Climate Capabilities
Favoring the Energy Transition
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 19th century\(^1\), 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.

**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\(^2\) 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\(^3\), while reaching the European Union climate target of at least 40% reduction by 2030 will require over USD 1 trillion per year\(^4\).

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

**A new paradigm for investors**

- Climate change-related risks are increasingly integrated into their risk management frameworks
- Investors are willing to participate in 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

**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

---

2. COP 21 Paris Agreement.
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).
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\(^6\).

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.

\(^8\) 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.

\(^10\) AFNOR Certification: recognized independent organization which guarantees the quality and transparency of SRI approach.

\(^11\) Data as of July 2017. Ratings are not performance based.

\(^12\) The UK Sustainable Investment and Finance Association (UKSIF). Ratings are not performance based.

---

**Amundi, your responsible partner**

- Long-standing SRI expertise since 1989\(^7\)
- 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\(^9\), carrying out ESG analysis with a SRI approach certified by AFNOR\(^9\)
- A strong engagement policy to encourage companies to adopt better practices

**Amundi’s comprehensive set of asset management services**

<table>
<thead>
<tr>
<th>ASSET MANAGEMENT</th>
<th>STRATEGIC ADVICE</th>
<th>SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adapting management to specific constraints on management style, strategy, filters, available metrics, among others.</td>
<td>Assisting in strategic development of responsible investment policies via varying levels of intervention.</td>
<td>Providing on-demand monitoring and reporting for disclosure of carbon footprint, impact of engagement, voting practices and responsible investment policy.</td>
</tr>
</tbody>
</table>
This material is not deemed to be communicated to, or used by, any person, qualified investor or not, from any country or jurisdiction which laws or regulations would prohibit such communication or use.

Consideration should be given to whether the risks attached to any investments are suitable for prospective investors who should ensure that they fully understand the contents of this document.

This document is communicated solely for information purposes and neither constitutes an offer to buy, an investment advice nor a solicitation to sell a product.

Any projections, valuations and statistical analyses herein are provided to assist the recipient in the evaluation of the matters described herein. Such projections, valuations and analyses may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results. Accordingly, such projections, valuations and statistical analyses should not be viewed as facts and should not be relied upon as an accurate prediction of future events.

The provided information is not guaranteed to be accurate, exhaustive or relevant; although it has been prepared based on sources that Amundi Asset Management considers to be reliable it may be changed without notice. Information remains inevitably incomplete, based on data established at a specific time and may change. Amundi Asset Management accepts no liability whatsoever, whether direct or indirect, that may arise from the use of information contained on this page. Amundi Asset Management can in no way be held responsible for any decision or investment made on the basis of this information.

Individuals are encouraged to seek advice from their financial, legal, tax and other appropriate advisers before making any investment or financial decisions or purchasing any financial, securities or investment-related product or service, including any product or service described in these materials. Amundi Pioneer does not provide investment advice or investment recommendations. This material has not been reviewed by any financial regulator.

The information contained in this document is deemed accurate as of September 30, 2017. Data, opinions and estimates may be changed without notice.


This brochure is printed on 100% recycled and FSC certified paper.