

SUSTAINABILITY RISK ANALYSIS

1. Introduction

Amundi Immobilier's sustainability risk analysis allows the associated risk and the sustainability of each investment opportunity to be assessed not only on the basis of economic and financial criteria, but also by integrating environmental, social and governance (ESG) factors.

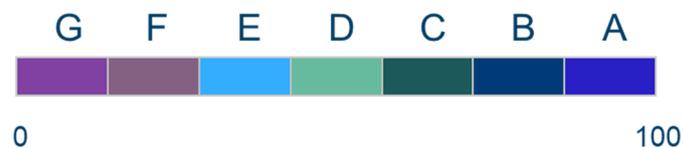
2. The process:

Amundi Immobilier has developed its own ESG rating, which aims at measuring ESG performance for all asset classes and locations, i.e. its ability to anticipate and manage the sustainability risks and opportunities in its business sector and the specific characteristics of the asset. The use of these ESG ratings allows sustainability risks to be taken into account in investment decisions.

Amundi Immobilier applies targeted exclusion policies to all investment strategies by excluding companies and assets that are in contradiction with its Responsible Investment Policy.

Thus, in Amundi Immobilier's ESG rating scale, assets belonging to the exclusion list correspond to F or G.

Amundi Immobilier's ESG rating is a quantitative ESG score translated into seven grades, ranging from A (best grade) to G (worst grade). This rating is carried out a first time when the property is acquired and renewed at least every three years. This rating includes whenever necessary, an action plan to reduce the building's exposure to its main sustainability risks.



The ESG rating and analysis are carried out by Amundi Immobilier's ESG analysis team, with technical support from independent third-party auditors.

To determine the ESG rating, Amundi Immobilier assesses the performance of each asset on the following dimensions:

- 1. Environmental:** It examines the capacity of assets to control their direct and indirect environmental impacts, by limiting their energy consumption, reducing their greenhouse gas emissions, combating resource depletion, protecting biodiversity ...
- 2. Social:** It takes into account indicators such as the well-being of tenants or the way in which the main stakeholders of the building (builder/developer, facility manager and property manager) interact positively with the building, its occupants and in accordance with the fund's strategy.
- 3. Governance:** This dimension measures the management company's ability to implement a collaborative process involving the main stakeholders of the building (builder/developer, facility manager and property manager) to ensure that they will contribute positively to the achievement of the building's objectives.

The major sustainability risks assessed by the ESG rating :

Risks' nature	Risks assessed by Amundi Immobilier ESG rating
Physical risks related to climate change affecting the building and its occupants	<ul style="list-style-type: none"> - Sea level rise - Flooding due to rainfall - Increase in average temperature - Heat waves - Storms
Risks related to biodiversity loss	<ul style="list-style-type: none"> - Share of vegetated areas
Liability risks	<ul style="list-style-type: none"> - Legionella contamination - Asbestos
Climate change resilience risk	<ul style="list-style-type: none"> - Establishing a carbon financial balance sheet - Measurement of GHG emissions
Social risks	<ul style="list-style-type: none"> - Accessibility for people with reduced mobility
Governance	<ul style="list-style-type: none"> - Fraud and corruption risk and money laundering risks

PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS (PAI)

Amundi Immobilier's ESG rating takes into account and integrates the measurement of the potential and principal adverse sustainability impacts of the asset's activities on sustainable development factors.

The ESG rating measures the ESG performance of each property, for example its ability to anticipate and manage the sustainability risks and opportunities related to its sector and its specific situation.

The ESG performances of each asset are rated by comparison with the average performance of its sector, for the three ESG dimensions.

Among the central themes studied by Amundi Immobilier in its ESG rating, the following principal adverse sustainability impacts are analysed.

Adverse Sustainability Indicators		Metric	Mapping with Amundi Immobilier ESG rating
Fossil fuels	Exposure to fossil fuels through real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Identification of sites with fossil fuel activities
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	Annual energy indicator
Energy consumption	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	Energy performance Indicator