

Amundi Asset Management

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	⚠	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	✓	Public	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

Amundi Asset Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1	Select the services you offer.
---------	--------------------------------

☒ Fund management

	% of assets under management (AUM) in ranges
--	--

☐ <10%

☐ 10-50%

☒ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1	Select the location of your organisation's headquarters.
---------	--

France

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
---------	---

☐ 1

☐ 2-5

☐ 6-10

☒ >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
---------	---

	FTE
--	-----

3807

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
---------	---

☐ Yes

☒ No

OO 04	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		865	984	626	469
Currency	EUR				
Assets in USD	1	135	731	195	845

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06**Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	12	0
Fixed income – corporate	36	0
Fixed income – government	35	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0.5	0
Property	1	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	1	0

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	10	0
Other (2), specify	4.5	0

'Other (1)' specified

refers to Multi-Asset class products

'Other (2)' specified

refers to Alternative and Structured products

- ☐ Publish our asset class mix as broad ranges
- ☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
-------	---	---------	---------

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
-------	-----------	-------------	---------

With around €866 billion in assets under management[1], Amundi is the leading player in Europe and in the top 10 worldwide[2].

Amundi and Amundi Group were formed by combining the asset management expertise of two major banking groups: Crédit Agricole S.A. and Société Générale. This partnership reflects the two groups' shared vision of asset management, responding to the new challenges facing the industry and allowing them to serve their clients more effectively.

Amundi is characterized by:

- Its global coverage: located in some 30 countries across 5 continents, Amundi covers the main markets and investment regions throughout the world.
- A comprehensive range of products invested in all asset classes in Euro, Dollar, Yen and Sterling.
- Integrated and global risk management, a guarantee of security for our clients.
- Amundi's commitment to ESG issues: we are the leader in SRI asset management with SRI assets under management of EUR 71.6 billion as at end-December 2014.
- The support of two powerful banking groups: Amundi is owned 80% by Crédit Agricole group entities and 20% by Société Générale group entities.

Amundi's philosophy:

Amundi aims to be Europe's leading asset manager, not merely in terms of size, but also in respect of four crucial factors:

- product quality, measured by financial performance and transparency,
- close relationships with customers, partners' networks and institutions, with whom it will work on a long-term basis,
- efficiency of its organisation, resulting from the individual and collective talents of its teams,
- commitment to integrating sustainability and social purpose criteria into its investment policies, alongside financial criteria.

Amundi's client base and investment expertise:

We offer an extensive range of investment services for a diverse international client base.

Our clients

Amundi's clients include both institutional and private investors, in France and abroad. Their relationship with Amundi is either direct (institutional and corporate accounts) or indirect:

via the retail networks of Crédit Agricole, LCL, Société Générale and Crédit du Nord, Prédica and Sogecap, respective insurance subsidiaries of Crédit Agricole and Société Générale, And its foreign subsidiaries or partner networks abroad and third-party distribution agreements.

Our expertise

Amundi and its subsidiaries offer a full range of services related to third-party asset management:

Fixed income

One of the world market leaders in Euro fixed income, global fixed income, money market and credit activities

Equities

An established presence in European equities, and strong niche areas of expertise in Japanese, Asian and emerging equities

Absolute performance

A leading position built on a track record of innovation

Savings solutions for retail clients

Internationally recognised for its expertise in providing customised products

Investment solutions for institutional clients

Acknowledged expertise in investment solutions for institutional clients

[1] Amundi Group figures as at 31st December 2014

[2] Amundi Group scope - Source: IPE Top 400 published in June 2014, assets under management as at 31 December 2013 adjusted by Amundi for figures relating to private management.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.		
----------------	--	--	--

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.		
----------------	--	--	--

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ Private equity
- ☐ Property
- ☐ Hedge funds
- ☐ Other (1)
- ☐ Other (2)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
--	-----------------------------------

refers to Multi-Asset class products

	'Other (2)' [as defined in OO 05]
--	-----------------------------------

refers to Alternative and Structured products

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1	The modules and sections that you will be required to complete are listed below.		
----------------	--	--	--

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation
--	--------------------------------------

- ☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
--	---

- ☒ Engagements
- ☒ (Proxy) voting

	Direct - Fixed Income
--	-----------------------

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

Closing module

- ☒ Closing module

Amundi Asset Management

Reported Information

Public version

Overarching Approach

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 01.1	Indicate if you have a responsible investment policy.
---------	---

- ☒ Yes
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
---------	--

- ☒ Yes
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
---------	---

Our responsible investment policy is detailed in a document called "Governance, Policy and Strategy" (GPS). It is publicly available and you may download it through this link:

http://about.amundi.com/corporate_fr/ezjscore/call/ezjscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeld=_download_geds_corporate_lists_Document_documents_362

The GPS presents the means dedicated to fulfil our responsible ambition: governance, resources and dedicated tools. It details as well our policies in terms of normative exclusion, SRI criteria and engagement.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

OA 02.1	Indicate if your responsible investment policy is publicly available.
---------	---

- ☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
---------	--

	URL
--	-----

http://about.amundi.com/corporate_fr/ezjscore/call/ezjscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeld=_download_geds_corporate_lists_Document_documents_362

- ☐ No

OA 02.3

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- ☒ Yes
- ☒ Yes, all
- ☐ Yes, some

OA 02.4

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Governance Policy & Strategy	http://about.amundi.com/corporate_fr/ezjscore/call/ezjscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeId=download_geds_corporate_lists_Document_documents_362
proxy voting Report	http://about.amundi.com/corporate_fr/ezjscore/call/ezjscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeId=download_geds_corporate_lists_Document_documents_272
voting policy	http://about.amundi.com/corporate_fr/ezjscore/call/ezjscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeId=download_geds_corporate_lists_Document_documents_349
transparency code	http://www.amundi.com/maio/newinstfra/product/doc_download&file=5112829101997222538_5112829101993262526

☐ No

OA 03

Mandatory

Core Assessed

PRI 1,2

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy.
[Optional]

Amundi's responsible investment policy is applied across all assets classes. Nevertheless it is not applied to passive fund management.

OA 04

Mandatory

Core Assessed

General

OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process.
[Optional]

Policy for prevention and management of conflicts of interest:

http://www.amundi.com/documents/doc_download&file=5112602680799534622_511260268079724327

☐ No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☒ At least once per year
☐ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☒ Quarterly
☐ Biannually
☐ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 06	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

- ☒ Add responsible investment objective 1

Objective 1	Publish an engagement report for 2014
Key performance indicators	Measurement of progress of analysed companies New engagement themes
Describe the progress achieved	the new engagement themes are Conflict minerals in the electronics sector and Lobbying in the pharmaceutical industry and in automotive industry

- ☒ Add responsible investment objective 2

Objective 2	Training on ESG issues.
Key performance indicators	number of employees trained
Describe the progress achieved	238 employees have been trained on ESG issues in 2014

- ☒ Add responsible investment objective 3

Objective 3	Fund managers training on extra-financial issues
Key performance indicators	Number of training organised
Describe the progress achieved	13 training sessions have been conducted.

OA 06.2

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Starting an engagement process with at least 20 smaller companies included in 2014 loan funds.
Key performance indicators	Number of companies that positively respond to our engagement process

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Publish an engagement report for the year 2015
Key performance indicators	Measure of progress achieved since 2013 on Human Rights for the extractive industry/access to nutrition in the agri-food sector (first engagement themes)

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Internal training and sensibilisation on ESG subjects (for fund managers and collaborators)
Key performance indicators	Number of training sessions organised; number of employees trained.

Governance and human resources

OA 07

Voluntary

Descriptive

General

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

In order to support its responsible investment approach, Amundi has implemented a dedicated governance, together with three special committees:

- Rating committee: chaired by a member of General Management, this committee meets at least eight times a year to validate ESG ratings and provide opinions on the issuers whose ratings put them at risk of being excluded from Amundi's active management portfolios;
- Advisory committee: comprised mainly of external experts, the advisory committee's role is to monitor developments in social issues and emerging themes and to inform Amundi on points of policy and potential areas of controversy;

- Steering committee: chaired by Amundi's Chief Executive Officer, this committee monitors progress made in rolling out SRI and validates potential changes in SRI approach.

Amundi has allocated significant resources to meet its ambitions concerning ESG integration:

- A specialist SRI division with some twenty employees;
- 15 analysts dedicated to ESG issues (extra-financial analysis, quantitative research, corporate governance). The analysts meet with companies, contribute to defining Amundi Group's voting policy at General Meetings, maintain ongoing dialogue with companies and draft research protocols to assess the impact of ESG criteria on fund performance;
- The analyses of 8 partner rating agencies
- 1 distribution interface, available in real time in the fund managers' tools, giving them access to corporate and government issuers' extra-financial ratings alongside financial ratings;
- 35 SRI fund managers.

Amundi applies strict rules for integrating ESG criteria across its management activities (excluding index-linked UCITS and ETFs, which are constrained by their benchmark indices):

- no direct investments in companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties;
- exclusion of companies involved in the production or sale of chemical, biological and depleted uranium weapons;
- exclusion of companies involved in the production or sale of chemical, biological and depleted uranium weapons;

Amundi applies strict, transparent rules to select the securities held in its SRI portfolios:

- _ exclusion of companies and countries rated E, F and G (on a scale of A to G) in order to avoid financial and reputation risk;
- _ the portfolio's rating must be at least equal to that of its benchmark index/investment universe;
- _ the portfolio's rating must be C or higher;
- _ at least 90% of the securities in the portfolio must have an ESG rating.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		

Roles present in your organisation

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ External managers or service providers
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

Number

40

OA 09	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
----------------	---

Board members/Board of trustees

- ☒ Responsible investment included in personal development and/or training plan

OA 09.2

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

Responsible investment activity included in annual appraisal process

Responsible investment specific KPIs included in annual objectives

☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

OA 09.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Rewards based on appraisal

Description of how we evaluate performance and reward staff for their performance on responsible investment in the reporting year

See GPS: objectives. 1- Since 2010, Amundi has set itself objectives with regard to integrating ESG criteria in its investment processes. Some of these objectives come within the scope of the CASA group's sustainable development approach (FReD) and are therefore audited by an independent organisation.

The objective:

- to involve the entities, stimulate initiatives, build the group's sustainable development policies in cooperation with each business line. FReD thus fulfils two complementary missions:
- providing a common framework for the entities, enabling them to define and formalise their own CSR policy;
- assessing the group's societal performance.

The average assessment of the progress made by each entity will provide an index. This index will have an impact on the variable remuneration of all the Group's top executives, as does the operating income, confirming that the performance in terms of CSR has a strategic importance.

This approach is certified by an independent organisation.

2- Extra-financial analysts are assessed in respect of:

- Quality of their sector report
- Quality of their company reports
- Number of reports initialized
- Number of companies met
- Response to fund managers demands
- Participation to the improvement of the process

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
-------	-----------	---------------	---------

OA 10.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
---------	---

Select all that apply

- ☒ Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

- ☒ Asian Corporate Governance Association

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

☒ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Amundi asks questions to companies concerned by this subject

☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Signature of letters sent to companies. Amundi asks questions to companies concerned by this subject (water utilities, etc)

- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Acted as an active spokesperson. Amundi co-signed, together with other investors, a letter to the Canadian authorities as part of consultations on the regulatory framework for more transparency in the extractive sector.

- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
Eurosif and Frenchsif

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Comment on the role we have played and the resulting outcomes:

Amundi sits on of the Steering Committee of the Finance& Sustainable Development (FIR/PRI) award and took part in the third French RI week to promote RI in the retail field.

- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify
French Asset Management Association (AFG)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Amundi is a member of the SRI working group.
Amundi participates in the evolution of the FrenchSRI definition.

☒ Other collaborative organisation/initiative, specify

- 1) Access to Medecine Index
- 2) Access to Nutrition Index (since 2013)
- 3) UN Global Compact engagement on leaders & laggards

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

☒ Other collaborative organisation/initiative, specify

EFAMA

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Member of the SRI commition

☒ Other collaborative organisation/initiative, specify

ORSE

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Co-leading the steering committee on shareholder engagement

OA 10.2 Additional information. [Optional]

In 2014, Amundi supported two new shareholder collective initiatives:

- one regarding the transparency of clinical trials.
- the other aims at promoting the respect of human rights: the Human Rights Reporting and Assurance Frameworks Initiative (RAFI)

OA 11	Mandatory	Core Assessed	PRI 4
--------------	------------------	----------------------	--------------

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

OA 11.3 Additional information. [Optional]

Beyond our participation in collaborative initiatives, we have sought to promote responsible investment in the investment industry.

Description of our action

Amundi is committed to support academic research in the field of sustainable investment: Amundi is a founding member of the chair in Sustainable Finance & Responsible Investment. Amundi also sponsors a chair in climate economics. In 2014, thanks to our partnership with the FDIR chair, a questionnaire was administered to clients and prospects of our distribution networks. This questionnaire was answered by more than 2500 individual clients. The academic conception of this questionnaire and its broad diffusion led to unbiased and significant results, that we plan on putting into good use during the coming years.

Amundi has created the Medici Committee, a think tank on sustainable development and its financial applications (http://www.amundi.com/home_prop_resp_cfir)

Video of the extra-financial analyst about research papers on different sector

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
---------	---

☒ Yes

☒ Yes, individually

☒ Yes, in collaboration with others

OA 12.2	Select the methods you have used.
---------	-----------------------------------

☒ Endorsed written submissions to governments, regulators or standard-setters developed by others

☒ Drafted your own written submissions to governments, regulators or standard-setters

☒ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
---------	--

☒ Yes, publicly available

	provide URL
--	-------------

https://www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0CCYQFiAB&url=https%3A%2F%2Fwww.sec.gov%2Fcomments%2Fdf-title-xv%2Fresource-extraction-issuers%2Fresourceextractionissuers-35.pdf&ei=T0IRVamoDMnwaPn9gfgP&usq=AFQjCNEkC8f8rPRtMiaU9JMzTf-6CZKu5Q&sig2=bPr_e3DZRKy6cMCsUqq5Nw&cad=rja

☐ No

☐ No

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
---------	--

☐ Yes

☒ No

OA 13.3	Additional information.
---------	-------------------------

We believe that ESG criteria are usefull to do stock picking within an asset class, not to do asset allocation between asset classes

OA 14	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
---------	---

☒ Yes

OA 14.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	--

	% of total AUM
--	----------------

0.1

OA 14.3	Please specify which thematic area(s) you invest in and provide a brief description.
---------	--

	Area
--	------

☒ Clean technology (including renewable energy)

	Asset class invested
--	----------------------

☒ Listed equity

☐ Fixed income - corporate

☐ Fixed income - government

☒ Green buildings

	Asset class invested
--	----------------------

☒ Listed equity

☐ Fixed income - corporate

☐ Fixed income - government

☒ Sustainable forestry

	Asset class invested
--	----------------------

☒ Listed equity

☐ Fixed income - corporate

☐ Fixed income - government

☒ Sustainable agriculture

	Asset class invested
--	----------------------

☒ Listed equity

☐ Fixed income - corporate

☐ Fixed income - government

☒ Microfinance

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ SME financing
- ☒ Social enterprise / community investing

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Affordable housing
- ☐ Education
- ☐ Global health
- ☐ Water
- ☐ Other area, specify
- ☐ No

OA 14.4	Additional information.
---------	-------------------------

I Clean technologies:

Amundi Valeurs Durables is a thematic equity fund, investing in European companies generating at least 20% of their sales from the development of green technologies (renewable energy, energy efficiency, water and waste management, etc.). The fund excludes companies that concomitantly produce fossil and nuclear energy.

II Social Enterprises & Microcredit

Amundi manages **impact investing funds** which help finance the real local economy through non-listed companies and associations: solidarity and profit-sharing funds, social business funds and development aid funds. Amundi focuses on five areas that promote social insertion through employment, education or training, housing, health, including dependency, the environment and international solidarity. In order to select the social businesses to be invested in, Amundi has developed an in-house evaluation model that relies on a triple analysis:

Credit analysis to ensure the financial soundness and sustainability of the company

ESG criteria to assess the Environmental, Social and Governance criteria

Solidarity analysis to measure social impact. For this, we defined some fifteen criteria.

During the solidarity analysis, the human factor is of course taken into account. For example, in the case of a social business involved in the housing sector, we examine the support offered: help with administrative procedures, introduction to the neighbourhood, learning everyday ecological actions to manage energy costs.

In addition, the company must, of course, not be subject to controversy.

All of these data are analysed through a summary table. In the final step of the process, we give the company a grade on a scale of A to G, A being the highest score. A score of at least D is necessary to be eligible for investment.

This careful selection facilitates risk monitoring.

Innovation

OA 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
---------	--

☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

Amundi has a unique approach combining both:

- Standard based and negative screenings
- Best-In-Class approach
- Engagement

Furthermore, Amundi benefits from a strong quantitative background that lead to the publication of a discussion paper on ESG criteria performance.

Link to the discussion paper:

<http://research-center.amundi.com/page/Publications/Discussion-Paper/SRI-and-performance-impact-of-ESG-criteria-in-equity-and-bond-management-processes>

☐ No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
---------	---

☒ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
---------	--

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☒ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
---------	---

Each question of this report has been answered by the head of the relevant department and validated both by the compliance department and CIO.

Part of the process described in this report is subject to an independent certification.

☐ No

Amundi Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
--------	---	-----------------	-------

LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
-----------------	---

Strategies

☒ Passive

	% of internally managed listed equities
--	---

- ☐ <10%
☒ 10-50%
☐ >50%

☒ Active – quantitative (quant)

	% of internally managed listed equities
--	---

- ☐ <10%
☒ 10-50%
☐ >50%

☒ Active – fundamental and other active strategies

	% of internally managed listed equities
--	---

- ☐ <10%
☒ 10-50%
☐ >50%

LEI 02	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 02.1	Provide a brief overview of how you incorporate ESG issues into listed equity investments.
-----------------	--

Amundi's SRI expertise centre has defined its own reference values based on texts with a universal reach. These reference values consist of 37 criteria: 15 generic criteria, common to all companies whatever their business sector, and 22 sector-specific criteria.

Data are provided by 8 extra-financial rating agencies so as to benefit from a wide range of complementary information on a broad investment universe. These data are integrated and updated every month into a software application that applies the reference values and weightings defined by Amundi depending on the sector. The extra-financial analysts, who have expertise in all the business sectors present in the portfolios, assess issuers in qualitative terms and systematically analyse data consistency.

The analysis results in a global extra-financial rating for the issuer on a scale from A (highest score) to G (lowest score).

These ratings are used both for mainstream management and for SRI management:

1. A normative exclusion Policy

Amundi applies strict rules for integrating ESG criteria across its management activities (excluding index-linked UCITS and ETFs, which are constrained by their benchmark indices):

- _ no direct investments in companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties;
- _ exclusion of companies involved in the production or sale of chemical, biological and depleted uranium weapons;
- _ exclusion of companies that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact.

2. Total commitment to SRI (integration strategy)

Amundi applies strict, transparent rules to select the securities held in its SRI portfolios:

- exclusion of companies and countries rated E, F and G (on a scale of A to G) in order to avoid financial and reputation risk;
- the portfolio's rating must be at least equal to that of its benchmark index/investment universe;
- the portfolio's rating must be C or higher;
- at least 90% of the securities in the portfolio must have an ESG rating.

A proprietary control tool has been programmed to issue alerts if one of these rules is no longer respected for a given portfolio. If an alert is issued, a 'return to compliance' procedure is applied. This continuous control is independent of the operational departments.

Amundi is the first asset manager to be certified by AFNOR for its SRI approach. This certification, delivered by a recognised independent organisation, bears witness to Amundi's commitment to its clients (governance method, guaranteed expertise, data traceability, information, responsiveness, etc.), while ensuring that its operations are controlled by an internal steering process.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.		

ESG incorporation strategy (select all that apply)

- ☒ Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	72

- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 7
--	--

☒ Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 1
--	--

☐ Screening + thematic strategies

☐ All three strategies combined

☒ No incorporation strategies applied

Percentage of active listed equity to which no incorporation strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 20
---	---

	Total actively managed listed equities
--	--

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

Amundi is convinced that an asset manager must take into account all relevant elements in its management, including Environmental, Social and Governance (ESG) criteria. This is **our fiduciary responsibility**.

Amundi firmly believes that this approach, which provides an all-round vision of companies, **consolidates value creation**. Amundi is convinced that a strong sustainable development policy enables issuers to better manage regulatory and reputational risks and also contributes to improving their operational efficiency. This conviction leads us to integrate ESG criteria across all our management activities (excluding index-linked UCITS and ETFs, which are constrained by their benchmark indices), and to implement an engagement policy.

Besides, it is **for the investor a way to protect himself from long-term risks** (financial, operational, reputational, etc. risks) and to fully exercise his responsibility.

By evaluating issuers in accordance with these "ESG" or extra-financial criteria, they can be rated on a scale from A to G, with A being the top score. This approach, which is complementary to the financial analysis, allows Amundi to **optimise the risk/ return trade-off**. G-rated issuers are those which violate, seriously and repeatedly the principles set out in the UN Global Compact, ILO, OECD Guidelines... These issuers are excluded from the universe of Amundi's active management investment funds. The exclusion of G-rated companies aims to mitigate both Amundi's financial and reputational risk.

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

For Amundi's SRI funds, E, F & G rated companies are excluded. The ESG rating of the companies belonging to the investment universe is then combined to a financial rating. This rating is then used as an Alpha to optimise the portfolio.

The philosophy behind this process is that ESG analysis and financial analysis are complementary and can both contribute to the performance and risk control of portfolios.

Details of this process are published in the funds' transparency codes.

link to a transparency code:

http://www.amundi.com/maio/newinstfra/product/doc_download&file=5112829101997222538_5112829101993262526

LEI 04	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 04.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
----------	---

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Country-related analysis or ratings
- ☒ Screened stock list

Indicate who provides this information

- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Extra-financial analysts have access to several extra-financial sources of information:

- brokers, who are producing an increasing number of increasingly elaborate studies on SRI and sustainable development;
- NGOs;
- Scientific reports
- Extra-financial rating agencies.

Extra-financial analysts have access to 8 extra-financial providers chosen for:

- the refinement of the reference framework used for analysis
- their coverage universe
- the quality of their analysis and their ability to justify their ratings
- their ability to respond quickly to new information

Among these 8 providers:

- 5 agencies produce general ESG ratings used through the screening approach
- 2 are for monitoring controversies
- 1 allows for the identification of companies involved in the production or sale of anti-personnel mines and cluster bombs

To complement the data supplied by these agencies, our analysts' process information is taken from a variety of sources:

- Amundi buy-side financial analysts
- broker research
- press and publicly-available documents
- direct contact with the companies and stakeholders

These various sources of analyses are an essential element of the extra-financial analysis process and have a double objective:

- allowing the extra-financial analyst to verify the data and to perfect his study by targeting his questions on the identified sector and specific stakes
- to heighten companies' awareness regarding ESG issues and thus to contribute to the improvement of the ESG reporting supplied by them.

LEI 04.3

Indicate if you incentivise brokers to provide ESG research.

- ☒ Yes

LEI 04.4	Describe how you incentivise brokers.
-----------------	---------------------------------------

The quality of ESG research of brokers is assessed and is then used in the broker review that allows the repartition of brokers remuneration

☐ No

LEI 05	Voluntary	Additional Assessed	PRI 1
---------------	------------------	----------------------------	--------------

LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
-----------------	---

☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

	Description
--	-------------

Companies providing product or service related to

- Cluster bombs
- Landmines
- Depleted uranium

- Biological or Chemical weapons

Are excluded from Amundi's universe of investment

- ☐ Positive/best-in-class screening
- ☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
	Excluded issuers are those which seriously and repeatedly contravene the principles set out in the UN Global Compact, ILO, OECD Guidelines... These issuers are excluded from the universe of Amundi's investment funds.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

Based on the consultative committee directives, screening criteria are defined and reviewed by the rating committee. Any change is published on Amundi's website (Governance, Policy and Strategy document). The number of companies involved and the reason of their exclusions are published in the engagement report of Amundi. The list of excluded companies is sent on a regular basis to all Amundi's fiduciary managers.

LEI 07	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
-----------------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 08	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached
----------	---

- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
- ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

LEI 08.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
----------	--

If a breach occurs the Risk Manager notifies the fund manager by e-mail, stating the type of violation. In his answer, the fund manager must state the corrective action and the time needed for. The Risk Manager accepts or refuses this answer and, if necessary, launches an escalation procedure, involving the Head of the portfolio manager's team, and the Chief Risk Officer and Chief Investment Officer if need be.

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 09.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
----------	--

- ☒ Environmentally themed funds
- ☐ Socially themed funds
- ☐ Combination of themes

LEI 09.2	Describe your organisation's processes for sustainability themed funds. [Optional]
----------	--

Step 1: An investment universe in green technology

The extra-financial analysis team selects equities of European companies generating at least 20% of their sales from the development of green technology. These companies are active notably in the following sectors:

- Energy efficiency: electricity distribution, lighting, building materials
- Renewable energy: solar, wind, geothermal, hydro power
- Water management: distribution, treatment, equipment, desalination
- Waste management: treatment, equipment, recycling
- Biomass: biofuels, biochemicals, bioenergy
- Environmental services: engineering, CO2 capture, pollution control and tests

Companies that concomitantly produce fossil and nuclear energy are excluded from the universe.

At the end of this first step, the investment universe consists of 120-130 stocks.

Step 2: ESG and liquidity filters

An ESG (Environment, Social and Governance) filter is applied to this investment universe. It consists in taking into account companies with the best ESG practices in each business sector and in excluding those with the least good practices.

This selection is based on the ESG ratings of companies communicated by the internal extra-financial analysis team, ranging from A (highest score) to G (lowest score). Issuers rated E, F or G (with the least good ESG practices) are excluded from the investment universe.

The fund manager also applies a liquidity filter, consisting in keeping the most liquid equities so as to be able to adjust the portfolio quickly (liquidity constraint: liquidation of the stock within 5 days at 25% of the average daily trading volume).

Once these two filters have been applied, the eligible universe is reduced to around one hundred stocks.

Step 3: Portfolio construction

In this last phase, the fund manager reduces the portfolio's risk by minimising its volatility. To this end, the fund manager uses an optimiser to identify the least volatile stocks offering the greatest potential for diversification. In this way, he obtains the weight of stocks that minimise the portfolio's variance.

At this juncture, the portfolio is controlled to check that its composition duly complies with the SRI (Socially Responsible Investment) rules of Amundi Group:

- exclusion of companies and countries rated E, F and G (on a scale of A to G) in order to avoid financial and reputation risk;
- the portfolio's rating must be at least equal to that of its benchmark index/investment universe;
- the portfolio's rating must be C or higher;
- at least 90% of the securities in the portfolio must have an ESG rating.

A proprietary control tool has been programmed to issue alerts if one of these rules is no longer respected for a given portfolio. If an alert is issued, a 'return to compliance' procedure is applied. This continuous control is independent of the operational departments.

The resulting portfolio complies with Amundi's SRI rules and is comprised of 70 to 80 European stocks active in developing green technologies.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.
----------	---

Integration of ESG factors is described in our SRI process below:

The best in class equity SRI investment process is based on rigorous analysis and research and on a disciplined portfolio construction financial focusing on stock selection.

Step 1: Extra-financial and financial analyses

Extra-financial and financial analyses are carried out on each stock of the investment universe.

Extra-financial analysis

The extra-financial evaluation is based on a best in class approach according to an in-depth research process upon all or any of the 3 themes: Environment, Social and Governance. ESG ratings are established on a 7-level -scale from A to G.

The construction process of the ESG rating includes:

- a sector analysis to identify the specific issues and risks of each sector and to determine a weighting of the ESG criteria,
- a company analysis according to the sector analysis grid.

This analysis impacts the positions taken by the portfolio manager i.e. overweight or exclusion.

Financial analysis

The financial analysis of companies is based on the use of a model which produces a rating built upon financial ratios taking into account sector specifics. The model lists around 50 financial criteria broken down into 6 styles: Value, Growth, Momentum, Profitability, Revisions, Debt.

The output of this analysis is a financial rating determined according to a 5-level scale from -2 to +2.

Step 2: Determination of a combined ESG rating

The extra-financial and financial ratings are entered into a decision matrix which determines a Combined rating.

The rating level, from -2 to +2, induces the active weight of a stock in the portfolio according to the following rules:

- combined ratings +2: systematic overweight
- combined ratings 0 /+1: used for risk control purposes
- combined ratings -1: systematic underweight
- combined ratings -2: exclusion

Step 3: Portfolio optimisation and construction

The optimisation aims to maximise the risk/return of the portfolio.

The principles of the portfolio construction are:

- Neutralities against benchmark according to sector, country and capitalisation size,
- Implementation of extra-financial rating combined to financial rating in purpose to under or overweight the stocks,
- An ex-ante active risk level which complies with the management objective,
- Control of the portfolio turnover.

The optimisation process is based on a risk control model. The latter enables the portfolio manager to monitor the active risk and to concentrate this risk on stock picking. The objective of this step is to over-/underweight stocks according to their extra-financial and their financial rating while limiting the turnover of the portfolio.

The model fed by the following data: investment universe, benchmark constituents, composition of the initial portfolio, neutrality constraints, individual weighting constraints, alpha (combination of ESG and financial ratings), tracking error target and portfolio turnover, searches out the optimal portfolio. Thus the model maximises the alpha for a given level of tracking error.

The resulting portfolio is consistent with the extra-financial ratings, confirmed or temporarily neutralised by the short-term performance risk control tool.

LEI 11	Mandatory	Core Assessed	PRI 1
LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 12	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 12.1

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 13	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 1
--------	---	---------------	-------

LEI 13.1

Indicate into which aspects of investment analysis you integrate ESG information.

- ☐ (Macro) economic analysis
- ☒ Industry analysis
- ☐ Systematically
 - ☒ Occasionally
- ☒ Analysis of company strategy and quality of management
- ☒ Systematically
 - ☐ Occasionally
- ☒ Idea generation
- ☐ Systematically
 - ☒ Occasionally
- ☒ Portfolio construction
- ☒ Systematically
 - ☐ Occasionally
- ☒ Fair value/fundamental analysis
- ☒ Systematically
 - ☐ Occasionally

LEI 13.2

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- ☒ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify
- ☐ Other, specify

ESG incorporation in passively managed listed equities**LEI 14****Mandatory to Report Voluntary to Disclose****Descriptive****PRI 1****LEI 14.1**

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

- ☒ Yes

LEI 14.2

Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

- ☒ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☐ >90%

LEI 14.3

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

☒ Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
For a specific mandate a screening approach is combined to the passive management process	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

☐ Index/fund 2

☐ Index/fund 3

☐ Index/fund 4

☐ Index/fund 5

☐ No

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 15.1

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☒ Screening

Describe any reduction in your starting investment universe or other effects.

Number of issuers concerned

Controversial weapons: 90

Companies violating one or several of the Global Compact Principles: 33

Countries systematically violating one or several of the Global Compact Principles: 4

Specify the percentage reduction

%

1

☒ Thematic

Describe any alteration to your investment universe or other effects.

cf. question 09.02

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☒ Reduce or prioritise the investment universe
- ☐ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above
- ☐ Index incorporating ESG issues (for passively managed funds)

LEI 16

Voluntary

Additional Assessed

PRI 1

LEI 16.1

Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.

☒ We measure whether our approach to ESG issues impacts funds' financial performance

Describe the impact on:	Impact	Strategies considered
Funds' financial performance	<input type="radio"/> Positive <input type="radio"/> Negative <input checked="" type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input checked="" type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact	Strategies considered
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Index construction (passively managed funds)

☐ None of the above

LEI 16.2

Describe how you are able to determine these outcomes.

Regarding financial performance and volatility, Amundi has published a discussion paper:

Regarding ESG performance, reporting of each fund measures the added value of the ESG quality of the portfolio compared to its benchmark.

link to the discussion paper:

<http://research-center.amundi.com/page/Publications/Discussion-Paper/SRI-and-performance-impact-of-ESG-criteria-in-equity-and-bond-management-processes>

LEI 17

Voluntary

Descriptive

PRI 1

LEI 17.1

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

☒ ESG issue 1

	ESG issue and explanation
<p>Company A is regularly involved in accidents, sometimes fatal. Most of these accidents result from mining waste storage installations: reservoir leaks, dam breaches, etc. Last year, incidents occurred, often due to non-compliance with safety measures and construction standards.</p> <p>The answer Company A to these major controversies are not sufficient to think that ESG risks are now under control.</p> <p>The company infringes principles 1, 7, 8 and 9 of the Global Compact. We therefore recommend that its ESG score be downgraded to G.</p>	
	ESG incorporation strategy applied
<p><input checked="" type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p> <p><input type="checkbox"/> Index incorporating ESG issues</p>	
	Impact on investment decision or performance
<p>Company A has been excluded from all active management funds.</p>	

☒ ESG issue 2

	ESG issue and explanation												
	<p>Company B demonstrates a limited ESG performance. Company B presents significant risks in terms of ethics. The measures taken following fine and settlements of the bank for laundering do not, at this stage, ensure that such practices won't occur again. Company B also decided to bypass the CRD IV limiting the bonus of its risk-takers and this could represent a legal risk for the bank. Finally, despite a high exposure to indirect environmental risks, Company B's performance on this issue appears to be limited.</p> <p>Responsible Investment (D)</p> <ul style="list-style-type: none"> ▲ Important number of sector policies ▲ Participations in diverse initiatives ▼ Lack of specifications of sector policies that do not guarantee their bindingness ▼ Low volume of ESG integration in managed or commercialized funds ▼ Lack of specific products to promote good environmental practices <p>Ethics (E)</p> <ul style="list-style-type: none"> ▲ Member of the Wolfsberg Group (group of banks that have established guidelines for the fight against money laundering in private international banks) ▲ Increasing number of employees in charge of the compliance functions (from 200 to 1000) ▲ Standardization of the fight against money laundering procedures, employee training ▼ Controversies related to money laundering and transfers to countries under embargos ▼ Low detailed communication regarding the action plan taken in response to controversy ▼ Report published by the US Attorneys states that there was still "a lot of work to do" in the fight against money laundering within the bank ▼ Controversies in various countries regarding the activities of the private banking affiliate in Switzerland (support for tax evasion) <p>Responsibility Marketing (D)</p> <ul style="list-style-type: none"> ▲ No compensation of employees in agencies related to the volume of sale ▲ Internal training and awareness on the transparency and quality of the information provided to clients ▲ Publication of customers satisfactory surveys ▼ Settlement in the US for bad practices regarding foreclosure procedures ▼ Misselling regarding PPI, credit card and settlement with the FSA 												
	<table border="1"> <thead> <tr> <th></th> <th>ESG incorporation strategy applied</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td>Screening</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Thematic</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Integration</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Combination of ESG incorporation strategies</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Index incorporating ESG issues</td> </tr> </tbody> </table>		ESG incorporation strategy applied	<input type="checkbox"/>	Screening	<input type="checkbox"/>	Thematic	<input checked="" type="checkbox"/>	Integration	<input type="checkbox"/>	Combination of ESG incorporation strategies	<input type="checkbox"/>	Index incorporating ESG issues
	ESG incorporation strategy applied												
<input type="checkbox"/>	Screening												
<input type="checkbox"/>	Thematic												
<input checked="" type="checkbox"/>	Integration												
<input type="checkbox"/>	Combination of ESG incorporation strategies												
<input type="checkbox"/>	Index incorporating ESG issues												
	<table border="1"> <thead> <tr> <th></th> <th>Impact on investment decision or performance</th> </tr> </thead> <tbody> <tr> <td colspan="2">Therefore Company C is downgraded to a E rating and must be excluded from all SRI funds.</td> </tr> </tbody> </table>		Impact on investment decision or performance	Therefore Company C is downgraded to a E rating and must be excluded from all SRI funds.									
	Impact on investment decision or performance												
Therefore Company C is downgraded to a E rating and must be excluded from all SRI funds.													

☒ ESG issue 3

ESG issue and explanation	
	<p>In March 2014 Company C recalls 2.6 million vehicles. Defective ignition switches stalling the vehicle and disabling air bags, resulting in 30 accidents and 12 deaths. Company C is accused of having been aware of this issue for 10 years without having made any recalls until February 2014. In Q1 2014, Company C provisioned \$1.3bn to cover recall costs.</p> <p>This controversy led us to place the Company C stock under surveillance as from the first quarter of 2014.</p> <p>Further vehicle recalls by Company C in the following weeks.</p> <p>Rating for vehicle security criterion lowered to F from E in early June 2014.</p> <p>In July 2014 NHTSA fines Company C \$35m for late recalls.</p> <p>In H1 2014, a total of \$1.7bn in provisions booked to cover recalls.</p> <p>Since the beginning of 2014, Company C has recalled 30 million vehicles, part of which for the above-mentioned ignition defect.</p> <p>Company C has received 1,130 compensation claims (including requests concerning 65 deaths) but to date not all of the claims have been handled, some of them requiring in-depth study. A compensation plan for the victims provides for at least one million dollars for each fatality.</p> <p>Arizona is suing Company C for \$3bn over allegations the company endangered motorists.</p> <p>To summarize: Company C' F rating is justified by the following reasons:</p> <p>Late recalls, the company having long been aware of the ignition defect</p> <p>High number of fatalities</p> <p>Very high number of vehicle recalls (more than three times Company C's annual vehicle production)</p> <p>Conclusion: In all likelihood, Company C will have to book further provisions in H2 2014 to cover the high number of recalls (victim compensation costs, vehicle repair costs, lawsuit expenses (class action filed by drivers seeking compensation for fallen car prices).</p>
ESG incorporation strategy applied	
	<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p> <p><input type="checkbox"/> Index incorporating ESG issues</p>
Impact on investment decision or performance	
	<p>Therefore Company C is downgraded to a F rating and must be excluded from all SRI funds.</p>

☐ ESG issue 4

☐ ESG issue 5

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- ☒ We disclose it publicly

Provide URL

http://www.amundi.com/maio/newinstfra/product/doc_download&file=5112829101997222538_5112829101993262526

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Amundi Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
----------	---

1- Philosophy

Our investment strategies are based on several principles: promoting respect for international conventions on human rights, the International Labor Organization and the environment, as well as advocating a model for responsible and sustainable social development.

The first application of these principles consisted in excluding from our investment strategies companies and countries with unacceptable behaviours:

Companies that violate these conventions repeatedly, without implementing suitable corrective measures;

Companies involved in the production or sale of anti-personnel mines and cluster bombs (exclusions resulting from France's ratification of the Ottawa and Oslo treaties) as well as chemical, biological and depleted uranium weapons;

Countries that systematically and wilfully violate human rights and make themselves guilty of the worst crimes: war crimes and crimes against humanity. These are countries that intentionally and systematically commit the worst of crimes.

However, excluding stocks from funds must remain an exception. It is often an inadequate response.

We have noticed two things:

Companies change their environment lastingly and sometimes have to deal with contradictory interests. In these circumstances, they can face more or less serious controversy. Exclusion must therefore be applied only in extreme cases.

No longer being a shareholder means losing influence on the company.

We prefer to focus on dialogue with companies through an engagement process.

2- Detailed engagement process

Engagement with companies takes three forms:

- Engagement for influence
- Data collection for rating purposes
- Voting at general shareholders' meetings and pre-meeting dialogue

2.1- Engagement for influence

This consists in meetings with companies intended to influence their practices. This dialogue can take many forms:

- **Recommendations made during meetings with companies**

Recommendations concern cross-cutting themes common to a company's business sector. They highlight best practices and measure companies' progress based on a grid of success indicators set up by the extra-financial analyst.

- **Interviews conducted with the most controversial companies**

Companies are identified through a monitoring system that gives analysts access to targeted media sources on specific extra-financial subjects.

The seriousness of controversy is determined by analysing:

- The gravity of human or environmental damage
- The repetitive nature of the controversy

Specific heed is paid to analysing the credibility of information sources.

Dialogue is therefore aimed at putting an end to the most controversial corporate practices.

Dialogue is considered as productive if:

- the company proves its determination to make a commitment;
- it implements corrective measures;
- it sets up adequate means to obtain lasting results;
- it has its approach certified by an independent third party.

Dialogue is considered as unproductive if:

- The company makes no response;
- The company carries on the controversial activity;
- Amundi concludes it has no influence on the company.

In this case, the engagement policy can result in an exclusion of the stock (normative exclusion policy).

Collective initiatives: group investors together so as to influence a company or a panel of companies on targeted themes such as climate change, water, health, deforestation, etc.

2.2- Data collection for rating purposes

Within this scope, company meetings are aimed at fine-tuning their ESG rating.

With the support of eight suppliers of extra-financial data, Amundi awards Environmental, Social and Governance (ESG) ratings to more than 4,000 issuers.

2.3- Voting at general shareholders' meetings and pre-meeting dialogue

- **Voting:** The corporate governance team systematically votes at the general meetings of French companies or of companies in which Amundi holds at least 0.05% of the capital, i.e. roughly 2,500 general meetings a year.
- **Pre-meeting dialogue:** Amundi has implemented a formalised dialogue system to inform the companies in which it holds its largest positions of its voting intentions, to initiate a dialogue and contribute to the improvement of their practices. As well as this proactive approach, Amundi is also open to all meetings requested by issuers to discuss general meeting or, more generally, governance themes. This second element is tending to increase in importance as it enables upstream and more constructive dialogue.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☒ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

Engagement is prioritise depending on:

- Amundi's holding of companies' capital
- Amundi's opposition to companies policy
- Seriousness of identified controversies
- Legislative changes

☐ No

LEA 04	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- ☒ Yes
- ☒ Yes, for all engagement activities
 - ☐ Yes, for the majority of engagement activities
 - ☐ Yes, for a minority of engagement activities
- ☐ No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- ☒ Yes
- ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 04.3 Describe how you monitor and evaluate the progress of your engagement activities.

For the shareholder dialogue linked to the AGM, the success is determined by changes in voting intentions.

Regarding the engagement linked to the extra-financial analysis, precise recommendations on various KPIs are given to companies, allowing a precise measure of companies' improvement over years.

- ☐ No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- ☒ Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

Amundi supports several collective initiatives: Institutional Investors' Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP), Forest Footprint Disclosure Project, Water Disclosure Project, Access to Medicine Index, Access to Nutrition Index, UN Global Compact engagement on leaders & laggards, Extractive Industries Transparency Initiative (EITI).

These international initiatives group together institutional investors and professional asset managers. these initiatives have been selected after analysis of :

- Quality of their governance and organization
- Alignment of defended cause with Amundi's set of analysis' criteria
- Diversification of themes (both E, S and G themes)
- Quality of past results
- Innovation of subjects raised

- ☐ No

LEA 06	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- ☒ Yes
- ☐ Yes, for all collaborative engagement activities
 - ☒ Yes, for the majority of collaborative engagement activities
 - ☐ Yes, for a minority of collaborative engagement activities
- ☐ No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☐ Yes, in all cases
 - ☒ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Companies are assessed regarding their exposure to a given risk highlighted by a collaborative engagement.

An analysis of the performance of companies for each criteria is then carried out, based on policies, means and results of each company.

For example, regarding the EITI collaborative engagement, companies progress are analysed through the following KPIs:

1- Risk assessment

- **Geographic risk exposure:** Transparency International, corruption perception index
- **Issuer nationality risk exposure:** Transparency International Bribe Payers Index 2011
- **Regulation risk:** FCPA, UK Bribery Act...

2- Performance assessment

Qualitative Scoring:

- Whistleblowing & reporting;
- Training & audit;
- Compliance UK US EU;
- Transparency of revenues

Quantitative Scoring

"Transparency International Promoting Revenue Transparency 2011" Scores:

- Reporting on anti-corruption programmes;
- Organisational disclosure;
- Country level disclosure

Controversies scoring

- ☐ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
--------	-----------	---------------------	---------

LEA 09.1 Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
--------	---	---------------	-------

LEA 11.1 Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	275
Collaborative engagements	1000

LEA 11.2

Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 11.5

Additional information. [Optional]

The number of companies engaged through collaborative engagement is an approximation

LEA 12

Voluntary

Additional Assessed

PRI 2

LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

3

% Social only

7

% Corporate Governance only

85

% Overlapping ESG issues

5

100%

Collaborative engagements

% Environmental only

30

% Social only

40

% Overlapping ESG issues

30

100%

LEA 13	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

☒ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	79
Collaborative engagements	

☐ No

LEA 14	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
-----------------	---

☒ Add Example 1

Topic or ESG issue	Implementation of the new Say on Pay in France
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Ensure an adequate level of information
Scope and Process	Dialogue post-code and pre-AGM (most SBF120 companies) where we indicated our expectations. Presentations to professional associations. Our guidelines were included in our voting and published before the implementation guide of the afep-medef.
Outcomes	Global but heterogeneous improvement of the information on remuneration and its link to performance.

☒ Add Example 2

Topic or ESG issue	Double voting rights in France and Italy / Implementation of loyalty rewards
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Explain our expectations regarding loyalty rewards and express our concerns regarding the use of double voting rights in France and Italy.
Scope and Process	Dialogue post-law (Florange act in France, Growth Decree in Italy) and pre-AGM. Presentations to professional associations and conferences.
Outcomes	Outcomes will be mostly in 2015 but some companies already chose in 2014 to opt out from florange Act.

☒ Add Example 3

Topic or ESG issue	Human Rights
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Improving the respect of human rights in the oil and mining extractive industries
Scope and Process	<p>Oil and mining companies must take human rights into account (12 companies)</p> <p>For the oil and mining sectors, we decided to focus our engagement on the integration of human rights issues. The societal pillar is fundamental and companies typically lag on the human rights aspect, which is the most difficult component to apprehend as it is difficult to quantify. In many respects, this is a key issue for sector players who must protect themselves from operational and reputation risks. Human rights are a cross-cutting theme, related to all essential CSR themes. Since 2011, when the UN Guiding Principles were adopted, companies have made significant efforts concerning this theme. A new momentum has been set and even if processes are still in a construction phase on the whole, we felt it was interesting to make a first status report on the adoption of these new trends.</p> <p>A set of good practices have been defined on 7 KPIs and each companies assess based on these KPIs:</p> <ol style="list-style-type: none"> 1. Human Rights policy& Due Diligence process 2. Supply chain 3. Security& HR & Human Rights 4. Stakeholder complaints mechanism (Grievance Mechanisms) 5. Performance indicators& external audits 6. Controversy 7. Training <p>Outcomes</p>
Outcomes	12 companies have been met and some precise recommendations have been made. The result of this year of engagement will be measured next year.

☒ Add Example 4

Topic or ESG issue	Access to food and Reduce food waste
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Improving access to food for the poorest populations and reducing food waste through the whole supply chain
Scope and Process	<p>The agri-food and food retail sectors must provide access to food and fight food waste (9 companies)</p> <p>2.3 billion people worldwide suffer from obesity, malnutrition or chronic food-related diseases, i.e. almost one third of the world population. This affects both emerging and mature countries, with significant economic and social consequences.</p> <p>Against this backdrop, agri-food companies and large retailers play an important role in the nutritional quality of the products they offer in the different markets, by adapting their products to local nutritional needs and making them more accessible to all populations, including the most disadvantaged. By developing healthy and safe products with nutritional profiles meeting the highest standards, these companies also improve their reputation and nurture a strong brand image.</p> <p>Amundi's engagement aims at better understanding corporate health and nutrition strategies, access to products, notably for disadvantaged populations, and prompting companies to improve their practices.</p> <p>Concerning food waste, companies must implement tools to reduce their own waste and waste in the food chain, "from the farm to the table". Fighting food waste and optimising logistics chains also makes it possible to reduce costs while improving the company's reputation. Managing food waste is an increasingly central theme, which companies handle unevenly.</p> <p>A set of good practices have been defined on 6 KPIs divided into 2 categories and each companies assess based on these KPIs:</p> <p>1- Malnutrition, undernutrition and improvement in products' nutritional quality</p> <ul style="list-style-type: none"> <input type="checkbox"/> Policies& Strategies <input type="checkbox"/> Quality and nutrition <input type="checkbox"/> Access to food <input type="checkbox"/> Marketing <p>2- Reduce food waste</p> <ul style="list-style-type: none"> <input type="checkbox"/> Policies& Strategies <input type="checkbox"/> Value chain: Analyses and Actions implemented
Outcomes	9 companies have been met and some precise recommendations have been done. The result of this year of engagement will be measured next year.

☒ Add Example 5

Topic or ESG issue	Conflict minerals in the electronics sector
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>1) Control, monitor and certificate the respect of human rights.</p> <p>2) Improve the policy regarding the mineral extraction in order to protect environnement and ecology.</p>
Scope and Process	<p>Context</p> <p>For decades, the Great Lakes region has been infamous for the atrocities that have taken place there (the Tutsi genocide in Rwanda) and for recurring armed conflict. NGOs estimate that between 1980 and 2000, these conflicts cost the lives of more than 100,000 civilian victims every year. The total number of victims is over 5 million, armed forces and civilians combined.</p> <p>Today, armed groups are still fighting over territory and on religious and ethnic grounds. These tensions are particularly apparent in the Kivu region, between the Democratic Republic of Congo (DRC) and its neighbouring countries (Uganda, Rwanda, Burundi and Tanzania).</p> <p>In order to get funding, these armed bands levy illegal taxes on minerals (notably gold, tungsten, tantalum and tin) extracted from artisanal mines in the Great Lakes region. The exploitation by these militias of the DRC's mineral wealth contributes directly to the proliferation and entrenchment of violence and to multiple human rights violations in this territory. Conflict minerals trade enables armed bands to secure funding in the amount of tens of millions of dollars every year.</p> <p>In concrete terms, the main impacts concern:</p> <ul style="list-style-type: none"> - Human rights: extreme working conditions, child labour, violence, armed conflict; - Environment and ecology: mineral extraction with no consideration for the environment, effluents discharged without any treatment, plundering of resources; - Economic development: the region's growth is hampered by the diversion of mineral resources. <p>Illicit trafficking, smuggling and racketing of all kinds are perpetrated on a huge scale. Some NGOs (notably Enough Project*) mention amounts ranging from \$150m to \$250m, plus around \$250m for the Rwandese militia over the period from 1998 to 2000 alone - all this to the benefit of armed groups.</p> <p>Focus on the Electronics sector</p> <p>Although the regulations defined in section 1502 of the Dodd-Frank Act* concern a large number of industries, some sectors are more closely concerned. This is notably the case for automotive, electronics, luxury and electronics. Furthermore, the restricted scope of the Dodd-Frank is expected to be expanded by the future European legislation.</p> <p>In order to better assess the quality of risk management, suggest sources of improvement and issue recommendations, we initiated an engagement policy covering this issue. We decided to focus on the electronics sector for several reasons:</p> <p>It is highly exposed given its significant dependency on these minerals: tin is broadly used for welding and alloys (1% to 2% of the total weight of laptops and smartphones), while two-thirds of the tantalum extracted globally is used for the capacitors used in electronics;</p> <p>The great variety of players (in terms of country, size and activity) and the disparity between them in terms of progress made in this area. While some companies seem to be lagging with regard to conflict minerals, others stand out by their good practices, showing that it is possible to certify some conflict-free products even in a sector where it is difficult to have a thorough knowledge of the supply chain;</p> <p>The heavy impact on the sector of the US legislation and the imminent adoption of similar regulations in Europe, which will soon trigger obligations for European companies.</p> <p>Selected analysis criteria</p>

	<p>Our analysis covers four main pillars for which we have selected key criteria indicating the relative positioning of the companies reviewed:</p> <p>Policy& Strategy</p> <p>In order to review the specific conflict minerals policies set up by the companies analysed, we looked into them to see if they included:</p> <p>Qualitative objectives, such as helping suppliers improve the traceability of their supply chain, and quantitative objectives, such as the proportion of conflict-free certified products; A team dedicated to monitoring the conflict minerals policy; Internal training courses for employees (notably for the purchasing department); A procedure for monitoring implementation of the corporate policy.</p> <p>Traceability</p> <p>Several aspects were considered to assess the quality of the companies' traceability process:</p> <p>The proportion of suppliers covered by traceability inquiries; The capacity to identify the country of origin of 3TG minerals with suppliers; Transparency of the list of foundries using one of the 3TG and the respective country of origin of these minerals.</p> <p>We also highlighted companies having initiated a 3TG traceability process before it was made mandatory by US regulations.</p> <p>Control, monitoring, certification</p> <p>Among the criteria involved in assessing the quality of the control and monitoring process, we considered:</p> <p>Participation in the Conflict-Free Smelter Early Adopters Fund, which partly finances foundry audits; Supplier training on responsible practices; The proportion of suppliers having a specific policy.</p> <p>Foundry control and certification audits were assessed in terms of quantity (number of audits performed, proportion of foundries audited, etc.) and of quality (third-party audits, visits of the foundries by the company, etc.).</p> <p>Engagement and results</p> <p>In order to assess the results of the companies concerned, we notably took into account the following aspects:</p> <p>Their participation in sector initiatives such as CFSI and EICC-GeSI, as well as NGO initiatives (Enough*, Raise Hope*, Resolve*, etc.) The conflict-free certification of group and foundry products used in the supply chain</p> <p>The companies' exposure to controversies related to conflict minerals was also taken into consideration, as well as the quality of their response in case of controversy.</p>
Outcomes	<p>5 companies have been met and some precise recommendations have been made. The result of this first year of engagement will be measured next year.</p>

☒ Add Example 6

Topic or ESG issue	Lobbying in the pharmaceutical industry and in the automotive industry.
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Improving the transparency in lobbying practices
Scope and Process	<p>Context:</p> <p>In theory, the exercise by organisations of their right to express their position and defend their interests (lobbying, influence activity, advocacy) has its rightful place in the public debate and makes a useful contribution to democratic life. However, the currently still limited number of lobbyists registered on the various existing registers in France and Europe corroborates the fact that lobbying is certainly a fundamental theme, but that there is clearly room for improvement (for example, in France, the register set in place last January at the National Assembly only lists around 40 private firms and 20 consulting firms representing the interests of companies). Furthermore, even if there is no global normative consensus to date, these activities are being structured from year to year.</p> <p>Responsible lobbying is possible and several issues appear as key to achieving this:</p> <p>Transparency:</p> <p>The idea is to show how companies report to their stakeholders (including shareholders) on the exercise of their influence (interests defended, resources allocated, control mechanisms).</p> <p>A soundly structured framework associated with sincere and comprehensive transparency significantly reduces exposure to different types of risks (regulatory, legislative, corruption, reputation, etc.).</p> <p>Coherence:</p> <p>Check that commitments made in terms of lobbying on the one hand, and societal engagements outlined in companies' CSR policies on the other hand, are consistent and that there is no contradiction.</p> <p>The practice of responsible lobbying represents a powerful mode of action available to companies. It is therefore essential to ensure that this lever is used consistent with their interests and their commitments to advance the economic and political agenda towards a more sustainable society.</p> <p><i>Focus on the Automotive sector</i></p> <p>Car manufacturers are facing several challenges, primarily the reduction of their vehicles' CO2 emissions but also the improvement of the safety of their fleet, the development of driverless cars and connectivity, etc. As regards CO2 emissions, in Europe and in other countries (United States, China, Japan, South Korea), the authorities have introduced regulations laying down thresholds to achieve in the years to come. The European Union has notably imposed new emission limits which will apply from 2015 and other, stricter limits that will take effect in 2021. Car manufacturers incur financial penalties if they fail to comply with the thresholds.</p> <p>To achieve the objectives set by regulators, carmakers are faced with a strong challenge that has led them to invest in R&D to create new technologies. The pressure is high because the necessary investments are expensive. Furthermore, the development of certain alternative vehicle solutions is hampered by significant constraints. Electric vehicles are a case in point: limited mileage autonomy, small network of charging stations, etc.</p> <p>In this context, carmakers use their influence on public decision-makers fairly widely to defend their interests, which may differ strongly depending on their own situation.</p> <p><i>Focus on the Pharmaceutical sector</i></p> <p>At the point of convergence between public health and private interests, ethical issues take on</p>

	<p>a particular dimension when it comes to the pharmaceutical sector. The influence, real or alleged, of the pharmaceutical industry on our leaders and physicians regularly makes headlines, reflecting the lingering mistrust of a large proportion of citizens vis-à-vis the healthcare industry.</p> <p>And yet, the exercise of influence is not in itself an issue. It is even quite legitimate for a laboratory to maintain a continuous dialogue with its stakeholders - physicians, patients, scientific community, health authorities - or that it should seek to monitor, anticipate and guide decisions that will determine the regulatory environment in which it will evolve. It is in fact the responsibility of pharmaceutical companies (vis-à-vis society and their shareholders) to maintain relations with each group, understand their expectations and assert the company's interests in striving to find common ground. Through transparent and balanced dialogue with its stakeholders, the company helps protect and create lasting value.</p> <p>But the reality is that we are far from this ideal. Why? First, and this is not unique to the pharmaceutical industry, because the forces are unequal: the industry's access to decision-makers and financial resources, however legitimate, appear disproportionate in relation to other stakeholders. Second, because a number of controversies have eroded the confidence of civil society in the possibility of an ethical relationship between the pharmaceutical industry and its stakeholders. The practice of pantouflage (a practice by which high-level French civil servants obtain work in private enterprises), or the revolving door between the industry and health authorities, which reached caricatural heights in the case of Mediator, increased doubts on the existence of conflicts of interest. The support given by several laboratories to the conservative think-tank ALEC[1] has also highlighted the lack of coherence between CSR objectives and Public Relations policies. Finally, the considerable fines paid by leading laboratories for off-label promotion practices in the United States or insufficient information on drug side effects show that there is still some way to go to implement a transparent and balanced relationship with physicians and the scientific community.</p> <p><i>Selected analysis criteria</i></p> <p>To monitor lobbying practices, Amundi has selected four criteria to compare the positioning of companies in terms of influence on public authorities:</p> <p>Policy & Strategy: formalisation of corporate engagements, registration in lobbying registers</p> <p>Transparency: communication on public positions defended, participation in external associations/ organisations for lobbying purposes, budgets for internal/external lobbying activities</p> <p>Organisation: operation of lobbying activities at central and local level, breakdown of responsibility levels of the persons or committees concerned</p> <p>Control staff training programme, whistleblowing system, internal and external audits, dialogue with stakeholders inside the company</p> <p>With regard to the pharmaceutical industry, the choice was made to complete the analysis of influence practices on public authorities by the analysis of two sector-specific criteria:</p> <p>Influence on civil society (professionals and patient groups)</p> <p>Influence on clinical research</p> <p>[1]The American Legislative Exchange Council (ALEC) is a US lobbying network of Republican politicians, whose positions are sometimes controversial (in particular on the right to self-defence). Many companies severed ties with ALEC after their support was published in the press.</p>
Outcomes	<p>16 companies have been met and some precise recommendations have been made. The result of this first year of engagement will be measured next year.</p>

☒ Add Example 7

Topic or ESG issue	Governance at Petrobras
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	Improve minority representation and governance processes
Scope and Process	Nomination of two minority independent candidates (in 2013 and 2014) + collective letter to the chairman after the removal of an independent director from the audit committee
Outcomes	Our candidates were elected improving minority representation on the board. The recent developments at Petrobras demonstrated the pertinency of our letter.

- ☐ Add Example 8
☐ Add Example 9
☐ Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

- ☒ We disclose it publicly

provide URL

http://www.amundi.com/documents/doc_download&file=5113962762844691590_511396276284263213

provide URL

http://about.amundi.com/corporate_fr/ezjscore/call/ezjscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeld=download_geds_corporate_lists_Document_documents_272

LEA 15.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

LEA 15.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.4

Indicate how frequently you typically report engagements information.

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8

Additional information. [Optional]

Engagements through pre-AGM meetings are disclosed semi-annually.

(Proxy) voting and shareholder resolutions

Overview

LEA 16**Voluntary****Descriptive****PRI 2****LEA 16.1**

Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

Proxy voting is an essential part of our fiduciary duty and responsibility as an active responsible investor. A dedicated team of governance analysts is in charge of coordinating the different areas of expertise needed to make informed decisions (fund managers, financial analysts, SRI analysts ...) and ensure an efficient exercise of the votes.

But Amundi also acknowledges that proxy voting alone does not suffice to monitor and improve corporate practices. Consequently, a dialogue process was implemented through an alert sent to companies in the SBF 120 index (since 2004) and to some major international companies (since 2009) in order to initiate a dialogue before the AGM if any of their resolutions contradict our voting policy principles. The filing of shareholder resolutions is

not a systematic aspect of our approach (our main holdings being in countries where shareholders resolutions are difficult to file efficiently) but is considered on a case by case basis.

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
	Approach		
	<input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.		
	<input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.		
	Based primarily on		
	<input type="radio"/> the service provider voting policy signed off by us		
	<input checked="" type="radio"/> our own voting policy		
	<input type="radio"/> our clients requests or policy		
	<input type="radio"/> other, explain		
	<input type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.		
	<input type="radio"/> We hire service provider(s) which make voting decisions on our behalf.		
LEA 19	Voluntary	Descriptive	PRI 2
LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.		
	<input checked="" type="checkbox"/> Obtain confirmation that votes have been received by the company:		
	<input checked="" type="radio"/> for a majority of votes		
	<input type="radio"/> for a minority of votes		
	<input checked="" type="checkbox"/> Participate in projects to improve the voting trail and/or to obtain vote confirmation		
	<input type="checkbox"/> None of the above		
LEA 19.2	Provide additional information on your organisation's vote confirmation efforts.		
	<p>Our voting platform indicates the status of the votes (confirmed/rejected). We investigate every rejected votes. We also perform random checks with our custodians, issuers or through the analysis of voting results. We support initiatives to improve proxy-voting like VoteAccess in France (electronic voting).</p>		
LEA 20	Voluntary	Additional Assessed	PRI 2

LEA 20.1	Indicate if your organisation has a securities lending programme.
-----------------	---

☒ Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
-----------------	---

Please select one of the following

- ☐ We recall most securities for voting on all ballot items
- ☒ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ We do not recall our shares for voting purposes
- ☐ Other (please specify)
- ☐ No

LEA 20.3	Additional information. [Optional]
-----------------	------------------------------------

Systematic recall for french issuers, case by case basis for international issuers

LEA 21	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- ☒ Yes, in most cases
- ☐ Sometimes, in the following cases:
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
-----------------	------------------------------------

We inform a group of about 300 issuers (significant holdings in Europe) of potential negative votes in advance of the AGM in order to initiate a dialogue on the issues. We also answer every direct request from companies asking for our voting intentions. For other companies, our semi-annual proxy voting reports give the information for every voted AGM if we had an opposition vote or not.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 22.1

For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- ☒ We do track or collect this information

Votes cast (to the nearest 1%)

%

91

Specify the basis on which this percentage is calculated

- ☐ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☒ of the total value of your listed equity holdings on which you could have voted

LEA 22.2

If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

We vote when our consolidated shareholding is > 0.05% of the issued capital of the company (except for French issuers where we vote for every company, and for some funds where the client requires to vote a defined perimeter).

- ☐ We do not track or collect this information

LEA 23**Voluntary****Descriptive****PRI 2****LEA 23.1**

Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

- ☒ Yes, we track this information

LEA 23.2

Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> 84
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 14
Abstentions	<div> <div></div> <div>%</div> </div> 2

100%

LEA 23.3 For the reporting year, describe your approach towards voting on shareholder resolutions.

Our voting policy has a dedicated chapter on ESG shareholder resolution.

We analyze on a case-by-case basis the adequacy of shareholder resolutions in regard to the situation of the company and especially:

- whether the adoption of the proposal can improve the practices of the company.
- whether the current situation of the company can potentially lead to negative effects either on the short term (reputational, legal or boycott risks ...) or the long term.
- whether the company has already implemented appropriate measures to respond to the request embodied in the resolution
- whether the company's analysis against the approval of the resolution is persuasive and respond to the different issues raised by the shareholders in their resolutions
- whether the request embodied in the resolution does not incur unreasonable costs or lead to reveal information that would put the company at a competitive disadvantage
- whether the measures contained in the resolution presented are appropriate and whether the issue would be more effectively dealt with through other means

☐ No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 24.1 Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

☒ Yes

LEA 24.2 Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

2

LEA 24.3

Indicate what percentage of these ESG shareholder resolutions.

Went to vote	<div><div></div></div> %
	50
Were withdrawn due to changes at the company and/or negotiations with the company	<div><div></div></div> %
	0
Were withdrawn for other reasons	<div><div></div></div> %
	50

Total

100%

LEA 24.4

Of the ESG shareholder resolutions that you filed or co-filed and that were put to vote (i.e. not withdrawn) how many received:

>50% approval

1

LEA 24.5

Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved.

Minority independent candidates for Director and Fiscal Board member. Those candidates were elected.

Separation of chairman-CEO through change of governance structure (on behalf of a client). The resolution failed to reach the required threshold to be added to the agenda.

☐ No

LEA 25

Voluntary

Descriptive

PRI 2

LEA 25.1

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☒ Add Example 1

Topic or ESG issue	Implementation of the new Say on Pay in France
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Assess the impact of the first step of engagement and ensure adequate information on remuneration and its link to performance.
Scope and Process	Following our initial engagements, we monitored the required improvements of information provided in final AGM documents.
Outcomes	We opposed about 35% of the say on pay resolutions in France (~300 resolutions)

☒ Add Example 2

Topic or ESG issue	Related-party transactions in France
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Improve the level of information provided to shareholders and monitor transactions with controlling shareholders / severance agreements
Scope and Process	We analysed more than 250 related party transactions reports and individual agreements.
Outcomes	We opposed about 40% of the due to insufficient information to determine if the transaction was in the best interest of minority shareholders. Improvements from some companies were obtained.

☒ Add Example 3

Topic or ESG issue	Report on Political Contributions / Lobbying
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Increase transparency on political contribution and lobbying payments
Scope and Process	Shareholder resolution campaigns in the US. We analyzed 77 resolutions and supported 68 of them.
Outcomes	Some of those resolutions obtained majority support.

☒ Add Example 4

Topic or ESG issue	Adopt Quantitative GHG Goals
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Improve disclosure on GHG emission reduction targets (that can drive innovation and enhance shareholder value)
Scope and Process	Shareholder resolution campaigns in the US. We analyzed 10 resolutions and supported all of them.
Outcomes	No resolution reached majority support but nevertheless they obtained on average a good 20% support.

☐ Add Example 5

☐ Add Example 6

☐ Add Example 7

☐ Add Example 8

☐ Add Example 9

☐ Add Example 10

LEA 25.2	Additional information.
----------	-------------------------

We voted 2 576 meetings and analyzed 31 237 resolutions. We opposed at least one resolution (including abstention) in 74 % of the meetings and opposed 17% of the resolutions.

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
----------	--

- ☒ We disclose it publicly

	provide URL
--	-------------

http://le-groupe.amundi.com/corporate_fr/ejzscore/call/ejzscamundibuzz::sfForwardFront::paramsList=service=ProxyMarketingDocRequest&routeId=download_geds_corporate_lists_Document_documents_351

LEA 26.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	---

- ☐ Yes
☒ No

LEA 26.3	Indicate the voting information your organisation proactively discloses to the public.
----------	--

	Indicate how much of your voting record you disclose
--	--

- ☒ All voting decisions
☐ Some voting decisions
☐ Only abstentions and opposing vote decisions
☐ Summary of votes only

	Indicate what level of explanation you provide
--	--

- ☐ Explain all voting decisions
☒ Explain some voting decisions
☐ Only explain abstentions and votes against management
☐ No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information to the public.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

LEA 26.5

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☒ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

LEA 26.6

Indicate how frequently you typically report voting information to clients/beneficiaries.

- ☐ Continuously (primarily before meetings)
 - ☐ Continuously (soon after votes are cast)
 - ☒ Quarterly or more frequently
 - ☐ Between quarterly and annually
 - ☐ Less frequently than annually
 - ☐ Other, specify
- ☐ We disclose it to clients/beneficiaries only
 - ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Amundi Asset Management

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

FI 01	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	PRI 1
-------	---------------------	-----------------------	-----------------	-------

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

☒ Passive

Percentage of internally managed fixed income - corporate

☒ <10%

Report on your strategies that represents <10% of corporate fixed income

☒ Yes

☐ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

Percentage of internally managed fixed income - corporate

☒ <10%

Report on your strategies that represents <10% of corporate fixed income

☒ Yes

☐ No

☐ 10-50%

☐ >50%

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

☐ <10%

☐ 10-50%

☒ >50%

Fixed income – government

Strategies

☒ Passive

Percentage of internally managed fixed income - government

- ☐ <10%
☒ 10-50%
☐ >50%

☒ Active – quantitative (quant)

Percentage of internally managed fixed income - government

- ☒ <10%

Report on your strategies that represents <10% of government fixed income

- ☒ Yes
☐ No
☐ 10-50%
☐ >50%

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

- ☐ <10%
☒ 10-50%
☐ >50%

FI 02

Mandatory to Report Voluntary to Disclose

Peering

General

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

Credit quality	Fixed Income - Corporate
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
High yield	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

Credit quality	Fixed Income - Government
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%

Market	Fixed Income - Government
Primary market (new issues)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.
---------	---

Fixed Income - Corporate

Amundi's SRI expertise centre has defined its own reference values based on texts with a universal reach. These reference values consist of 37 criteria: 15 generic criteria, common to all companies whatever their business sector, and 22 sector-specific criteria.

Data are provided by 8 extra-financial rating agencies so as to benefit from a wide range of complementary information on a broad investment universe. These data are integrated and updated every month into a software application that applies the reference values and weightings defined by Amundi depending on the sector. The extra-financial analysts, who have expertise in all the business sectors present in the portfolios, assess issuers in qualitative terms and systematically analyse data consistency.

The analysis results in a global extra-financial rating for the issuer on a scale from A (highest score) to G (lowest score).

These ratings are used both for mainstream management and for SRI management:

1. A normative exclusion Policy

Amundi applies strict rules for integrating ESG criteria across its management activities (excluding index-linked UCITS and ETFs, which are constrained by their benchmark indices):

- no direct investments in companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties;
- exclusion of companies involved in the production or sale of chemical, biological and depleted uranium weapons;
- exclusion of companies that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact.

2. Total commitment to SRI (integration strategy)

Amundi applies strict, transparent rules to select the securities held in its SRI portfolios:

- exclusion of companies and countries rated E, F and G (on a scale of A to G) in order to avoid financial and reputation risk;
- the portfolio's rating must be at least equal to that of its benchmark index/investment universe;
- the portfolio's rating must be C or higher;
- at least 90% of the securities in the portfolio must have an ESG rating.

A proprietary control tool has been programmed to issue alerts if one of these rules is no longer respected for a given portfolio. If an alert is issued, a 'return to compliance' procedure is applied. This continuous control is independent of the operational departments.

Amundi is the first asset manager to be certified by AFNOR for its SRI approach. This certification, delivered by a recognised independent organisation, bears witness to Amundi's commitment to its clients (governance method, guaranteed expertise, data traceability, information, responsiveness, etc.), while ensuring that its operations are controlled by an internal steering process.

Fixed Income - Government

The extra-financial analysis of countries, based on the CARE methodology, aims to measure and compare the degree of integration of sustainable development issues in institutional systems and public policies for the three ESG dimensions (Environmental, Social and Governance). These three dimensions are divided into 9 issues (3 environmental, 4 social and 2 governance) which are analysed under 3 angles: Compliance, Action and Results (CARE methodology) covering the following areas: □

Compliance: ratification of treaties (Kyoto Protocol for the E dimension, Convention on chemical weapons for the S dimension, etc.)

Actions: public spending, decisions and implementation (proportion of renewable energy in the energy mix for the E dimension, proportion of GDP in healthcare spending for the S dimension, etc.)

Results: quantifiable and measurable (greenhouse gas emissions for the E dimension, Transparency International' Corruption Perceptions Index for the G dimension, etc.).

The 9 issues are comprised of approximately one hundred criteria. This methodology is based on publicly-available data:

These data allow us to assign a score on a scale of 0 to 100, which provides an absolute rating and is used to establish ratings and comparisons of 150 countries

link to a transparency code (page 11) :

https://www.amundi.com/maio/newpartfra/product/doc_download&file=5112829102746656487_5112829102744284774

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
-------	-----------	-----------------------	-------

FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

☒ Screening alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	80

☐ Thematic alone (i.e. not combined with any other strategies)

☐ Integration alone (i.e. not combined with any other strategies)

☒ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	20

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

Amundi is convinced that an asset manager must take into account all relevant elements in its management, including Environmental, Social and Governance (ESG) criteria. **This is our fiduciary responsibility.**

Amundi firmly believes that this approach, which provides an all-round vision of companies, **consolidates value creation**. Amundi is convinced that a strong sustainable development policy enables issuers to better manage regulatory and reputational risks and also contributes to improving their operational efficiency. This conviction leads us to integrate ESG criteria across all our management activities (excluding index-linked UCITS and ETFs, which are constrained by their benchmark indices), and to implement an engagement policy.

Besides, it is **for the investor a way to protect himself from long-term risks** (financial, operational, reputational, etc. risks) and to fully exercise his responsibility.

By evaluating issuers in accordance with these "ESG" or extra-financial criteria, they can be rated on a scale from A to G, with A being the top score. This approach, which is complementary to the financial analysis, allows Amundi to **optimise the risk/ return trade-off**. G-rated issuers are those which violate, seriously and repeatedly the principles set out in the UN Global Compact, ILO, OECD Guidelines... These issuers are excluded from the universe of Amundi's active management investment funds. The exclusion of G-rated companies aims to mitigate both Amundi's financial and reputational risk.

FI 04.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
----------------	---

For Amundi's SRI funds, E, F & G rated companies are excluded. The ESG rating of the companies belonging to the investment universe is then combined with a financial rating. This rating is then used as an Alpha to optimise the portfolio.

The philosophy behind this process is that ESG analysis and financial analysis are complementary and can both contribute to the portfolio performance.

Details of this process are published in the funds' transparency codes.

FI 05	Voluntary	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

FI 05.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
----------------	---

Type of ESG information

☒ Raw ESG company data

	Describe who provides this information.
--	---

- ESG research provider
- Sell-side
- In-house - specialised ESG analyst or team
- In-house - analyst or portfolio manager

☒ Issuer-related analysis or ratings

	Describe who provides this information.
--	---

- ESG research provider
- Sell-side
- In-house - specialised ESG analyst or team
- In-house - analyst or portfolio manager

☒ Sector-related analysis or ratings

	Describe who provides this information.
--	---

- ESG research provider
- Sell-side
- In-house - specialised ESG analyst or team
- In-house - analyst or portfolio manager

- ☐ Country-related analysis or ratings
- ☒ Screened bond list

Describe who provides this information.

- In-house - specialised ESG analyst or team

- ☐ ESG issue-specific analysis or ratings
- ☐ Other, specify

FI 05.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Extra-financial analysts have access to several extra-financial sources of information:

- brokers, who are producing an increasing number of increasingly elaborate studies on SRI and sustainable development;
- NGOs;
- Scientific reports
- Extra-financial rating agencies.

Extra-financial analysts have access to 8 extra-financial providers chosen for:

- the refinement of the reference framework used for analysis
- their coverage universe
- the quality of their analysis and their ability to justify their ratings
- their ability to respond quickly to new information

Among these 8 providers:

- 5 agencies produce general ESG ratings used through the screening approach
- 2 are for monitoring controversies
- 1 allows for the identification of companies involved in the production or sale of anti-personnel mines and cluster bombs

To complement the data supplied by these agencies, our analysts' process information is taken from a variety of sources:

- Amundi buy-side financial analysts
- broker research
- press and publicly-available documents
- direct contact with the companies and stakeholders

These various sources of analyses are an essential element of the extra-financial analysis process and have a double objective:

- allowing the extra-financial analyst to verify the data and to perfect his study by targeting his questions on the identified sector and specific stakes
- to heighten companies' awareness regarding ESG issues and thus to contribute to the improvement of the ESG reporting supplied by them.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

Description

Companies providing product or service related to

- Cluster bombs
- Landmines
- Depleted uranium
- Biological or Chemical weapons

Are excluded from Amundi's universe of investment

☐ Positive/best-in-class screening

☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
	Excluded issuers are those which violate, seriously or repeatedly the principles set out in the UN Global Compact, ILO, OECD Guidelines... These issuers are excluded from the universe of Amundi's investment funds.

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
----------------	---

Based on the consultative committee directives, screening criteria are defined and reviewed by the rating committee. Any change is published on Amundi's website (Governance, Policy and Strategy document). The number of companies involved and the reason of their exclusions are published in the engagement report of Amundi. The list of excluded companies is sent on a regular basis to all Amundi's fiduciary managers.

FI 07	Mandatory	Core Assessed	PRI 1
--------------	------------------	----------------------	--------------

FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
----------------	---

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 08	Voluntary	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

FI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.
----------------	--

- ☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
 - ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

FI 08.2

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

If a breach occurs the Risk Manager notifies the fund manager by e-mail, and states the type of violation. In his answer, the fund manager must state the corrective action and the time needed for. The Risk Manager accepts or refuses this answer and, if necessary, launches an escalation procedure, involving the Head of the portfolio manager's team, and the Chief Risk Officer and Chief Investment Officer if need be.

(C) Implementation: Integration of ESG factors

FI 10

Voluntary

Descriptive

PRI 1

FI 10.1

Describe how you integrate ESG issues into investment decision-making processes.

The **first step** of our **Euro Credit SRI process** consists in a rigorous corporate rating system with regard to ESG criteria, extreme product transparency and specific attention paid to giving clients the clearest information possible.

Amundi favours the "Best in Class" approach: this positive approach increases companies' awareness of environmental, social and governance (ESG) issues and helps them developing and progressing.

This management approach consists in favouring companies within each business sector that are the most advanced in their sustainable development programmes. It gives investors the opportunity to encourage companies that are the most serious about sustainable development.

The **second step** is a top down approach consisting in a global credit allocation combining macro-economic and market analysis, to define the model portfolio systematic risk exposure.

The purpose of this step is to **translate macro-economic scenario** (growth, inflation...), **credit fundamentals** (leveraging trend, upgrade to downgrade ratio...), **technical valuation** (flows, volatility, issues, redemptions and investor polls) and **market valuation** (historical analysis of spreads, econometric models for credit-spread "fair value") into an effective credit allocation.

The **third step** consists in :

1/ An ESG filter application to exclude issuers with the most questionable ESG practices:

- Portfolio managers cannot purchase issuers with the lowest industry ratings (issuers rated E, F or G); In this way, we protect our clients from financial and reputational risk.
- In the event of a downgrade, G-rated issuers must be excluded from portfolios: the managers have three months to sell any positions; as for buy-and-hold portfolios, a 10%-limit of G-rated issuers is tolerated in the event of a downgrade.

2/ A country and sector allocation, using a scoring based on Credit risk, Credit quality and Valuation, discussed at the Monthly Credit Committee. The decision process follows a macro- (sector credit dynamic, historical valuation, cross sector analysis) and micro-approach (globalization/regional factors). Geographical allocation takes into account country sensitivity (domestic revenues vs. international diversification, specific regulation, and issuer's correlation to sovereign).

3/ Portfolio managers then optimise the sector allocation using an internally developed econometrical tool to translate the qualitative views into sector exposure expressed in SWMD* against the benchmark.

This quantitative optimization is based on each sector expected performance and historical volatility expressed through a VCV Matrix. Therefore it provides a sector allocation with the most efficient Expected Returns / Volatility ratio as presented in the following chart and expressed relative to the benchmark.

The **fourth step** consists in :

1/ Applying Best-in-class ESG selection that is to say the selection of the best issuers in an investment universe. The average ESG rating of an SRI portfolio must be greater than or equal to the ESG rating of the investment universe or benchmark index, as calculated by Amundi Group's team of sustainability analysts. The portfolio must respect the following minimum conditions:

- Guaranteed minimum threshold for taking ESG criteria into account: the portfolio's ESG rating must be greater than or equal to a predefined level; in this case a C-rating on a scale from A to G, with A being the top score
- At least 90% of the portfolio must be rated.

2/ Applying Credit Analysis issuer selection

Detectable inconsistencies may exist between the price of bonds and the actual quality of the issuer's credit fundamentals. The portfolio is managed in terms of deviation vs. the index, hence it is overweight (or long) on discounted issuers and underweight (or short) on rich names. To select issuers, we compare the **internal forward rating** provided by the credit analysts to the implied rating derived from the market. The credit analysts, organized by sectors, provide a forward rating over a 9 month horizon. The portfolio managers compute the **implied rating** out of cross-sectional market data, and rank issuers on a relative basis within their peers, for every sector. These approaches are based on both **credit quality evolution and spreads dynamics**.

The **final step** is Bond Picking & Arbitrage

The purpose of this step is to select specific market instruments (cash bonds, derivatives...).

Portfolio managers rely on in-house developed databases. Live prices are taken as input from Reuters, and are used to calculate spreads against government bond curve and swap curve. Spreads are calculated and recorded for every liquid bond issue and CDS in the European corporate market (as of today: more than 3000 bonds and 600 CDS priced on a daily basis). This database allows portfolio managers to draw credit curves, select valuable bonds and price new issues coming to the market and to arbitrage between cash or derivatives.

The screening is based on the following criteria:

- Issuer curve: selection of maturity & issue,
- Type of debt: degree of subordination, covenants,
- Issues denominated in different currencies, with a systematic currency hedging,
- Instrument type: cash bonds versus derivatives.

This analysis is completed by a judgmental screening resulting from permanent discussion between portfolio managers, traders, credit analysts and extra-financial analysts to integrate the most up-to-date qualitative information.

transparency code :

https://www.amundi.com/maio/newpartfra/product/doc_download&file=5112829102746656487_5112829102744284774

FI 11	Mandatory	Core Assessed	PRI 1
FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 12	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
---------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 12.2	Describe how ESG information is held and used by your portfolio managers.
---------	---

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 13.1

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

☒ Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

Countries that systematically and wilfully violate human rights and make themselves guilty of the worst crimes: war crimes and crimes against humanity are excluded from all Amundi's portfolio. These are countries that intentionally and systematically commit the worst of crimes.

SRI portfolios (integration) exclude countries rated E, F or G, based on CAr methodology

☐ No

ESG incorporation in passively managed fixed income

FI 14**Mandatory to Report Voluntary to Disclose****Gateway****PRI 1**

FI 14.1

Indicate if you manage passive fixed income funds that incorporate ESG issues in the index construction methodology.

Fixed Income - Corporate

- ☐ Yes
☒ No

Fixed Income - Government

- ☐ Yes
☒ No

Outputs and outcomes**FI 15****Voluntary****Descriptive****PRI 1****FI 15.1**

Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.

Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe
☒ Buy / sell / weight decisions
☐ Other, specify

FI 15.1

Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.

Fixed Income - Government

- ☒ Narrow down or prioritise the investment universe
☒ Buy / sell / weight decisions
☐ Other, specify

FI 16**Voluntary****Descriptive****PRI 1****FI 16.1**

Indicate whether your organisation measures how your approach to ESG issues in Fixed Income investments has affected financial and/or ESG performance.

- ☒ We measure whether our approach to ESG issues impacts funds' financial performance

Fixed Income - Corporate

Describe the impact on:	Impact	Strategies considered
Funds' financial performance	<input type="radio"/> Positive <input type="radio"/> Negative <input checked="" type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

Fixed Income - Government

Describe the impact on:	Impact	Strategies considered
Funds' financial performance	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact <input checked="" type="radio"/> We do not measure the impact for this asset class	<input type="checkbox"/> ESG incorporation (actively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

Fixed Income - Corporate

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input checked="" type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

Fixed Income - Government

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact <input checked="" type="radio"/> We do not measure the impact for this asset class	<input type="checkbox"/> ESG incorporation (actively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' ESG performance

Fixed Income - Corporate

Describe the impact on:	Impact	Strategies considered
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

Fixed Income - Government

Describe the impact on:	Impact	Strategies considered
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input checked="" type="checkbox"/> ESG incorporation (actively managed funds)

☐ None of the above

FI 16.2

Describe how you are able to determine these outcomes.

Regarding financial performance and volatility, Amundi has published a discussion paper:

<http://research-center.amundi.com/page/Publications/Discussion-Paper/SRI-and-performance-impact-of-ESG-criteria-in-equity-and-bond-management-processes>

Regarding ESG performance, reporting of each funds measure the added value of the ESG quality of the portfolio compared to its benchmark.

FI 17

Voluntary

Descriptive

PRI 1

FI 17.1

Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year.

☒ ESG issue 1

	Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate <input type="checkbox"/> Government	
	ESG issue and explanation
<p>Company A is regularly involved in accidents, sometimes fatal. Most of these accidents result from mining waste storage installations: reservoir leaks, dam breaches, etc. Last year, incidents occurred, often due to non-compliance with safety measures and construction standards.</p> <p>The answer Company A to these major controversies are not sufficient to think that ESG risks are now under control.</p> <p>The company infringes principles 1, 7, 8 and 9 of the Global Compact. We therefore recommend that its ESG score be downgraded to G.</p>	
	ESG incorporation strategy applied
<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	
	Impact on investment view or performance
<p>Company A has been excluded from all active management funds.</p>	

☒ ESG issue 2

	Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate <input type="checkbox"/> Government	
	ESG issue and explanation
<p>Company B demonstrates a limited ESG performance. Company B presents significant risks in terms of ethics. The measures taken following fine and settlements of the bank for laundering do not, at this stage, ensure that such practices won't occur again. Company B also decided to bypass the CRD IV limiting the bonus of its risk-takers and this could represent a legal risk for the bank. Finally, despite a high exposure to indirect environmental risks, Company B's performance on this issue appears to be limited.</p> <p>Responsible Investment (D)</p> <ul style="list-style-type: none"> ▲ Important number of sector policies ▲ Participations in diverse initiatives ▼ Lack of specifications of sector policies that do not guarantee their bindingness ▼ Low volume of ESG integration in managed or commercialized funds ▼ Lack of specific products to promote good environmental practices <p>Ethics (E)</p> <ul style="list-style-type: none"> ▲ Member of the Wolfsberg Group (group of banks that have established guidelines for the fight against money laundering in private international banks) ▲ Increasing number of employees in charge of the compliance functions (from 200 to 1000) ▲ Standardization of the fight against money laundering procedures, employee training ▼ Controversies related to money laundering and transfers to countries under embargos ▼ Low detailed communication regarding the action plan taken in response to controversy ▼ Report published by the US Attorneys states that there was still "a lot of work to do" in the fight against money laundering within the bank ▼ Controversies in various countries regarding the activities of the private banking affiliate in Switzerland (support for tax evasion) <p>Responsibility Marketing (D)</p> <ul style="list-style-type: none"> ▲ No compensation of employees in agencies related to the volume of sale ▲ Internal training and awareness on the transparency and quality of the information provided to clients ▲ Publication of customers satisfactory surveys ▼ Settlement in the US for bad practices regarding foreclosure procedures ▼ Misselling regarding PPI, credit card and settlement with the FSA 	
	ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	
	Impact on investment view or performance
<p>Therefore Company C is downgraded to a E rating and must be excluded from all SRI funds.</p>	

--

☒ ESG issue 3

	Fixed Income - Corporate and/or Government
<input type="checkbox"/> Corporate <input checked="" type="checkbox"/> Government	
	ESG issue and explanation
<p>Country 1 has improved its scores on the following criteria and has therefore been upgraded from rating E to D.</p> <p>Political Stability and Absence of Violence</p> <ul style="list-style-type: none"> ▪The likelihood that the government will be destabilised or overthrown by unconstitutional or violent means, including domestic violence and terrorism (World Bank) <p>Voice and accountability</p> <ul style="list-style-type: none"> ▪The extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media (World Bank) <p>Government effectiveness</p> <ul style="list-style-type: none"> ▪The quality of public services, the capacity of the civil service and its independence from political pressures; and the quality of policy formulation (World Bank) <p>Regulatory quality</p> <ul style="list-style-type: none"> ▪The ability of the government to provide sound policies and regulations that enable and promote private sector development (World Bank) <p>Rule of Law</p> <ul style="list-style-type: none"> ▪Participate in and abide by the rules of society, including the quality of contract enforcement and property rights, the police, and the courts, as well as the likelihood of crime and violence (World Bank) <p>Control of corruption</p> <ul style="list-style-type: none"> ▪The extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests (World Bank) <p>Corruption Perception Index</p> <ul style="list-style-type: none"> ▪Transparency International - The degree to which corruption is perceived to exist among public officials and politicians 	
	ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	
	Impact on investment view or performance
<p>Country 1 has been reintegrated to the universe of investment.</p>	

- ☐ ESG issue 4
- ☐ ESG issue 5

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
-------	-----------	---------------	---------

FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
---------	--

- ☒ We disclose it publicly

	Provide URL
--	-------------

http://www.amundi.com/maio/newinstfra/product/doc_download&file=5112829101997222538_5112829101993262526

FI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
---------	---

- ☒ Yes

FI 18.3	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.
---------	---

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

FI 18.4	Indicate how frequently you typically report this information.
---------	--

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Engagement in fixed income investments

Fixed Income - Corporate

FI 19	Voluntary	Descriptive	PRI 2
-------	-----------	-------------	-------

FI 19.1	Indicate if you engage with corporate issuers.
---------	--

- ☒ Yes

1 - Engagement for influence

This consists in meetings with companies intended to influence their practices. This dialogue can take many forms:

- Recommendations made during meetings with companies
- Recommendations concern cross-cutting themes common to a company's business sector. They highlight best practices and measure companies' progress based on a grid of success indicators set up by the extra-financial analyst.
- Interviews conducted with the most controversial companies

Companies are identified through a monitoring system that gives analysts access to targeted media sources on specific extra-financial subjects.

- The seriousness of controversy is determined by analysing:
- The gravity of human or environmental damage
- The repetitive nature of the controversy

Specific heed is paid to analysing the credibility of information sources.

Dialogue is therefore aimed at putting an end to the most controversial corporate practices.

Dialogue is considered as productive if:

- the company proves its determination to make a commitment;
- it implements corrective measures;
- it sets up adequate means to obtain lasting results;
- it has its approach certified by an independent third party.

Dialogue is considered as unproductive if:

- The company makes no response;
- The company carries on the controversial activity;
- Amundi concludes it has no influence on the company.

In this case, the engagement policy can result in an exclusion of the companies (normative exclusion policy).

2- Data collection for rating purposes

Within this scope, company meetings are aimed at fine-tuning their ESG rating.

With the support of eight suppliers of extra-financial data, Amundi awards Environmental, Social and Governance (ESG) ratings to more than 4,000 issuers.

- Number of interviews: 263
- Extra-financial bilateral interview: 175
- Credit& Equity: 98
- Credit only : 2
- Equity only: 75
- Bilateral financial interview: 88
- Credit& Equity: 26
- Credit only : 1
- Equity only: 61
- Number of questions asked: 899
- Average number of themes addressed by company: 3

3- Engagement themes

Amundi has elected to focus more particularly on four themes with a selection of companies so as to support them as part of a continuous improvement process:

- 1) oil and mining companies must take human rights into account;
- 2) the agri-food and food retail sectors must provide access to food and fight food waste;
- 3) Conflict minerals in the electronics sector;
- 4) Lobbying by pharmaceutical companies and the automotive industry.

Although these themes are already addressed by most of the companies in the concerned sectors, there is still significant room for progress.

☐ No

Fixed Income - Government

FI 20	Voluntary	Descriptive	PRI 2
FI 20.1	Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.		

☐ Yes

☒ No