



Press release

Amundi launches suite of Net Zero Ambition strategies

First asset manager to offer the full spectrum of active and passive solutions, helping savers to align their investments with a Net Zero trajectory

London, 17 April 2023 – Amundi, the largest European asset manager, today announces the launch of a comprehensive range of Net Zero Ambition funds across the main asset classes. This suite of actively and passively managed funds, detailed below, is open to institutional and retail investors and will seek out companies best equipped to support the transition of the economy to a low carbon model, enabling us to reach the global objective of Net Zero¹ by 2050.

Governments and companies have a responsibility to decarbonise economies by setting testing emission reduction targets. The financial and investment industry is a vital catalyst in this race to Net Zero. As the European leader in asset management, and a member of the Net Zero Asset Manager initiative, we are developing solutions for clients that facilitate the transition while seeking strong risk-adjusted returns for investors, looking to respond to different investor needs and profiles.

These Net Zero strategies also support Amundi's "ESG Ambition Plan 2025"² as well as Crédit Agricole Group's Societal Project, and in particular Amundi's plan to achieve a faster path towards decarbonisation by designing solutions that seek to address investors' requirements and preferences when it comes to responsible investment implementation. Engagement with issuers is key to fostering concrete changes and the funds will leverage Amundi's robust active stewardship policy, in order to help companies integrate Net Zero trajectories in their business models.

All of Amundi's actively managed Net Zero Ambition strategies have set a common intermediary objective of **reducing their portfolios' carbon intensity by 30% by 2025 and 60% by 2030 compared to 2019**.³ However, we believe there is no "one size fits all" when it comes to Net Zero portfolio construction. As such we are proposing a suite of strategies that integrate ESG considerations with a Net Zero ambition pathway, using differing approaches with a common philosophy: assessing the credibility and feasibility of Net Zero by moving away from pledges towards action, and selecting companies best equipped to transition to Net Zero by 2050 with regards to their carbon reduction pathway.⁴

Vincent Mortier, Group CIO at Amundi, said: *"Trillions of euros of capital will be needed to speed the path to decarbonisation, which cannot be done by governments alone. The global asset management industry -*

¹ Net Zero Greenhouse Gas emissions are achieved when emissions resulting from human activity are balanced globally by removals over a specified period.

² For more information on Amundi's ESG 2025 Plan announced in December 2021, please see: <https://about.amundi.com/article/new-esg-plan-2025>. Please refer to the Amundi Responsible Investment Policy and the Amundi Sustainable Finance Disclosure Statement available at <https://www.amundi.com/institutional/responsible-investment-amundi-s-core-commitment>

³ All passively managed Net Zero Ambition funds comply with EU CTB/PAB requirements

⁴ The disclosed information are as of 17 April 2023 and constitute our judgment and are subject to change without prior notice. There can be no guarantee they will be met.

which is expected to be managing over \$145 trillion by 2025⁵ - has the scale to make things happen and trigger the momentum required to get the world to Net Zero.

This is why, as a European asset management leader, we are launching the Net Zero ambitions range across active, passive, and real assets, so investors can fuel the transition and put their savings to work, while earning investment returns. It is also critical to provide investors with a wide range of choices in order to help them align their investments to a Net Zero decarbonisation pathway."

Equities

Amundi Funds Net Zero Ambition Global Equity and **Amundi Funds Net Zero Ambition Top European Players** assesses the credibility and feasibility of companies' decarbonisation targets. In particular, Net Zero Ambition Global Equity uses a new proprietary methodology that places a cost value on carbon 'externalities' (such as emissions that impact us all) using the concept of 'Environmental Capital'. Environmental Capital adjusts the company's assumed Return on Invested Capital (ROIC) to include the costs and cap-ex the company will need to spend to reduce its carbon intensity.

These equity portfolios are large-cap focused and include 1) "*Climate Champions*", which are the companies that are well advanced in their carbon mitigation; 2) "*Climate Committed*", which are companies that are taking corrective actions to address climate challenges but need to invest more in decarbonisation; and 3) "*Climate Enablers*", which are the companies that produce technologies or innovative products and services that pave the way towards a low carbon economy. Both portfolios are constructed to have carbon intensities aligned with Paris Aligned Benchmarks.⁶

Net Zero Ambition Global Equity is managed by **Piergaetano Iaccarino**, Head of Equity Solutions, while Net Zero Ambition Top European Players is managed by **Andrew Arbuthnott**, Senior Portfolio Manager.

Fixed Income

The **Amundi Funds Net Zero Ambition Global Corporate Bond** fund seeks to achieve a combination of income and capital growth while aiming to reduce its carbon footprint in line with the benchmark (Solactive Paris Aligned Global Corporate), which itself has a decarbonisation trajectory.

The strategy deploys a highly selective approach focusing on companies that have set themselves a Net Zero trajectory, whilst engaging with those operating in high impact climate sectors as they transition to become Net Zero compatible.

The strategy favours, amongst other climate and ESG metrics, issuers with low carbon intensity, issuers with a decarbonisation objective, as well as issuers with forward-looking objectives such as SBTi targets and credible temperature trajectories.

The strategy is managed by **Nadine Abaza**, Global Credit PM and **Steven Fawn**, Head of Global Credit at Amundi.

The **Amundi Funds Net Zero Ambition Pioneer US Corporate Bond** fund identifies opportunities primarily from the US Corporate bond universe (~7,500 bonds, ~850 issuers) and focuses on low carbon emissions at the portfolio level seeking to achieve a combination of income and capital growth (total return) through Sustainable Investments. The fund aims to reduce the carbon intensity of its portfolio and maintain superior carbon metrics relative to the benchmark (MSCI US Corporate Paris-Aligned Index).

The fund is managed by **Jonathan Duensing**, Head of Fixed Income US & Portfolio Manager.

⁵ <https://www.pwc.com/ng/en/press-room/global-assets-under-management-set-to-rise.html>

⁶ For further information on Paris-Aligned Benchmarks, please see: <https://www.msci.com/our-solutions/climate-investing/climate-indexes/eu-paris-aligned-benchmark>

Real Estate

The Amundi Real Estate European Net Zero Ambition Strategy is a real estate climate impact strategy that employs a multi-sector and multi country allocation, with a commitment to maintain the carbon footprint of the portfolio below a 1.5 C° trajectory model, in line with the Paris Agreement.

In terms of geography, the strategy will focus primarily on the deeper, more mature markets in Western Europe, while also investing in a selection of European peripheral markets. It will predominantly target offices in prime locations benefiting from high demand and home office megatrends, as well as sectors such as logistics, residential, retail, and hotels.

The strategy aims to pay a regular coupon which will be accompanied by growth in net asset value over the long term in the belief that, in the future, decarbonised assets will be more attractive to tenants and investors.

This is an opportunity for the strategy to potentially benefit from an attractive acquisition value and rental indexation while preserving long term value thanks to the increasing energy performance of the buildings held in the portfolio.

The aim is to maintain the carbon footprint of the portfolio below the CRREM⁷ 1.5°C trajectory model at all times and to target a reduction of -40% GHG emissions by 2030.

The strategy is managed by **Benjamin Launay**, Conducting Officer - Real Estate.

Multi-Asset

Amundi Funds Net Zero Ambition Multi-Asset is a global multi-asset strategy that seeks to reduce the carbon intensity of the portfolio while financing the energy transition. The Fund aims to provide investors with a well-diversified⁸ and actively managed strategy with a clear focus on climate.

The Fund's strategic allocation is based on "climate-aware" market scenarios (such as the implications of the road to Net Zero on the global macroeconomic environment) while issuers selection relies on both financial and climate-related metrics (e. g. carbon emissions, GHG reduction targets, green financing).

The strategy is managed by Raphaël Sobotka, Head of Diversified Premia & Dynamic Risk Strategies and **Jean-Gabriel Morineau**, Portfolio Manager.

Emerging Markets

The **Amundi EM Equity Target Net Zero** is an active, fundamental strategy that uses a low carbon approach by implementing bottom-up analysis across market capitalisations to identify emerging market companies most likely to achieve their Net Zero goals. The objective is to deliver a carbon footprint aligned with the MSCI EM Climate PAB Index with alpha generation, by targeting the incorporation of carbon transition costs into the valuations of companies. This is one of the first strategies on the market focused on CO2 reduction in emerging market equities.

The strategy is managed by **Mickaël Tricot**, Portfolio Manager and **Andrea Salvatori**, Senior Portfolio Manager & Head of ESG Strategies – Emerging Markets.

Climate ETFs

⁷ The CRREM (Carbon Risk Real Estate Monitor) is a tool that defines the decarbonisation paths for 2050 building by building. CRREM is the partner of SBTi for Real Estate sector.

⁸ Diversification does not guarantee a profit or protect against a loss

Amundi has launched one of Europe's most comprehensive passive suites of Net Zero strategies across both Equity and Fixed Income, with over 30 climate ETFs aligned with the goals of the Paris Agreement.

Amundi's ETF, Indexing and Smart Beta business line offers investors a simple way to invest in Climate Transition and Paris-Aligned benchmarks across World, Europe, EMU, US, and emerging market exposures, with the aim of: 1) helping to limit global warming to 1.5° C with EU Climate Transition and Paris-Aligned Benchmarks; and 2) implementing annual decarbonisation and ambitious carbon intensity reductions relative to parent index, by offering investors a cost-efficient range to suit their objectives.

ENDS

Notes to editors:

These sub-funds are available within the Amundi Funds SICAV and are currently registered in the following countries:

- *Amundi Funds Net Zero Ambition Global Equity*: Luxembourg, Austria, Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom
- *Amundi Funds Sustainable Top European Players*: Luxembourg, Austria, France, Germany, Netherlands, Czech Republic, Switzerland, Slovakia, Ireland, Sweden, Liechtenstein, Romania, Greece, Bulgaria
- *Amundi Funds Net Zero Ambition Global Corporate Bond*: Luxembourg, Austria, Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom
- *Amundi Funds Net Zero Ambition Pioneer US Corporate Bond*: Luxembourg, Austria, Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom
- *Amundi Funds Net Zero Ambition Multi-Asset*: Luxembourg, Norway, Netherlands, France, Greece, Austria, Finland, United Kingdom, Sweden, Germany, Ireland, Switzerland

About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players⁹, offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets. This offering is enhanced with IT tools and services to cover the entire savings value chain. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages more than €1.9 trillion of assets¹⁰.

With its six international investment hubs¹¹, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 5,400 employees in 35 countries.

Press Contact:

Amundi

Jaïs Mehaji

⁹ Source: IPE "Top 500 Asset Managers" published in June 2022, based on assets under management as at 31/12/2021

¹⁰ Amundi data as at 31/12/2022

¹¹ Boston, Dublin, London, Milan, Paris and Tokyo

Tel: +44 (0) 7500 558 924
jais.mehaji@amundi.com

H/Advisors Maitland

Rachel Cohen

Tel: +44 (0) 2073 795151

Amundi-maitland@h-advisors.global

This is a marketing communication.

Please refer to the prospectus / information document and to the KIID/KID before making any final investment decisions.

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Please note that the management company may de-notify arrangements made for marketing as regards units/shares of the Fund in a Member State of the EU in respect of which it has made a notification.

A summary of information about investors' rights and collective redress mechanisms can be found in English on the regulatory page at <https://about.amundi.com/Metanav-Footer/Footer/Quick-Links/Legal-documentation>. Information on sustainability-related aspects can be found at <https://about.amundi.com/Metanav-Footer/Footer/Quick-Links/Legal-documentation>