelled funds, shares are systematically recalled for all issuers several days before the meeting record date in order to hold the rights to vote at the meeting.

Full disclosure of all our latest voting decisions is available on our corporate website.

Proxy-voting flowchart



* Reviewed on a yearly basis

04 Exercising our voting rights in a considerate and responsible manner

Good governance practices are paramount to protecting the interests of minority shareholders. The exercise of voting rights at the Annual General Meeting is, therefore, key to expressing an opinion on the company's strategy and operational and financial management. This means being able to vote in proportion to the ownership of the capital and not being faced with limitation or protection mechanisms that would allow the company to circumvent the decision-making power of its shareholders. In 2024, Amundi funds exercised their voting rights at company meetings in which they have an equity investment[59] whenever possible[60].

Our voting policy includes certain high-level governance principles that are universally applicable, such as independent oversight and alignment of agents' remuneration with their principals' interests. As far as possible, we express these consistently in our voting in all jurisdictions. Nevertheless, cultural norms do vary to the extent that it is not always productive to maintain this stance to the same degree and we must accept a slower pace of change over no change at all. The implementation of this policy is adapted according to our understanding of the limit of what is possible in each of these local contexts and we seek to position our votes accordingly.

59. 99% of the shares held of portfolios of our voting universe. Ballots' failures are explained by operational problems.
60. See appendix of the voting policy for the exact description of the voting scope https://www.amundi.com/institutional/

Our decisions are always made with a view to defending the interests of our clients by supporting the creation of sustainable, long-term value[61]. To do this, Amundi considers each company's context in a pragmatic manner to make sure our voting decisions are effective; especially, for example, regarding gender diversity. In that case Amundi may link the vote with a specific engagement stream.

Amundi's Voting & Corporate Governance team closely monitors the votes, working with proxy advisers and custodians to understand the reasons why any vote could be rejected and to implement corrective measures if necessary.

A. Voting against management as an escalation mode

In addition to the traditional AGM items on which Amundi votes under our voting policy (as outlined in section 2 of this principle), we have used votes to express concerns following failed engagements or in cases of failure to act on topics representing systemic risks, such as the energy transition, coal phase-out, and social cohesion.

Where necessary, Amundi's policy is to vote against the discharge of the Board or management, and/or the sustainability report, and/or against the re-election of the Chairman, the Audit Committee members and certain Directors. Examples include:

- At companies that exhibit an insufficient climate strategy (taking into account sector-relevant indicators, such as the disclosure of greenhouse gas reduction targets, lack of net zero GHG emission ambition [in the short, medium and/or long term], lack of disclosure/report based on a comprehensive framework such as CDP or TCFD, etc.) while operating in sectors in which the transition is paramount for alignment with the Paris Agreement.
- At companies with lagging practices regarding how they manage their impact on natural capital and their ecosystem (considering biodiversity loss, natural capital degradation, deforestation, water loss, etc.).
- At companies with lagging social practices (considering human rights violations, just transition management, employee related controversies, corruption etc.).

In 2024, Amundi maintained a strong focus on Board accountability and responsiveness, by opposing the discharge and re-election of specific directors for the consequences of their decisions and the mismanagement of critical issues, such as persistent inadequate pay practices, excessive non-audit fees, lack of diversity, insufficient response to shareholder dissent and lagging E&S practices. This approach empowers Amundi to escalate concerns, where improvements and/or engagement are deemed insufficient. Amundi usually votes against directors with a minimum tenure of 2 years, as newly appointed directors are not held accountable for decisions made prior to their appointment.

Board accountability has become the most prominent driver of our votes against Board elections and the discharge of the Board or management; we have voted against 17% of Board structure-related items for this reason. For companies considered as ESG underachievers, our voting approach may involve opposing the discharge and/or the re-election of one or more directors, depending on the severity and nature of the concerns identified.

Amundi considers that the Board should be held accountable for environmental mismanagement or lack of oversight within the company, as well as for environmental controversies associated with its business activities. As such, Amundi voted against the discharge or re-election of 2,044 directors across 336 distinct companies spanning all sectors, due to environmental concerns such as impact on deforestation, shortcomings in their coal policies, inadequate disclosure, or insufficiency in their carbon reduction targets.

Amundi opposed the discharge or re-election of 834 directors across 143 companies due to concerns about their social practices, including on topics such as health and safety, human rights, living wage, working conditions and gender diversity.

Examples of when Amundi voted against the discharge or renewal of Boards members in 2024 can be found in *Principle 11* *of this report.*

61. See Principle 3 to see our policy regarding potential conflict of interest.

PROGRESS TOWARDS 2025

Our global voting policy is reviewed at least annually, taking into account regulatory amendments, market developments, and internationally accepted best practices. Following the 2024 proxy season, we have updated our voting policy with the following key elements that we will continue focusing on in 2025:

Selected updates - Amundi Voting Policy 2024

Theme	Theme Policy update and rational
ESG/Climate criteria in executive compensation	Amundi strengthened expectations in terms of ESG and Climate criteria: the minimum expected weight of ESG criteria (including climate, depending on the sector) is 10% of variable remuneration (ST and LTI).
Independent Directors	The criteria to assess the independence of board members were included in the policy.
Exceptional & Severance payment	We added more granularity to our expectations with regard to recruitment packages, one-off awards and executive departure package.
Gender diversity - Japan	Amundi increased the minimum threshold for gender diversity: from one woman to two women in order to bring the expected diversity in Japan more into line with Amundi's policy applied across all markets (33% women).
Audit committee Independence	Amundi increased the minimum threshold for audit committee independence from 50% to 66%.
Appointment of auditors	The maximum auditors' mandate is now set at 24 years in our policy, to ensure some rotation of auditors.
Environmental & social Issues	We added more granularity to our expectations with regard to say on climate, social co-hesion, board responsibility and shareholder proposals.

B. How we voted in 2024

Regional view

Continents	% of voted meetings (2024)	Number of voted meetings (2024)
Africa	100%	70
Americas	99%	2,198
Asia	99%	6,035
Europe	99%	2,034
Oceania	100%	178
Global	**99%**	**10,515**

Source: Amundi Asset Management

Shareholder Proposals

In our experience, supporting and filing shareholder proposals are an effective engagement technique to drive change in companies when dialogue has not been successful and/or divestment is not an option[62].

The 2024 proxy voting season demonstrated sustained attention to climate-related shareholder proposals. The number of environmental proposals Amundi voted on increased from 263 in 2023 to 271 in 2024, of which we backed 82%.

The 2024 proxy voting season demonstrated sustained attention to social shareholder proposals. As Amundi supported 81% of social-related shareholders resolution, we maintained a strong commitment to supporting Social, Health and Human Right shareholder proposals that drive meaningful change and enhance transparency.

Amundi's leadership externally recognised

ShareAction Voting Matters 2024: Amundi ranks sixth among the world's 70 largest asset managers for its votes at general meetings on behalf of its clients on environmental and social issues – achieving an overall score of 96 out of 100.

Morningstar - Voting on ESG: in a report that examines the voting patterns of 20 US and 15 European asset managers on ESG resolutions, Amundi showed average support of 100% for key ESG resolutions in 2021-2023.

Committee on Workers' Capital (CWC): Amundi ranks third among the top 10 global asset managers, with 77% of votes aligned with the CWC's recommendations on workers' rights in 2023.

Compliance of 2024 votes with the Voting

All the voting decisions are based on and follow Amundi's policy that gives a decision tree, in order to ensure consistency but nevertheless allows a pragmatic approach to take into account the context of each company. If the voting intention is not in line with our Voting Policy due to specific circumstances, it is reviewed by the Voting Committee for a decision.

62. Source: Are Corporate Boards Responding to Successful Shareholder ESG Proposals? PRI, 2023.

Illustration 9: Say on Climate and Climate shareholder proposals

The number of Say on Climate (SOC) proposals submitted for a vote in 2024 remained consistent with last year's (29 in 2024 vs 28 in 2023), with most proposals originating from United Kingdom (9 proposals) and France (7 proposals). In the US, such proposals continue to be unpopular, as 2024 marks the fourth consecutive year without any submission, but climate was still a regular topic on the agenda through shareholder proposals. In Australia, the Say on Climate of Woodside Energy, an energy company, became the first Say on Climate to be rejected, which may be unsurprising given it had already recorded 49% dissent the previous time in 2022. Other companies seem to be learning and improving their say on climate disclosure as average support reached 90%. Likewise, Amundi's support for such proposals has slightly increased from 39% in 2023 to 41% in 2024.

The 2024 proxy voting season demonstrated sustained attention to climate-related shareholder proposals. The number of environmental proposals Amundi voted on increased from 263 in 2023 to 271 in 2024, of which we backed 82%. We remain committed to supporting climate-related shareholder proposals that drive meaningful change and enhance transparency. In that regard, Amundi supported proposals such as:

- Proposals on setting greenhouse gas (GHG) emissions targets. Their number declined slightly compared to 2023: Amundi voted on 34 of these resolutions in 2024 (vs 41 in 2023).
- Proposals related to reports on climate change were also prominent even though their number decreased compared to last year with 16 resolutions (vs 36 in 2023).
- Resolutions asking for more transparency on companies' political contributions and lobbying remained frequent (56 vs 52 in 2023).
- Climate change lobbying activities with 12 resolutions (vs 10 in 2023). A significant milestone was observed in Japan, where a climate related proposal at an Asia steel company seeking an amendment to the Company's articles to require reporting on corporate climate lobbying, received 27.4% of support - the highest level of support ever recorded for an environmental resolution in Japan. This outcome represents notable progress in advancing environmental accountability within in the region.

C. 2024 Voting statistics

PROGRESS IN 2024

In 2024, our voting opportunities consisted of 10,593 votable meetings of 7,736 companies. Amundi voted on all holdings for which it was economically viable to do so, which amounted to 99% of the total of votable assets under the responsibility of Amundi, representing 10,515 voted meetings of 7,703 companies. This compares with 10,357 voted meetings of 7,751 companies in 2023. The full voting statistics for the 2024 proxy season are provided in section 2024 Amundi Voting statistics of this report.

Companies' management typically expresses its opinion via recommendation on how shareholders should vote on individual agenda items. Amundi's opposition rate to management recommendations stands at 26% of all the votes (vs 24% in 2023).

Overview of Amundi voting statistics over the last four years

Voting statistics	2024	2023	2022	2021
Number of companies voted	7,703	7,751	7,554	4,008
Number of meetings voted	10,515	10,357	10,208	7,309
Meetings voted with at least one vote “Against Management”	69%	69%	69%	64%
Number of items voted	109,630	109,972	107,297	77,631
Number of items voted “Against Management” (*)	26%	24%	21%	20%
Votes “Against Management”	**2024**	**2023**	**2022**	**2021**
Number of items voted “Against Management”	27,943	26,459	22,550	15,303
Proportion of votes “Against” / category				
Board structure	31%	29%	24%	20%
Compensation	37%	37%	38%	45%
Financial Structure	21%	21%	20%	21%
Dividends (*)	9%	7%	7%	N/A
Shareholder proposals (**)	34%	38%	35%	32%
Other	11%	9%	8%	8%
Vote in favour of Shareholder proposals		**2023**	**2022**	**2021**
Number of Shareholder proposals	3,350	2,862	2,730	2,261
% of votes in favour of shareholder resolutions	66%	64%	68%	77%
Breakdown / theme				
Climate	82%	88%	87%	86%
Social/Health/Human Rights	81%	83%	81%	83%
ESG Items	**2024**	**2023**	**2022**	**2021**
Environment / Climate	303	292	277	196
Social	9,184	10,294	9,003	7,398
Governance	100,143	99,386	98,017	70,037

*A new “Dividends” category was created in 2022. These proposals were previously recorded in the “Other” category
** Does not include votes for which there was no managing recommendation
Source: Amundi Asset Management

05 Non-equity asset classes

As fixed income investors, we recognise that we do not often have the same voting opportunities as other asset classes, but that our responsibilities and the role we are able to play in influencing issuers is by no means diminished for this reason. Rather, as a significant debt investor with €1,190bn assets under management in fixed income at the end of 2024, we have the influence and the leverage to motivate significant change at the issuer level, and the resources and expertise to contribute to progressive and sustainable restructuring in the case of default.

A. Fixed Income

In case of an event at the bond level triggering a vote, the fund manager can express their view via the ALTO front office tool by the same process used to manage the corporate action. The fund manager will consider the value creation as well as level of risk induced in their voting decision.

Details of our ALTO tool can be found page in Principle 2.*

B. Real Assets

Illustration 10: Private Equity

Once we invest in a private company, we have a seat at the Supervisory Board and, as such, have certain voting rights at this level. We are committed to accompanying the company on its sustainability journey and, to this end, we define an ESG roadmap with each of our investee companies.

Amundi Private Equity Funds follow the Amundi Asset Management voting policy in their company interactions. Following Amundi AM policy, Amundi Private Equity Funds promotes two main ESG issues:

- The energy transition, especially by promoting the calculation of a carbon footprint and the implementation of a decarbonisation strategy,
- The social cohesion, especially through employee's welfare and the implementation of profit-sharing systems with employees.

For examples of how we engage with Private Equity holdings please see Principle 9 on asset-class based engagement.

06 Voting in practice

Case study 29: Voting against an overboarded board member at an Asian materials company

Region: Asia
Sector: Metals & Mining

Context: At the 2024 AGM of an Asian aluminium company, Amundi had to vote on board elections including the Chair of the Board.

Company Dialogue: For several consecutive years, Amundi voted against independent non-executive members of the Board of the Company for overboarding reasons. In 2023, Amundi opposed the re-election of a director who according to the Company held a total of 6 board mandates. The Company maintained that this was in compliance with the Listing Regulations applicable to Indian Listed Companies, which set a maximum of 7 directorships for board members of listed companies.

At the 2024 AGM, we informed the Company of our decision to oppose the re-election of the Chair of the Board who holds a total of 9 board mandates, including 8 as Chair. It is worth noting that several of the companies where the nominee serves as a chair have capital relationships. While Amundi acknowledges that serving on boards within the same corporate group may, under certain circumstances, entail a reduced time commitment and may be part of the responsibilities of a Chair or an executive, in this case we noted that the nominee attended fewer than 75% of meetings of the Company over the year, without providing a satisfactory explanation. This raised concerns that the nominee's extensive board commitments may have hindered his ability to effectively fulfill his responsibilities.

Voting action: As a result, we voted against the nominee's re-election.

Voting results: The Chair of the Board was re-elected but the non-negligeable level of dissent (23%) may reflect a significant level of shareholder concern regarding overboarding and time commitment.

Case study 30: Engaging with a Latin American bank on board independence

Region: Latin America
Sector: Banks

Context: In 2023, Amundi expressed reservations about several Board elections at the Company's AGM due to concerns related to independence and overboarding. In accordance with our voting policy, the nomination committee should be composed of a majority of independent members and be free of executives. The Company's Nomination committee fell short at 43% of independence and included an executive, the CEO. Consequently, Amundi chose not to support the re-election of nonindependent nominees of the Committee including the CEO, despite the Company's defence of the directors' skillset and experience. Following an off-season discussion in September 2023, the Company affirmed its attentiveness to overboarding and independence concerns. It also committed to finding a new candidate to address tenure concerns, as one member, being deemed non-independent by Amundi's standards, had served for 13 years and was sitting on the Nomination committee.

Amundi Actions: At the 2024 AGM, we noted with satisfaction an improvement in the level of independence of the Nomination committee which increased to 50%. However, as the CEO remained on the Committee, we felt it necessary to refrain from supporting the CEO’s re-election once again.

Outcomes & Issuer Momentum: The Company acknowledged our concerns about committee composition during a call in September 2024. Amundi took this engagement as an opportunity to reaffirm our perspective on best practices related to independence and how the presence of executives on Board committees can compromise their ability to operate independently and make unbiased decisions. Next Steps: Amundi will continue to closely monitor Board Committee composition at the upcoming AGM and withhold support for the CEO’s re-election if the Nomination Committee's composition raises concerns.

Case study 31: Voting on a proxy fight

Region: North America
Sector: Entertainment

Context: In 2024, an American entertainment company faced a proxy fight led by multiple activist investors focusing on issues such as financial performance, board governance, succession planning, and corporate strategy. At the most recent AGM, dissident investors proposed replacing certain board members, conducting a comprehensive review of the Company's strategic direction, and adjusting executive compensation to align more closely with performance metrics, all aimed at improving governance practices and financial outcomes.

Company Dialogue: The Company proactively sought engagement with shareholders ahead of its 2024 AGM. Consistent with our previous engagements, the discussion focused on the CEO succession planning, board composition and skills and a reminder of our expectations on the inclusion of ESG KPI in the executive compensation.

Both dissidents made specific proposals to address concerns about the Company's governance practices and overall financial performance. An activist filed a counter-proposal against the re-election of two board nominees, proposing its own candidates, including the former CFO of the Company. Meanwhile, the other activist nominated three candidates for board positions. Following a request for engagement, Amundi held a discussion to further discuss their proposals.

Voting action: Based on our analysis of the strategy, financial situation and governance concerns, Amundi decided to support the management slate to favor stability and let the CEO sufficient time to deliver on its new strategy.

Voting results: Ultimately, the Company's candidates retained their positions, blocking activist-backed candidates. Nonetheless, 31% of shareholders supported the election of an activist representative.
Nevertheless, Amundi will continue to monitor the functioning and composition of the Company's Board and leadership changes and succession planning for the CEO to ensure adherence to good governance practices and a smooth transition. Amundi will also ensure that the Board properly monitor management decisions on the company's financial performance and strategic initiatives.

Case study 32: Asking for more gender diversity on boards of Japanese companies

Region: Japan
Sector: Information Technology

Context: Female representation in leadership positions in Japan remains among the lowest globally. At the 2023 AGM of an IT company, Amundi opposed the re-election of representative directors, who we held accountable for the absence of women at Board level. The Company was informed of our voting decisions, clearly outlining our expectations regarding gender diversity. Shortly after the AGM and following the Company's President almost getting voted out by the Company's shareholders (49% of dissent), the Company announced its intention to appoint a female director to the Board at the 2024 meeting. Amundi conducted, early 2024, the annual review of its voting policy and decided to strengthen position regarding gender diversity in Japan by requiring large companies to have at least two female directors. The increased stringency was intended not only to better align with the Japanese government's draft plan issued by the Gender Equality Bureau, targeting 30% female representation on boards of major firms by 2030, but also to foster greater consistency with our broader approach to developed markets, where each gender is expected to represent at least 33% percent of the Board.

Company Dialogue: We communicated our voting decisions to the Company. The Company has yet to respond to Amundi's increased expectations.

Voting action: Although the Board proposed the election of one female director for the 2024 AGM, which we considered a significant improvement, the Board composition failed to meet our revised policy requirements of having at least two female directors. Consequently, Amundi opposed the re-election of representative directors for the second consecutive year.

Voting results: Representative directors received shareholder dissent ranging from 5 to 9%, a significant decrease from the 23% to 49% levels observed in 2023. This suggests that investors recognized the Company's effort to include a woman on the Board, although further progress is still required to meet best practices.

Case study 33: Asking for the integration of climate metrics in variable pay of executives

Region: America
Sector: Materials

Context: For the past two years, Amundi has engaged with a materials Company regarding the absence of climate indicators in its variable incentive plans. The Company, involved in the production and exploration of gold as well as copper, silver, zinc, and lead, operates in a sector highly exposed to climate risks. In accordance with our voting policy, we expect companies in such sectors to incorporate climate-related criteria into their variable remuneration measures. Ideally, these criteria should focus on reducing the overall carbon footprint in line with the Company's strategic targets, and be consistent with the sector.

Company dialogue: In 2023, Amundi informed the Company that we voted against the remuneration report given the absence of climate KPIs in the executives' remuneration. In March 2024, ahead of the AGM, Amundi held a call with the Company's representatives to discuss this issue. The Company disclosed that that they have been reviewing their compensation policy and that they will now include a climate criterion, specifically tied to the reduction of scope 1 and 2 carbon emissions, in their long-term incentive plan.

Voting action: In light of these developments, we decided not to oppose the executive remuneration proposal at the 2024 AGM.

Voting results: The remuneration report was supported by 92.6% of the votes. Amundi will continue to monitor the implementation and the disclosure with regard to the criteria, to ensure alignment with best practices.

DISCLAIMER

LEGALS

Amundi Asset Management
French “Société par Actions Simplifiée” - SAS with a capital stock of 1 143 615 555 euros - Portfolio management company approved by the French Financial Markets Authority (Autorité des Marchés Financiers) - under no. GP 04000036.

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Amundi
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Trust must be earned