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<http://about.amundi.com/Un-acteur-engage/Developing-responsible-finance>

AMUNDI'S INDIVIDUAL COMMITMENTS IN *act4nature*

Right from when it was created in 2010, Amundi considered social and environmental responsibility as one of its four founding pillars. We have been pioneers in affirming the financial sector's responsibility in the exercise of responsible investment policies. This engagement is based on strong convictions.

First, we are convinced that the financial sector, as a funder of the real economy, has a role to play in building a sustainable world alongside public and private stakeholders.

Second, sustainable financial performance requires long-term strategies, thereby linking value creation and responsible corporate practices.

As an asset manager, we are concerned to invest our clients' assets in companies of which we appreciate the quality. In order to gain in-depth knowledge of a company, we build Environmental, Social and Governance (ESG) criteria into our analysis processes and investment decisions, in addition to traditional financial criteria.

Our ESG analysis therefore refers to 36 criteria, 15 of which are generic and common to all issuers whatever their business sector, and 21 of which are sector-specific.

Biodiversity is one of our three generic environmental criteria and is therefore taken into account in the ESG analysis of the 5,500 issuers that we cover.

As an investor, our objective is to study the risks and opportunities related to a number of sustainable development issues in corporate strategies.

In terms of biodiversity, poor impact management can lead to operational, regulatory, reputational or market risks for a company.

For example, we are currently observing a trend in consumer requirements for production and supply that are more responsible and respectful of natural capital and ecosystems. Conversely, good management can create business opportunities: creation of new markets (recycling, re-use of waste), production efficiencies (optimisation of the use of natural resources), or even competitive advantage (with clients anxious to protect biodiversity).

As well as analysing companies and sectors, ESG analysts produce in-depth thematic studies on the major issues of sustainable development. In these studies, biodiversity and the impact on ecosystems are often identified as key challenges in understanding future risks.

Here are a few examples of the impacts analysed in the "Discussion Papers" we publish regularly, available at www.amundi.com:

- Palm oil, the environmental dilemma (June 2017): deforestation, cultivation, soil pollution have a very negative impact on many endemic species, notably the iconic orangutan and Sumatran tiger.
- Deep-sea mining (August 2017): in recent years, scientific research has led to the discovery of an astounding variety of deep-sea life. These underwater species and micro-organisms are threatened with destruction or significant disruption due to the noise, vibration and light induced by deep-sea mining.
- Coal extraction (October 2016): issues related to pollution of the surrounding resources (air, water, sea) pose a threat to biodiversity, a case in point being acid mine drainage (AMD), which causes large-scale freshwater acidification.

Amundi actively supports issuers engaged in an approach of continuous improvement, aware of the value placed on environmental, social and governance (ESG) criteria, as well as collective initiatives for the environment, the climate and societal challenges.

Amundi is therefore pleased to support *act4nature* and is committed to:

- 1 Continuing and enhancing the consideration given to biodiversity** in corporate ESG analysis and thematic research,
- 2 Putting biodiversity-related issues on the agenda** of our meetings and our dialogue with companies, as part of our ongoing engagement process,
- 3 Integrating biodiversity issues**, when warranted, in our voting policy,
- 4 Producing**, by the end of 2019, an internal indicator of our action on biodiversity: the number of companies with which we address this subject every year.