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**Confidence**  
must be earned

**Amundi**  
ASSET MANAGEMENT

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# Climate Capabilities Favoring the Energy Transition

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The impacts of climate change on our environment are increasingly visible. According to NASA, the planet's average surface temperature has risen about 2.0 degrees Fahrenheit (1.1 degrees Celsius) since the late 19<sup>th</sup> century<sup>1</sup>, and this change can be mostly attributed to human-led highly carbonated activities. The increasing environmental consequences of global warming will have significant impacts on humanity.

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## Climate change knows no border, so now is the time to act, and to act together

In December 2015, governments across the globe signed a landmark agreement<sup>2</sup> committing to limit global warming to well below 2°C, thereby placing the energy transition at center stage. With substantial financing requirements, achieving this objective will require a global mobilization and presents a unique investment opportunity. For instance, achieving the 2°C objective set out in the Paris Agreement will require \$53 trillion by 2035<sup>3</sup>, while reaching the European Union climate target of at least 40% reduction by 2030 will require over USD 1 trillion per year<sup>4</sup>.

As such, investments into renewable energy have known a significant sharp rise since the beginning of the 21<sup>st</sup> century. Since 2004, over \$2 trillion have been engaged<sup>5</sup> in renewable energy investments.

1. Source: NASA, <https://climate.nasa.gov/evidence/>, as of 13 Sept. 2017.

2. COP 21 Paris Agreement.

3. Source: International Energy Agency (IEA), "World Energy Investment Outlook - Special Report" (2014).

4. Source: Eulalia Rubio, "Financing the Energy transition in Europe: Towards a More Holistic and Integrated Approach", Institut Jacques Delors, June 2017 (p103 Figure 1).

5. Source: UNEP FI, Bloomberg New Energy Finance, « Global trends in renewable energy investments 2016 ».

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## A new paradigm for investors

- Climate change-related risks are increasingly integrated into their risk management frameworks
- Investors are willing to participate to the collective responsibility to fight against climate change, as set out in global summits (COP21, G20, etc.)
- Investors are subject to new regulations promoting the inclusion of climate change-related risks into decision making processes and risk management frameworks

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## So concretely, how can investors contribute to fighting against climate change?

- Engage and participate to market initiatives by joining investor coalitions, contributing to the academic debate and engaging issuers on ESG (Environmental, Social, Governance) considerations
- Manage and mitigate climate-related risks. For carbon risk for example, by investing into decarbonized or divested portfolios in equity and fixed income
- Invest into specific assets that finance energy transition players or projects such as green bonds, green equity and green real assets

# Amundi is at the forefront of supporting the financing of the fight against climate change and seeks to help investors join the fight

- Specific low carbon and decarbonisation strategies with the capacity to measure the carbon footprint of portfolios for both equity and fixed income investments.
- Our ESG analysis which takes into account risk and opportunities faced by companies also takes physical risks induced by climate change.
- Specific equity, green bond and real assets strategies aiming at financing the energy transition for real economy environmental benefits.
- Specific impact strategy enabling investors to measure their positive impacts on the environment, thereby answering growing regulatory requirements imposed on institutional investors<sup>6</sup>.

These specific strategies are non-exclusive and can be combined upon client request.

6. For French institutional investors, as set out in the Article 173 of the Law on the Energy Transition for Green Growth (17 August 2015).  
 7. SRI: Social Responsible Investment. 1989: Launch of Amundi's first SRI fund.  
 8. Source: Amundi, data as of June 2017. Given for indicative purposes only, may change without prior notice  
 9. AFNOR Certification : recognized independent organization which guarantees the quality and transparency of SRI approach.  
 10. Data as of July 2017.  
 11. The UK Sustainable Investment and Finance Association (UKSIF).  
 12. Investment consultant survey conducted with 62 Institutional investors and distributors.

## Amundi, your responsible partner

- Long-standing SRI expertise since 1989<sup>7</sup>
- A founding signatory of the Principles for Responsible Investment (PRI) in 2006
- Co-founder of the Portfolio Decarbonization Coalition (PDC), 2014
- A dedicated team of 17 experienced investment professionals<sup>8</sup>, carrying out ESG analysis with a SRI approach certified by AFNOR<sup>9</sup>
- A strong engagement policy to encourage companies to adopt better practices
- A renowned SRI expertise: A+ rating from the Principles of Responsible Investment (PRI)<sup>10</sup>, #1 "SRI & Sustainability" Extel/UKSIF in 2015 & 2016 & 2017<sup>11</sup>, #1 "Palmarès Général Amadéis"<sup>12</sup>, for SRI Management, 2016

### Amundi's comprehensive set of asset management services

<p><b>ASSET MANAGEMENT</b> </p>	<p><b>STRATEGIC ADVICE</b> </p>	<p><b>SERVICES</b> </p>
<p>Adapting management to specific constraints on management style, strategy, filters, available metrics, among others.</p>	<p>Assisting in strategic development of responsible investment policies via varying levels of intervention.</p>	<p>Providing on-demand monitoring and reporting for disclosure of carbon footprint, impact of engagement, voting practices and responsible investment policy.</p>

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The "Low carbon" indices of the open-ended funds strategy do not have as an objective to exclude all companies emitting carbon but rather to reduce the representativeness of the latter compared to the composition of the parent index. Each strategy index will maintain a sectorial and geographic composition similar to its parent index. Their construction is realized in an objective of performance, tightly correlated to those of the parent indices. Hence, the deviation of geographic and sectorial weights of the strategy index compared to the parent index is limited to 2%.

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