



## Press release

### **Amundi launches its first Social Bond Strategy**

*Expanding its responsible investment fixed income offering while supporting the development of the nascent social bond market*

**Paris, 7 December 2020** – Amundi, the largest European asset manager, announces the launch of its first *Social Bond Strategy*. This innovative solution will be among the very few available on the market offering a high allocation to social bonds<sup>1</sup> (minimum 75% of the assets) and a global investment scope.

Social bonds issuances tripled in 2020 compared to the previous year<sup>2</sup>. A large part of the new volumes comes from pandemic-related issuances, with issuers embracing the social bond format as a useful vehicle to meet their financing needs. As a notable example, on October 20<sup>th</sup> the EU issued €17bn in social bonds to help finance member states' programmes on employment support in the midst of the ongoing Covid-19 pandemic. Amundi believes this is the beginning of the market's trajectory, following in the footsteps of the green bond market.

In this context, Amundi is committed to supporting the development of this new segment of sustainable fixed income, after having supported the expansion of green bonds in emerging markets<sup>3</sup> and beyond pure investment grade instruments. Social bonds seek to offer investors a first step in integrating the social pillar of ESG into their investment practices. They are not only an effective mechanism for financing social projects, but we believe that they also provide investors with the best platform to engage with issuers to increase their activities in socially impactful products and services.

This strategy is managed by Amundi's Alpha Fixed Income team, which benefits from a strong track record in managing Global and Euro Fixed Income strategies, as well as from experience in ESG integration on behalf of the world's largest investors.

#### **Investment approach**

The strategy will mostly be invested in social bonds aligned with the International Capital Markets Association's Social Bond Principles (SBP) whose proceeds will be used for projects compliant with the SBP Project Categories. Additionally, Amundi will look to expand the investment universe by including regular bonds issued by sovereigns and corporates thoroughly selected for their strong social practices. The portfolio may also include innovative instruments such as sustainability-linked bonds with social targets.

Rigorous screening and analysis of social bonds will seek to ensure quality at both issuer and issuance levels. Most social bond issuers are currently sovereign, supranational and agencies (SSAs), mirroring the early days of the green bond market. However, as Amundi would like to foster the development and diversification of the market in years to come, its Social Bond strategy will invest in a variety of issuers in

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<sup>1</sup> Social bonds are "use-of-proceeds" fixed income instruments financing projects aiming at mitigating social issues and/or at generating positive social outcomes. Their issuance is governed by the ICMA Social Bond Principles (SBP) who defined a series of components required to consider a bond as "social". By increasing the availability of social bonds to investors worldwide, additional private capital can be mobilised to alleviate major social challenges, such as access to essential services and food security, thereby potentially contributing to the achievement of the United Nations' Sustainable Development Goals (UN SDGs).

<sup>2</sup> Amundi analysis, Bloomberg database of Social "use-of-proceeds" bonds as of end September 2020

<sup>3</sup> In 2019, Amundi partnered with IFC, a member of the World Bank group, to launch the world's largest targeted green bond fund focused on emerging markets, the Amundi Planet Emerging Green One (EGO). More information [here](#).

different sectors. The solution, with its global investment universe, aims to benefit from the trend of the social bond market diversifying away from the current European concentration.

Isabelle Vic-Philippe, Head of Euro Aggregate, will be the Lead Portfolio Manager for the strategy, with Alban de Faÿ, Head of Fixed Income Socially Responsible Investing (SRI) Process, and Dany da Fonseca, Fixed Income Euro Investment Grade (IG) Credit, as Co-Portfolio Managers.

The portfolio management team will be supported by Amundi's 23 strong team of ESG experts (analysts, voting team and data team). Amundi's recognised ESG analysis process will be fully integrated into the investment approach of the Social Bond Strategy, drawing on a continuous collaboration between ESG and Fixed Income teams. Amundi experts will assess the impact of the social bonds held at year-end and will publish an annual impact report.

**Commenting on the launch, Eric Brard, Head of Fixed Income at Amundi, said:** *"In the context of the current economic and health crisis, we believe that investors are increasingly looking for innovative solutions that can generate positive outcomes for society as a whole. As the fastest-growing segment of the sustainable fixed income market in 2020, Social Bonds are emerging as an appropriate financial instrument seeking to capture opportunities of financing projects with a social agenda without giving up on returns."*

For more information, please read our Investment insights Blue paper, [Social Bonds: financing the recovery and long term inclusive growth](#).

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### **About Amundi**

Amundi, the leading European asset manager, ranking among the top 10 global players<sup>4</sup>, 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.

With its six international investment hubs<sup>5</sup>, 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 4,500 employees in nearly 40 countries. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages more than €1.650 trillion of assets<sup>6</sup>.

**Amundi Fixed Income** offers an unbiased approach combining fundamental and quant, financial and ESG, top-down and bottom-up management capabilities. Thanks to the team's long-standing vision, it delivers performance, innovation and purpose-driven bespoke solutions. As a leading European based Fixed Income investment manager<sup>7</sup>, Amundi Fixed Income manages €507bn of assets.<sup>8</sup>

***Amundi, a Trusted Partner, working every day in the interest of its clients and society***

[www.amundi.com](http://www.amundi.com)   

<sup>4</sup> Source: IPE "Top 500 Asset Managers" published in June 2020, based on assets under management as at 31/12/2019

<sup>5</sup> Boston, Dublin, London, Milan, Paris and Tokyo

<sup>6</sup> Amundi data as at 30/09/2020

<sup>7</sup> Source: Broadridge, FundFile database, all currencies - as of March 31, 2020

<sup>8</sup> Amundi data as at 30/09/2020

## Press contact

### Amundi

Jais Mehaji

+44(0) 7500 558 924

[jais.mehaji@amundi.com](mailto:jais.mehaji@amundi.com)

### Maitland/AMO

Freddie Barber

+44 7960 617881

[fbarber@maitland.co.uk](mailto:fbarber@maitland.co.uk)

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