

# Principal Adverse Impact Statement

30/06/2023

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**Amundi**  
ASSET MANAGEMENT

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## 1. Summary

Amundi Immobilier LEI 969500VOVZ0RROPKEZ69 [considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Amundi Immobilier

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

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

Applicable to	Theme	PAI indicator	Number
Real Estate	Environmental	Exposure to fossil fuels through real estate assets	17
		Exposure to energy-inefficient real estate assets	18

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

Table 1 : Description of the principal adverse impacts on sustainability factors

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

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	
<b>Fossil fuels</b>	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuel– %	0%		Coverage rate in AuM	<i>ESG analysis</i> : ESG analysis during the acquisition and managements phases
<b>Energy efficiency</b>	18. Exposure to energy-inefficient real estate assets	Share of energy-inefficient real estate assets– %	86,9%			<i>ESG scoring methodology</i> : ESG analysis during the acquisition and managements phases

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

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken
<b>Energy consumption</b>	Energy consumptions intensity	Energy consumption in GWh of owned real estate assets per square meter – GWh/m <sup>2</sup>	0.000 067 GWh /m <sup>2</sup>			<i>ESG scoring methodology</i> : ESG analysis during the acquisition and managements phases

### e) Targets

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

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

### 3.1 Policy priorities

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

The plan sets out three objectives:

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

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

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

Responsible Investor Charter Amundi real Estate	Climate action Increasing transparency Aligning the interests of all stakeholders	Amundi Real Estate Management Board of Directors; September 2021
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Amundi will continue to adjust its climate strategy in the coming years, according to the scientific reference scenarios and in close connection with its clients' objectives, both by developing investment solutions to accelerate the transition and by progressively aligning its portfolios with the 2050 neutrality objective.

### 3.2 Policy governance

Amundi Real Assets from which Amundi Immobilier Funds belongs relies mainly on the ESG governance of Amundi Group

#### Supervision of the responsible investment strategy by Amundi Group Board of Directors

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

#### A dedicated internal organization managed by Amundi Group to monitor and manage the responsible investment strategy

##### Governance of ESG and climate issues within Amundi



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

### ESG and Climate Strategy Committee (12)

This Committee, chaired by the CEO, meets monthly to determine and approve the ESG and climate policy applicable to investments as well as the strategic orientations of the Amundi Group in this area. Its purpose is to:

- Steer, confirm and monitor Amundi's climate and responsible investment strategy;
- Confirm the main strategic orientations of the Responsible Investment Policy (sector policy, exclusion policy, voting policy, engagement policy);
- Monitor key strategic projects

### Voting Committee (13)

This Committee meets at least once a month and as often as necessary. Its objectives are to:

- Determine the centralised voting policy for the various entities for which it is relevant;
- Decide how to vote at general meetings in certain specific cases, in particular when the issuer is registered by the compliance department on the list of issuers for which a potential conflict of interest exists;
- Review the voting record annually

### ESG Rating Committee (14)

This Committee meets every month. Its duties notably include:

- Defining and approving Amundi's standard ESG methodology;
- Reviewing exclusion and sectoral policies and validating their rules for application;
- Reviewing and deciding on specific ESG rating issues

### ESG Management Committee (15)

This Committee is dedicated to the responsible investment strategy. It is responsible for:

- Setting the objectives and priorities of the Responsible Investment team;
- Building an overview of ESG-related capabilities and resources in responsible investment across the group;
- Promoting the responsible investment strategy throughout the company and externally by responding to key client requests and business opportunities.

## Risk controls

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

Responsibilities for managing sustainability risks are divided between

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

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

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

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



## Specific ESG governance within Amundi Real Estate

Internal control organization

Amundi Immobilier's internal control system comprises three levels :

Level 1: The operational teams carry out Level 1 controls,

Level 2: controls by teams specialising in risk control and compliance.

To guarantee their independence from the operational teams, the 2nd level control functions report both to the General Management of Amundi Immobilier and to the Risk and Compliance Departments of the Amundi group.

Level 3 periodic controls are carried out independently by the Amundi group's Internal Audit Department.

Amundi real Estate internal control system focuses in particular on the application of ESG rules set for the management of the fund. A procedure for implementing the Responsible Investment approach describes the responsibilities of the various players within the management company

Internal control at fund level

ESG commitments are overseen by the fund's Finance Committee, in which all ESG management stakeholders participate: Fund Management, Asset Management, ESG Team, 2nd level control functions.

In particular, the committee monitors compliance with SRI management objectives and thresholds (including proportions of ESG-rated and Best-in-Progress assets, average Best-in-Class rating) and the fund's SRI reporting obligations. It is based on data prepared by the operational teams

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

### General principles

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

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

The perimeter for the calculation of our PAI has been identified based on the following assumptions:

- Portfolios that we delegate to an external manager are in scope of the PAI statement. Portfolios that we manage by delegation are also in the perimeter of the PAI statement;

- Investments in an internal underlying fund (managed by the same Manco) are not included as the investments made by this internal fund are already included in the scope (to avoid double counting).

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

Our methodology limitations are by construction mainly linked to the use of sustainability indicators (“ESG data”). The ESG data landscape is currently being standardized, which can impact data quality; data coverage is also a limitation. Current and future regulations will improve standardized reporting and corporate disclosures on which ESG data rely. We are aware of these limitations, which we mitigate by a combination of approaches: the use of several data providers, a structured qualitative assessment by our ESG research team of the ESG scores, and the implementation of a strong governance.

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

#### **Best effort approaches to PAI coverage**

Data coverage is uneven across principal adverse impact indicators. In the case of indicators with a coverage below 100% (e.g. gender pay gap, or emissions to water), Amundi has adopted a reweighting approach across holdings for which data is available. This avoids setting missing data at zero which would “dilute” the indicator over all assets”.

For investments in third-party funds, the PAI data source used has been the PAI values reported by the investment managers in their publicly available EET.

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

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

Amundi has identified the additional principal adverse impact indicators from Table 2 and 3 of the delegated regulation assessing i) their relevance to Amundi ESG strategic priorities as outlined in the overarching policies described in section 3.1; ii) the availability of data for measuring the severity of impact of those risks within the investment universe.

Amundi Real Estate monitor PAI 18, energy consumption.

## Data sources

Categories	Agence <sup>45</sup>
Generalists	Sustainalytics ISS ESG MSCI VE (Vigeo-Eiris) Ethi Finance Humpact
Climate	MSCI CDP Trucost Iceberg Data Lab Climate Bonds FTSE Russel
Controversies	MSCI Sustainalytics RepRisks
Sovereigns	Verisk Maplecroft

*For real estate assets*

- i) Data collected directly from main stakeholders (property managers, tenants, technical managers, etc.)*
- ii) Energy consumption data is collected from each tenant of the properties under management via a dedicated service provider*

*Sources may be reviewed in the future and include more data providers*

## 4. Engagement policies

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

### a) ENGAGEMENT

Engagement is a continuous and purpose driven process aimed at influencing the main stakeholders or of investee companies. The aim of engagement activities can fall into two categories: to engage our stakeholders to improve the way they integrate the environmental and social dimensions, to engage our stakeholders to improve their impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.

Amundi real Estate has also an engagement policy aimed at the main parties concerned working on the building has also been put in place. It is materialized in particular by an evaluation of the practices of the various actors concerned.

### b) VOTE

Amundi’s voting policy responds to an holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information please refer to Amundi’s Voting Policy<sup>1</sup> and Amundi’s Voting Report<sup>2</sup>. This approach applies by default to all of Amundi products.

### c) EXCLUSION

Amundi has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the Disclosure Regulation. This approach applies to all Amundi funds in scope of Amundi exclusion policy.<sup>3</sup>

### d) ESG FACTORS INTEGRATION

Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G rated issuers and better weighted average ESG score than the applicable ESG benchmark).<sup>4</sup> The 47 environmental, social and governance criteria (include the assessment of the property manager, energy & carbon performance, the implementation of renewable energies and the assessment of exposure to climate change...) used in Amundi real Estate ESG rating approach were also designed to consider key impacts on sustainability factors, as well as quality of the

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

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

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

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

mitigation undertaken are also considered in that respect. All criteria are available in fund managers' front office portfolio management system.

. It is materialized in particular by an evaluation of the practices of the various actors concerned.

### e) CONTROVERSY MONITORING

Amundi has developed a controversy tracking system that uses third-party data from three suppliers to systematically identify controversies and their level of severity on a scale of 1 to 5 (5 being the highest). This quantitative approach is then supplemented by an in-depth analysis of the scope of controversies deemed to be severe (score of 3 or more), carried out by ESG analysts, and a periodic review of developments. In the most severe and repeated cases, when no credible corrective action is taken, the analyst may propose a downgrade of the company's ESG rating. This may ultimately lead to exclusion from the active investment universe (G rating), which is validated by the ESG Rating Committee.

For Article 8 and 9 actively managed products Amundi Real Estate, Amundi considers all the mandatory PAIs applicable to the products' strategy and relies on a combination of some, or all, of the approaches

The table in section 2.b. details the approach for each PAI that Amundi generally implements at Group level. Specific PAI approaches can also be followed at product level; in such case, the specific approach is also described in the precontractual documentation. Where applicable, PAIs are prioritized given the sustainable objectives or characteristics of the fund, provided that all minimum standards are met.

#	Metric	General considerations on the scope of application
17	Exposure to fossil fuels through real estate assets	<i>ESG analysis</i> : all assets be subject to an ESG analysis during the investment and management phases
18	Exposure to energy-inefficient real estate assets	<i>ESG score integration</i> : Energy performance is take into account in our scoring methodology

## 5. Reference to international standards

Amundi actively participates in working groups led by market organisations aimed at developing responsible finance, sustainable development and corporate governance. Amundi is a member of (non-exhaustive list): the French Asset Management Association (AFG); EFAMA (European Fund and Asset Management Association); the French Institute of Administrators (IFA); the Observatory for Societal Responsibility (ORSE); the French Association of Financial Analysts (SFAF); the European Sustainable Investment Forums (SIF) in France, Spain, Italy, Sweden; the Canadian, Japanese and Australian SIFs; and the French association Companies for the Environment. Amundi is also a member and director of Finansol.

In addition, Amundi supports the academic chair “Sustainable Finance and Responsible Investment”, created in 2007, sponsored by the AFG and led by Ecole Polytechnique and the Institut d’Economie Industrielle “IDEI” of Toulouse.

In July 2021, Amundi joined the Net Zero Asset Managers initiative, committing to achieve carbon neutrality by 2050 or sooner.

Principal Adverse Impacts		Standards, initiatives and public policies relevant to principal adverse impacts
1, 2, 3, 4, 5, 6 and 4 (table 2)	<p><b>GHG emissions (Scope 1, 2, 3 and total)</b></p> <p><b>Carbon footprint</b></p> <p><b>GHG intensity of investee companies</b></p> <p><b>Exposure to companies active in the fossil fuel sector</b></p> <p><b>Share of non-renewable energy consumption and production</b></p> <p><b>Energy consumption intensity per high impact climate sector</b></p> <p><b>Investments in companies without carbon emission reduction initiatives</b></p>	<p>Paris Agreement on Climate</p> <p>Sustainable Development Goals (SDGs)</p> <p>EU Taxonomy</p> <p>Net Zero Asset Managers Initiative (NZAMI)</p> <p>Climate Action 100+</p> <p>Carbon Disclosure Project (CDP)</p> <p>Science-based Targets initiative</p> <p>Task Force on Climate-related Financial Disclosures (TCFD)</p> <p>The Japan TCFD Consortium</p> <p>Montréal Carbon Pledge</p> <p>Portfolio Decarbonisation Coalition (PDC)</p> <p>Institutional Investors Group on Climate Change (IIGCC)</p> <p>Asia Investor Group on Climate Change (AIGCC)</p> <p>Investors for a Just Transition</p>
7,8,9	<p><b>Activities negatively affecting biodiversity sensitive areas</b></p> <p><b>Emissions to water</b></p> <p><b>Hazardous waste ratio</b></p>	<p>Task Force on Nature-related Financial Disclosures (TNFD)</p> <p>Finance for Biodiversity Pledge</p> <p>Farm Animal Investment Risk and Return (FAIRR)</p> <p>Investor Action on Antimicrobial Resistance</p> <p>CDP Water</p> <p>CDP Forest</p> <p>Fondation de la Mer</p> <p>Global Reporting Initiative (GRI)</p>
10, 11	<p><b>Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines</b></p> <p><b>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines</b></p>	<p>UN Global Compact</p> <p>OECD Guidelines on Multinational Enterprises</p> <p>UN Guiding Principles on Business and Human Rights</p> <p>PRI Human Rights Engagement</p> <p>Human Rights Reporting and Assurance Frameworks Initiative</p>

12	<b>Unadjusted gender pay gap</b>	Workforce Disclosure Initiative (WDI) Platform Living Wage Financials (PLWF)
13	<b>Board gender diversity</b>	The 30% Club France Investor Group International Corporate Governance network (ICGN)
14	<b>Exposure to controversial weapons</b>	Ottawa and Oslo treaties
9 (table 3)	<b>Lack of a human rights policy</b>	
15	<b>GHG intensity of investee countries</b>	Paris Agreement on Climate Green bond principles
16	<b>Investee countries subject to social violations</b>	International Bill of Human Rights
17	<b>Exposure to fossil fuels through real estate assets</b>	SFDR regulation
18	<b>Exposure energy-inefficient real estate assets</b>	Energy performance diagnostics - calculation methodology is determined by the regulations in each country
19 (table 2)	<b>Energy consumption intensity</b>	

The following paragraphs aim to detail the internationally recognized standards that are the most relevant to act on PAI.

## Net Zero Asset Managers initiative (NZAMi)

PAIs: 1-6 Greenhouse gas emissions

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

1. 18% of total AuM<sup>5</sup> will be net zero aligned by 2025, Amundi considers that Net-zero alignment commitment must be clear and binding for the investment strategies in-scope, consequently, the 18% will be only composed of funds and mandates with explicit net zero alignment objectives ;
2. -30% in carbon intensity (tCO<sub>2</sub>e/€M turnover) by 2025 and -60% by 2030 for committed portfolios under NZIF (Net Zero Investment Framework) ;
3. financed emissions under engagement: In 2022, Amundi engaged with 418 additional companies on climate. As part of its Ambition 2025 Plan, Amundi will begin a significant cycle of engagement with 1,000 additional businesses by 2025. Through this dialogue, Amundi requests that businesses publish a detailed climate strategy based on specific indicators and objectives for each carbon emission scope, and on the corresponding capital expenditure (investment plan). In addition, Amundi will carry on engaging all investee companies exposed to thermal coal and that have not communicated a thermal coal exit in line with our policy.

Methodologies leveraged

- Net Zero Asset Owner Alliance Target Setting Protocol
- Net Zero Investment Framework

<sup>5</sup> Based on total aggregated portfolios at Group level

## GHG scopes

- Scope 1, 2 and 3 upstream (tier 1)

## Scenario

- IEA Net Zero Emissions by 2050
- CRREM Methodology

## United Nations Global Compact (UNGC) and OECD Guidelines on Multinational Enterprises

PAIs: 10-11 and 9 (table 3) Social and employee matters

As an asset manager, we recognize our responsibility to uphold human rights and address human rights abuses in our investment activities. We see human rights violations as a breach of Amundi's investment principles, therefore, we pay particular attention to company exposure to human rights risks.

Amundi's parent company, Crédit Agricole, is a signatory of the UN Global Compact and Amundi endorses it through its normative exclusions and controversy monitoring methodology. Please refer to Amundi's 2022 Global Responsible Investment Policy for more detail about the scope of application.

"DNSH test": Amundi considers that to qualify as Sustainable Investment, among other criteria, an investment should pass the two Do No Significant Harm tests below:

The first DNSH Test relies on the monitoring of specific Principal Adverse Impacts. In order to pass the test, a company should:

have a CO2 intensity which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors) (unit: tCO2e/M€ revenues, source: Trucost);

have a Board of Directors' diversity which does not belong to the last decile compared to other companies within its sector (unit: %, source: Refinitiv);

be cleared of any severe controversy in relation to work conditions and human rights (unit: yes or no, source: MSCI and Sustainalytics);

be cleared of any severe controversy in relation to biodiversity and pollution (unit: yes or no, source: MSCI and Sustainalytics).

Amundi already considers specific principal adverse impacts ("Principal Adverse Impacts" or "PAIs") within its exclusion policy as part of its Global Responsible Investment Policy. These exclusions, which apply on top of the tests detailed above, cover the following topics: controversial weapons, violations of UN Global Compact Principles, coal and tobacco.

Beyond the specific sustainability factors covered in the first test, Amundi implements a second DNSH Test in order to verify that the company does not belong to the worst performers on environmental or social matters compared to the other companies within its sector. The approach relies on Amundi's ESG scoring methodology. Amundi has set a threshold for this test that corresponds approximately to excluding the worst ~7% on environmental or social performance pillars across each sector. Using Amundi's ESG scoring methodology, this means that a company should have an environmental and or a social score better or equal to E.



In addition to research and monitoring, Amundi exercises leverage with issuers through engagement. Human rights engagement follows a two-pronged approach. First, we aim to engage proactively with companies on identification and management of human rights risks. Second, we can engage reactively when an abuse or allegation occurs. In this case, we would seek to ensure that companies are taking appropriate measures for effective remediation.

## Finance for Biodiversity Pledge

PAI: 7 Biodiversity

As a financial institution, Amundi recognizes the need to protect biodiversity and reverse nature loss in this decade. As such, in 2021 Amundi joined the Finance for Biodiversity Pledge, a unprecedented coalition of 103 signatories representing over €14.7 trillion in AUM across 19 countries. The pledge is a commitment of financial institutions to protect and restore biodiversity through their finance activities and investments.

This initiative brings together financial institutions from around the globe, committing to protect and restore biodiversity through their finance activities and investments. Amundi represented the signatories with a speech at the High Level Segment of the Fifteenth United Nations Conference on Biodiversity (COP15) to call on global leaders to protect and restore biodiversity.

In 2021, Amundi launched a specific engagement campaign on biodiversity (more details available in [2021 Stewardship report](#)). In 2022, we grew our engagement pool, expanding to 92 issuers. The expansive nature of the initial engagement sample meant that Amundi could identify best practices within and across sectors and geographies, and use this as guidance for companies. Details on these practices can be seen in our standalone report (found [here](#)).

Specific Real Estate initiatives:

Amundi real Estate adheres to the Charter of commitment in favor of the development of SRI anagement in real estate of the French Association of Real Estate Investment Companies (ASPIM). In addition, Amundi Immobilier benefited from the working group for the creation of the SRI label dedicated to real estate funds within this same structure.

Amundi Real Estate is also one of the founding members of the Sustainable Real Estate Observatory (OID). The OID is an independent and transparent space for exchange that promotes sustainable development and innovation in French real estate. It brings together private and public actors in a shared vision around its raison d'être: "Thinking responsible real estate". In line with Amundi's commitment to biodiversity through Act4nature, Amundi Immobilier has decided to implement a biodiversity axis in its Responsible Investment policy by becoming the partner company of the "Biodiversity Impulsion Group" (<https://biodiversity-pulse-group.fr/initiative-big/>). This applied research program brings together a large number of players in the real estate sector in order to better integrate biodiversity issues into the design and management of real estate projects in France.

At the same time, Amundi Immobilier is supporting the implementation of the "ESREI" program led by the OID aimed at bringing together players in the sector around ESG issues and the state of regulations in this area across Europe.

The management company is also a member of the BBCA Association (Label Bas Carbone). The BBCA label attests to the exemplary carbon footprint of a building. It quantifies and values, thanks to an independent certified measurement, the reduction of the carbon footprint of the building over its entire life cycle (construction-operation-end of life-carbon storage), achieved thanks to the implementation virtuous low-carbon practices.

## 6. Historical comparison

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