

Confidence
must be earned

Amundi
ASSET MANAGEMENT

Amundi Hong Kong

Green Letter

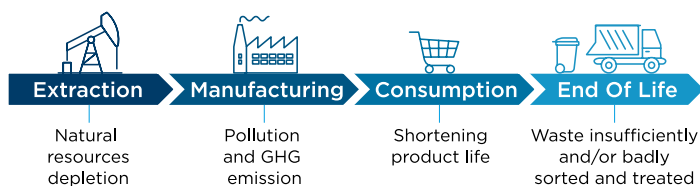
Transitioning from Linear to Circular Economy

What is Circular Economy?

At Amundi, we consider **Circular Economy** as a change of economic model that **allows producing sustainable consumer goods while protecting nature - by giving it time to regenerate - and ensuring the well-being of individuals.**

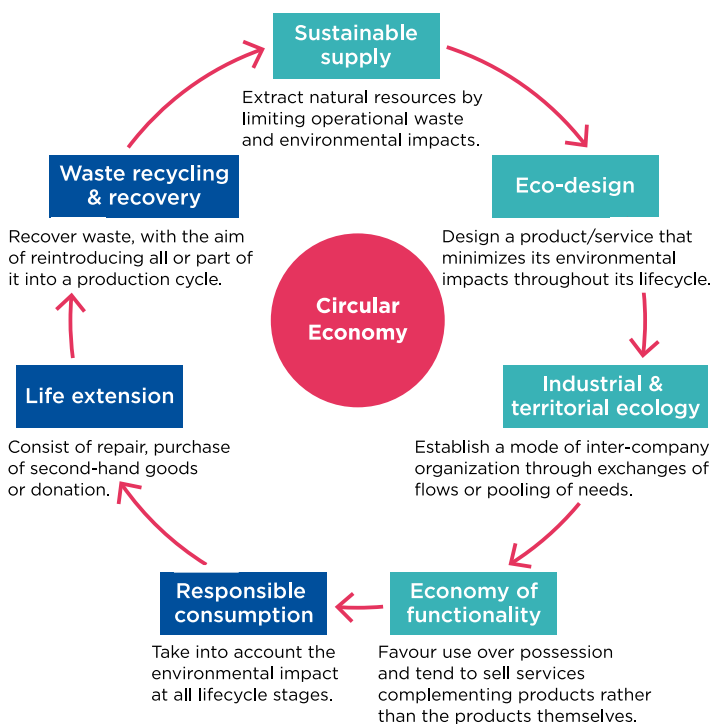
Linear Economy versus Circular Economy

Our current linear economic model - **produce, consume and throw away** - has devastating impacts on our environment and compromises it in the long term.



If the global population reaches 9.6 billion by 2050, **an equivalent of almost 3 planets** would be required to sustain current lifestyle¹.

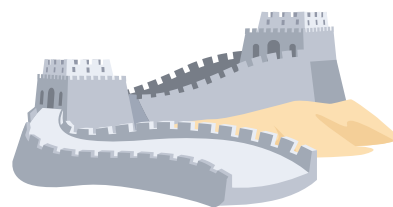
Circular Economy, on the other hand, proposes a new economic model where each production stage has to be rethought.



Case Study: the Electronics & ICT Sector

Under the EU's New Circular Economy Action Plan, the **Electronics & ICT sector** has been identified as **one of the 7 resource-intensive sectors with the highest potential for Circular Economy².**

In 2021, it was estimated that **around 57.4 million tonnes e-waste** were discarded, **outweighing the Great Wall of China**, the world's heaviest human construction³.



Where Is the E-waste Coming from?

The mass volume of e-waste stems from 3 aspects:

Early obsolescence

Electronics are getting disposed before reaching end of life. Europeans tend to replace their smartphones every 2 years⁴.

Difficulty for devices to be repaired

Inconvenient design such as glued components may stain key parts when the device is opened.

Difficulty to reach a high recycling rate

Current recycling facilities are insufficient due to high set-up costs and stringent health/environment requirement.



3 Major Consequences of Poor Treatment of E-waste

- E-waste, if not dealt properly, may pollute soils, water sources and food chains.
- In the process of informal e-waste processing, workers are exposed to toxic substances.
- Most CO₂ emissions are incurred during production rather than the product lifetime. The manufacture of a tonne of laptops could emit 10 tonnes of CO₂⁵.

How Can the Electronics & ICT Sector Integrate the Circular Economy Concept?

Ever since its first Circular Economy Action Plan in 2015, the EU has been advocating the sector to [review its practices through guidelines and legislations](#).

Here is a glimpse of major developments recently:

By 2022 yearend	Proposal on the “right to repair” will be issued ⁶ .
2Q22	Agreed on designating USB Type-C as the single charging port for all mobile phones, tablets and cameras in the EU by autumn 2024 ⁷ .
1Q22	Rolled out the Ecodesign for Sustainable Products Regulation to ensure products are designed for energy efficiency and durability, reparability, upgradability, maintenance, reuse and recycling ⁸ .

DID YOU KNOW?

The **“right to repair”** has always been a key focus in the European Green Deal. The upcoming legislative proposal is believed to be an extension to current eco-design regulations which demand manufacturers to⁹:

- Production**
 - Ensure the sealing techniques do not prevent the disassembly for repair or reuse
- After-sales**
 - Make most spare parts and repair manuals available to professional repairers
 - Allow repairs with commonly available tools
 - Deliver spare parts within 15 working days

France's Reparability Index

Countries have also issued their own legislations to defend the “right to repair”. An example would be **France's Reparability Index**. This index is **mandatory at the point of sale** for products like smartphones, laptops and TVs. **On a score of 1 to 10**, the product will be evaluated with criteria such as **availability and price of spare parts**, as well as, the **ease of disassembly**¹⁰.

Amundi, a key player in Responsible Investment

Amundi ranks among the top 10 fund managers globally¹¹, with assets of USD 2.01 trillion¹², including over USD 829 billion in responsible investments.¹²



>USD 829 billion
in Responsible Investment
assets under management¹²



>13,500
issuers rated on the
basis of ESG criteria¹²



100%
of Amundi's open-ended
funds include ESG analysis¹²



7,309
general meetings of
shareholders where
Amundi voted in 2021¹³



2022 ESG Clarity Awards
Best ESG Active Fund House



2022 Asia Asset Management
– Best of the Best Awards
Best ESG Manager



2021 & 2022 Asian Investor
Asset Management Awards
Best ESG Strategy Advisor (2021)
**Best ESG Investment Strategy
Advisor for Private Markets (2022)**



2021 & 2022 Insurance Asia
News – Institutional Asset
Management Awards
Best ESG Strategy

1 Source: [International Institute for Sustainable Development](#).

2 Source: [European Commission](#).

3 Source: [World Economic Forum](#).

4 Source: [NGI Policy Lab](#).

5 Source: [World Economic Forum](#).

6 Source: [European Parliament](#).

7 Source: [European Parliament](#).

8 Source: [European Commission](#).

9 Source: [National Law Review](#).

10 Source: [Right to Repair](#).

11 Source: IPE “Top 500 Asset Managers” published in June 2021 and based on AUM as at December 2020.

12 Source: Amundi. Data as of 30 June 2022.

13 Source: Amundi. Data as of 31 December 2021.

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