

Oil, Gas & Consumable Fuels Policy

Scope

The following affiliates and associated entities of the Amundi Group do not apply, or not to its full extent, Amundi Oil, Gas & Consumable Fuels Policy (please refer to their respective policy documents for further details):

- ABC-CA Fund Management Company*
- Amundi-ACBA Asset Management*
- KBI Global Investors Ltd
- NH-Amundi Asset Management*
- SBI Funds Management Limited*
- Wafa Gestion*

*ABC-CA Fund Management Company, Amundi-ACBA Asset Management, NH-Amundi Asset Management, SBI Funds Management Limited and Wafa Gestion are joint ventures of Amundi.

Contents

Introduction	3
1. Challenges and Objectives	4
1.1 Challenges	4
1.2 Objectives	5
2. Policy Scope	5
3. Implementation	6
3.1 Minimum Safeguards and Exclusion Rules	6
3.2 ESG Assessment	7
3.3 ESG Controversy Monitoring	8
3.4 Engagement: Using our Role as Investor to Trigger Improvements	8
3.5 Escalation	8
4. Application Date and Monitoring	9
4.1 Application Date	9
4.2 Monitoring	9
5. Appendix	10
Disclaimers	11

Introduction

As an asset manager, our fiduciary duty is to act in the best long-term interests of our clients. In this role, we believe that environmental, social, and governance (ESG) issues can affect the performance of investment portfolios to varying degrees across companies and sectors. Amundi Sector Policies belong to the Amundi Global Responsible Investment Policy aiming at gathering what Amundi has been doing on sustainable related topics and connect them to an overarching policy.

We embrace the concept of “double materiality” around which we build our proprietary ESG analysis and rating methodology, as we believe both sets of criteria are material when making investment decisions in the interests of our clients, with the aim to generate sustainable returns¹. This means that our ESG analysis aims at not only assessing the way ESG factors can materially impact the value of companies, but also how companies can impact the environment and social matters or human rights², thereby having a material impact on the drivers of the economy and affecting the portfolios we manage.

Amundi sector and thematic policies describe the actions carried out by Amundi in its area of control which are linked to its status as an asset manager and these policies do not claim to supplant state policies. Its effort is impacted by the consistency of actions between governments, customers and companies, with the support of financial markets in order to limit the negative impacts on employees, end savers, pensioners and territories across the globe. State policies are therefore at the forefront of the sustainability journey.

Amundi sector and thematic policies apply to the activity for third parties across all actively managed strategies, and passively managed ESG strategies over which Amundi has full discretion as defined by the Amundi Global Responsible Investment policy. They emphasize three pillars: minimum safeguards and exclusion rules, ESG assessment, and stewardship activity as set out in Amundi’s Global Responsible Investment policy³.

¹ Sustainable returns entail the objective of generating sustainable profits combined with high standards of risk management.

² For specific information on how these ratings and analysis are integrated in the investment decisions of specific investment strategies, please refer to the product specific disclosure.

³ Available on Amundi Website <https://about.amundi.com/documentation-esg>

1. Challenges and Objectives

1.1 Challenges

The objective to limit global warming could only occur if the transformations needed are performed in an organized manner between governments, customers and companies with the support of financial markets in order to limit the negative impacts on end savers, employees, pensioners and territories across the globe. State policies are at the forefront of this fight against global warming.

An intricate challenge in global efforts to reach net-zero⁴

Greenhouse gas (GHG) emissions from the extraction and use of the fuels are a significant driver of climate change and solutions are not straightforward. The combustion of oil & gas has doubled in recent decades and now accounts for over half of all global energy-related GHG emissions⁵. Historically, demand growth has risen in positive correlation with Growth Domestic Product (GDP) growth, and all three scenarios⁶ of the International Energy Agency (IEA)'s Global Energy and Climate Model (GEC model) indicate continued use through 2050.

Furthermore:

- The most ambitious decarbonisation scenario, the Net Zero Emissions by 2050 (NZE) Scenario, indicates oil and gas demand at around 20% and 40% of 2019 levels respectively⁷.
- Government policies on GHG reduction fall well below NZE ambitions, with alignment between climate policy and industrial strategy sorely lacking.

- Any mismatch between supply (in the case of reduced investment) and demand impacts energy affordability and security, further risking negative outcomes for civil society.

Therefore, while actions are required to ensure companies' dedicating capital expenditure to oil & gas supply enter into a transition trajectory, plausible and pragmatic solutions lie also on the *demand* side of the equation, where energy consumers could have an impact on the volume of the oil & gas market by entering in their own energy transition. Current policies and several other developments are already eroding demand:

- Growth rate of cleantech continues to outpace even neutral forecasts, including: new solar additions; electric vehicles (EVs) share of sales; and battery sales (Bond, Butler-Sloss, & Walter, 2024⁸).
- Abrupt deceleration in Chinese oil consumption has led to global demand growth cooling sharply, a trend reinforcing the expectation of plateauing by 2030 (IEA, 2024).
- This may mark the start of progressively sluggish gains in consumption, as technological, behavioural and demographic shifts cause demand to decouple from underlying GDP.

The requirement to decrease operational emissions

Concerning the carbon intensity of the oil & gas offering, the 1.5° aligned IEA NZE states that, to meet its decarbonisation targets, oil & gas operational carbon intensity must decrease by 50% by 2030,

4 Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere. In the NZE scenario, CO2 emissions are net zero in 2050 globally.

5 Source: <https://ourworldindata.org/fossil-fuels> and <https://ourworldindata.org/co2-and-greenhouse-gas-emissions>

6 The International Energy Agency (IEA) has developed three scenarios that explore how the energy system might evolve under different policy settings

7 <https://www.iea.org/reports/the-oil-and-gas-industry-in-net-zero-transitions>

8 Inside the Race to the Top. The race for cleantech among Chinese provinces, US states, and European countries: <https://rmi.org/insight/inside-the-race-to-the-top/>

based on a 2022 baseline. Essentially, the average carbon intensity at the end of the decade must equal that of the best-performing operators today.

The achievement of this near-term reduction target is firmly within the operational control of oil & gas operators. Methods and technologies already exist and, in many cases, (such as methane venting) can be cost-neutral.

Unconventional Fossil Fuels

Furthermore, investing in companies significantly exposed to unabated fossil-related increasingly also entails social, environmental, and economic risks.

1.2 Objectives

Amundi Oil, Gas & Consumable Fuels sector policy describes the minimum standards defining eligibility rules, how Amundi analyses the ESG credentials of issuers of this industry, assesses their potential controversies or uses its ownership to influence the activities or behaviour of companies in order to improve ESG practices or their impact on key sustainability-related topics.

Once produced, shale oil, shale gas or oil sands do not differ from natural gas or oil that are expected to continue contributing to the global energy mix in the forthcoming years under both IEA “Sustainable Development Scenario” and IEA “NZE 2050 Scenario. However, unconventional oil & gas exploration and production is exposed to acute climate (due to potentially higher methane emissions – if not properly managed – for shale oil and shale gas and higher carbon intensity for oil sands), environmental (water use and contamination, induced seismicity and air pollution) and potential social (public health⁹) risks.

Other Amundi policies—such as those on deforestation and ecosystem conversion, biodiversity, human rights, and any additional policies listed in the Amundi Global Responsible Investment Policy—may also be relevant for some issuers in addition to the items presented below.

2. Policy Scope

The policy focuses on investee companies classified as Oil, Gas & Consumable fuels under the GICS definition (or equivalent). It applies to any issuer directly operating upstream oil and/or gas¹⁰ exploration and production assets (which may include exploration, development, drilling, extraction, processing and maintenance).

Examples of emission sources from such activities include, but may not be limited to:

- Production drilling
- Injection & lifting

- Gas compression
- Utility
- Oil export pumps
- Flaring / Venting
- Gathering & boosting
- Other on-site activities (including fugitives)

The scope of this policy extends to the aforementioned activities across all regions worldwide.

⁹ <https://e360.yale.edu/features/fracking-gas-chemicals-health-pennsylvania>

¹⁰ Both conventional and non-conventional

3. Implementation

To assess and monitor issuer with respect to Oil, Gas & Consumable Fuels, Amundi relies on internal research and data from ESG providers. We apply targeted exclusions where the policy criteria are met

and undertake specific engagement with issuers. These activities follow the processes set out in the Amundi Global Responsible Investment Policy¹¹.

3.1 Minimum Safeguards and Exclusion Rules

Where applicable and subject to the availability, quality and relevance of the information collected, Amundi excludes issuers falling into the following categories.

Unconventional fossil fuel

- Companies whose activity is exposed to exploration and production of unconventional oil and gas, covering oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam and coal bed methane, by over 30% of revenues.

To assess companies' exposure to unconventional fossil fuel, Amundi utilizes fossil fuel exposure metrics from data providers (MSCI and Sustainalytics), allowing a large data coverage from a range of sources integrated into the proprietary ESG analysis and rating methodology, and could be completed with due diligence to complete or challenge the information received by providers.

Oil, gas and consumable fuels

Exclusion could occur if the due diligence performed¹² concludes that the issuer significantly exceeds the operational carbon intensity trajectory without credible corrective action. More precisely it applies to:

- Companies whose operational carbon intensity¹³ is inconsistent with the IEA's NZE scenario global average reduction trajectory of 50% by 2030, at the application date (based on linear average reduction).

To assess companies' risk related to Oil, Gas & Consumable Fuels activities, Amundi relies on internal research tools and ESG data providers information allowing to have a large data coverage, that could be completed by specific due diligence to complete or challenge received information.

Regarding companies' operational carbon intensity, Amundi uses different external data sources, including Rystad's Upstream EmissionsCube, allowing complete coverage of all in-scope companies within Amundi's investment universe at a granular level.

Operational carbon intensity of any new fields is evaluated on a case-by-case basis, to ensure compliance with the NZE 2030 target. Due diligence can also be performed to enrich or challenge the information received by providers.

In addition, Amundi excludes issuers that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact¹⁴ without credible corrective action.

11 Available on Amundi Website: <https://about.amundi.com/documentation-esg>

12 A due diligence is performed on an annual basis

13 Refers to scope 1 and 2 emissions from upstream activities

14 United Nations Global Compact (UN Global Compact): "A call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals."

This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion, as set out in the Amundi Global Responsible Investment Policy. Amongst the wide range of investment solutions

offered by Amundi to third-party clients, some product ranges may include additional rules regarding oil, gas & consumable fuels activities exclusions described in their contractual documentation.

3.2 ESG Assessment

Amundi applies a proprietary ESG assessment methodology, set out in the Amundi Global Responsible Investment Policy. The process combines quantitative data from third-party providers with in-depth qualitative analysis performed by our ESG analysts.

This ESG analysis & scoring methodology is fundamentally best-in-class by design, enabling comparison between economic actors regarding their ESG practices within a given sector, distinguishing best and worst ESG practices at sector level, and utilizing third party and in-house research to promote what we believe are best practices across the entire economy.

The ESG analysis framework is based on a defined set of criteria, designed to assess both (1) how sustainability issues might affect the issuer and (2) how effectively the issuer managed those issues. To be effective, ESG analysis must focus on the most material criteria depending on the business and sector activity. Weightings of ESG criteria are therefore a critical component of our ESG analytical framework. For each sector, ESG analysts select the key performance indicators (KPIs) and weight the criteria deemed the most important, resulting in a distinct ESG profile per sector.

The table below lists the ESG criteria applied to the Oil, Gas & Consumable Fuels sector, selected from Amundi's 38-criteria ESG framework, together with the weighting ranges for each criterion. Actual weights assigned by analysts (within these ranges) sum to 100% and reflect sector specific materiality.

ENVIRONMENT	30-40%
Emissions & Energy	10-20%
Clean Energy	5-10%
Water Management	0-10%
Biodiversity & Pollution	10-20%
Supply Chain - Environment	0-5%
SOCIAL	25-30%
Health & Safety	10-15%
Working Conditions	5-10%
Labour Relations	0-5%
Supply chain - Social	0-5%
Community involvement & Human Rights	5-10%
GOVERNANCE	35-40%
Board Structure	5-10%
Audit & Control	5-10%
Remuneration	0-5%
Shareholders' Rights	0-5%
Ethics	10-20%
ESG Strategy	0-5%

ESG ratings are then calculated by combining our sector-specific criteria and expert weightings together with ESG scores from external data providers. At the end of the process, each issuer is

assigned a quantitative score relative to the average of the issuers in its sector, helping to distinguish what we believe are leading ESG practices from lagging ones.

3.3 ESG Controversy Monitoring

The objective of Amundi's controversy monitoring process¹⁵ is to track the ESG risks and adverse impacts and ensure that our proprietary ESG ratings reflect current reality. The process first relies on external controversy datasets from three data providers from which Amundi extracts controversy signals across the entire investment universe.

This quantitative approach allows us to establish a list of issuers presenting significant or severe

controversies. It is then enriched with an in-depth qualitative assessment conducted by ESG analysts. This process leads to a final score that determines "significantly material" controversy.

The monitoring process can give rise to several actions from engagement to escalation measures depending on the progress. This may ultimately lead to override any company's ESG rating, potentially leading to exclusion.

3.4 Engagement: Using our Role as Investor to Trigger Improvements

As part of its Stewardship activity¹⁶, Amundi has developed an active dialogue with companies on their climate strategies. Amundi engages with all investee companies¹⁷ which are exposed to the exploration and production of oil and/or gas (based on their revenues), by asking them:

- To minimize emissions from their existing operations, ensuring a continued carbon intensity reduction and a level aligned with NZE,
- To develop an environmentally and financially sustainable long-term credible transition strategy.

Amundi may also engage issuers on other topics related to Natural Capital preservation, Human Rights and Human Capital, Client Protection and Social Safeguards, Governance¹⁸.

Progress towards our engagement requests are monitored on an annual basis. Depending on the risk exposure and the engagement outcomes, Amundi applies different escalation measures.

Stewardship activities are applicable across active and passive strategies over which Amundi has full discretion.

3.5 Escalation

Escalation measures are designed to be applied progressively, depending on the progress of each issuer, and the considered difficulty or time necessary to achieve our requests.

Escalation measures may consist of a vote against the discharge or the renewal of some board members, or negative overrides of the ESG score for companies:

¹⁵ See Amundi Global Responsible Investment Policy available on Amundi Website: [Sustainable Finance Insights and Asset Management Strategies | About Amundi](#)

¹⁶ detailed in Amundi Global Responsible Investment Policy

¹⁷ See Amundi Engagement Report available on Amundi Website: [Sustainable Finance Insights and Asset Management Strategies | About Amundi](#)

¹⁸ See Amundi Engagement Report available on Amundi Website: [Sustainable Finance Insights and Asset Management Strategies | About Amundi](#)

- Operating or owning fields with high carbon-intensity (CO₂ and/or CH₄) that should significantly decrease operational emissions.
- With weakest level of fair share contribution to investment in the development of low-carbon solutions, or if they develop new fields with too high carbon intensity.
- With weak practices in terms of safety, corruption, community & Human rights, pollution or biodiversity.

4. Application Date and Monitoring

4.1 Application Date

This Policy applies from the date of its publication. The implementation is reviewed annually at least to evaluate issuers trajectory towards the 2030 operational carbon intensity reduction target.

4.2 Monitoring

The application of this policy is impacted by the availability, quality and relevance of the information collected. It will also evolve over time depending on the availability of data as well as regulatory developments.

Implementation into the ESG Rating, controversy monitoring, engagement (where appropriate) and potential escalation through voting or exclusion follow the processes described in Amundi Global Responsible Investment Policy.

Progress towards our engagement requests are monitored on an annual basis.

Escalation to exclusion, from all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion (as defined in the Amundi global Responsible Investment policy),

occurs on an ad hoc basis if the due diligence performed concludes that the issuer violates, repeatedly and seriously, the UN Global Compact without credible corrective action, in accordance with Amundi Global Responsible Investment Policy.

Amundi respects the principles and objectives of the policy defined by the Crédit Agricole group to which it belongs. Modalities of application are adapted according to the particularities and specificities of asset management activity, and to related operational processes. This approach allows for a consistent application of the group's requirements, while taking into account the particularities of the regulatory environment and the rules of good conduct specific to management companies in order to best serve the interests of our clients.

The document is made publicly available on Amundi's website and is based primarily on the Global Responsible Investment Policy. The latter discloses, among others, the list of third-party data providers we use and sets out our approach to handling raw ESG data, third-party ESG scores and related ESG data products.

In the event of any inconsistency between this document and the Global Responsible Investment Policy, the Global Responsible Investment Policy prevails.

The document is published in English and in French, the English version alone having legal value.

5. Appendix

For the purposes of this policy, the following definitions are applied:

- “New Field” / “Greenfield”

Oil and/or gas exploration and production activities in previously un-exploited fields (i.e., accumulation, pool or groups of pools of hydrocarbons in the subsurface).

- Unconventional hydrocarbons

Oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane.

- Low-carbon products

Including, but not limited to renewable energy; Carbon Capture Utilisation and Storage (CCUS); low-carbon hydrogen production / infrastructure; electric vehicle charging infrastructure; battery energy storage systems; low carbon fuels (synthetic fuels, e-fuels, biofuels in gas or liquid form).

Disclaimers

This material is communicated solely for information purposes and neither constitutes an offer to buy, an investment advice nor a solicitation to sell a product. This material is neither a contract nor a commitment of any sort.

The information contained in this material is communicated without taking into account the specific investment objectives, financial situation or particular need of any particular investor.

The provided information is not guaranteed to be accurate, exhaustive or relevant: although it has been prepared based on sources that Amundi 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.

All trademarks and logos used for illustrative purposes in this document are the property of their respective owners.

Amundi accepts no liability whatsoever, whether direct or indirect, that may arise from the use of information contained on this material. Amundi can in no way be held responsible for any decision or investment made on the basis of this information.

The information contained in this material shall not be copied, reproduced, modified, translated or distributed without the prior written approval of Amundi, to any third person or entity in any country or jurisdiction which would subject Amundi or any of its products, to any registration requirements within these jurisdictions or where it might be considered as unlawful.

This document is not intended for citizens or residents of the United States of America or to any "U.S. Person", as this term is defined in SEC Regulation S under the U.S. Securities Act of 1933.

Get access all RI documentation on Amundi Website <https://about.amundi.com/documentation-esg>

Amundi Asset Management

French "Société par Actions Simplifiée" - SAS registered under no. 437 574 452 RCS Paris with a capital stock of 1 143 615 555 euros

Portfolio management company approved by the French Financial Markets Authority (Autorité des marchés financiers) - under no. GP 04000036.

Head office: 91-93 boulevard Pasteur, 75015 Paris - France.

Amundi
Investment Solutions

Trust must be earned