

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: AMUNDI RESPONSIBLE INVESTING - IMPACT EURO CORPORATE GREEN BOND

Legal entity identifier: 213800ZZ74CZALCH9V71

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒
☒
☒
X
Yes

☐
☐
☐
No

☒
It will make a minimum of sustainable investments with an environmental objective: 80 %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective: %

☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ with a social objective

☐ It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

The Sub-fund pursues the sustainable investment objective of having a portfolio composed of at least 80% of sustainable investments, with 100% of net assets excluding liquid assets (money market UCIs and cash) in investment-grade green bonds from private issuers that satisfy the criteria and guidelines of the Green Bond Principles published by the International Capital Market Association. The aim of the proposed green bonds is to finance projects that have a positive and measurable environmental impact in terms of reducing CO2 emissions.

The Sub-fund also seeks to obtain a higher portfolio ESG score than that of its investment universe. To determine the ESG score of the Sub-fund and the investment universe, ESG

performance is assessed by comparing the average performance of a security against its issuer's sector, for each of the three ESG characteristics (environmental, social and governance). For the purposes of this measurement, the investment universe is defined as the Bloomberg MSCI Euro Green Bond Index: Corporate Total Return EUR Unhedged. No ESG reference benchmark has been designated.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Sub-fund seeks to identify green bonds whose objective is to finance projects that generate a positive and measurable environmental impact. Measurability is expressed as tonnes of CO2 emissions avoided per million euro invested in a year.

In addition to the quantitative and qualitative financial analysis of the bonds likely to make up the portfolio, the selection process follows an approach that aims to maintain their environmental qualities based on a multi-pronged analysis:

1. Analysis of the bond's characteristics in terms of:

- (i) transparency, via reporting on the tonnes of CO2 emissions avoided per million euro invested in a year;
- (ii) the environmental impact of the projects financed (such as the development of recycled products, sustainable management of natural resources etc.);
- (iii) inclusion in the issuer's overall environmental strategy (such as the company's quantified targets for reducing CO2 emissions as part of the overall objective of limiting the temperature increase to 1.5°);
- (iv) inclusion in an overall business approach aimed at conceptualising approaches and defining environmental best practices (circular economy, development of recycling, waste reduction etc.).

2. Selection of business sectors compatible with Amundi's ESG policy, including the defined exclusion rules;

3. Analysis of the issuer's ESG fundamentals, to identify issuers who are "best performers" in their business sector on at least one of their material environmental factors.

The definition "best" is based on Amundi's proprietary ESG methodology, which seeks to measure an investee company's ESG performance. To be considered the "best", an investee company must be scored the highest among the top three ratings (A, B or C, on a rating scale from A to G) in its sector for at least one major environmental or social factor. Major environmental and social factors are identified at the sector level. The identification of major factors is based on Amundi's ESG analysis framework, which combines non-financial data and a qualitative analysis of the associated sector-based and sustainability themes. Factors identified as major account for more than 10% of the overall ESG score. For the energy sector for example, the major factors are: emissions and energy, biodiversity and pollution, health and safety, local communities and human rights. For a more complete overview of the sectors and factors, please refer to Amundi's ESG Regulatory Statement available at www.amundi.fr.

To contribute to the above objectives, the investee company must not have significant exposure to activities that are incompatible with these criteria (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticide production, manufacture of single-use plastics).

The sustainability of an investment is assessed at the investee company level.

All of the green bonds selected must satisfy the criteria and guidelines of the Green Bond Principles published by the International Capital Market Association.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that sustainable investments do not cause significant harm ("do no significant harm" or "DNSH"), Amundi uses two filters:

- The first DNSH filter is based on monitoring the mandatory indicators for the principal adverse impacts set out in Table 1 of Annex I of the RTS:
 - Where reliable data are available (e.g. the greenhouse gas or GHG intensity of companies) through a combination of indicators (e.g. carbon intensity) and specific rules or thresholds (e.g. that the carbon intensity of the company is not in the bottom decile for the sector).
 - Amundi already takes into account specific principal adverse impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal, unconventional fuels and tobacco.

Moreover, companies and economic players exposed to severe controversies related to working conditions, human rights, biodiversity and pollution are not considered sustainable investments.

- The objective of the second filter is to verify that a company does not perform poorly from an overall environmental or social standpoint compared to other companies within its sector. This corresponds to an environmental or social score of E or higher using Amundi's ESG rating scale.

This approach is specific to direct investments made by Amundi. With respect to investments in funds managed by third-party managers, Amundi will rely on the policies applied by the external manager.

– ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

At Amundi, the adverse impact indicators are taken into account as detailed in the first DNSH filter above.

The first DNSH filter is based on monitoring the mandatory indicators for the principal adverse impacts set out in Table 1 of Annex I of the RTS, where reliable data are available through a combination of indicators and the following specific rules or thresholds:

- Have a CO₂ intensity that is not in the bottom decile of companies in its sector (only applies to high-intensity sectors), and
- Have a Board of Directors, the diversity of which is not in the bottom decile of companies in its sector, and
- Not be the subject of controversies concerning working conditions and human rights,
- Not be the subject of controversies concerning biodiversity and pollution.

Amundi already takes into account specific principal adverse impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons,

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Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

violations of United Nations Global Compact principles, coal, unconventional fuels and tobacco.

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into Amundi's ESG rating methodology. Our proprietary ESG rating tool assesses issuers using data available from our data providers. For example, the model includes a dedicated criterion called "Community engagement and human rights". This applies to all sectors together with other human rights criteria, including socially responsible supply chains, working conditions and labour relations. In addition, controversy monitoring is carried out at least once a quarter and includes companies that have been flagged for human rights violations. When controversies arise, analysts assess the situation and assign it a rating (using our proprietary scoring methodology) to determine the best course of action. Controversy ratings are updated quarterly to keep track of developments and remediation efforts.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product takes into account all of the mandatory principal adverse impacts set out in Table 1 of Annex I of the RTS applicable to the strategy of the financial product. It relies, directly or indirectly, on a combination of exclusion policies (norm-based and sector-based), the integration of ESG ratings within the investment process, and engagement and voting approaches:

- **Exclusion:** Amundi has defined rules for norm-based exclusions based on activity and sector, covering some of the main negative sustainability indicators listed in the SFDR Regulation.
- **Integration of ESG factors:** Amundi has adopted the minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G-rated issuers and weighted average ESG score above the applicable reference benchmark). The 38 criteria used in Amundi's ESG rating approach have also been designed to take into account the key impacts on sustainability factors, as well as the quality of mitigation measures taken in this regard.
- **Engagement:** Engagement is an ongoing, targeted process aimed at influencing the activities or behaviour of companies. The aim of engagement can be divided into two categories: engaging with an issuer to improve how it integrates the environmental and social aspects, and engaging with an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues of importance to wider society and the global economy.
- **Voting:** Amundi's voting policy is based on a holistic analysis of all the long-term issues that could influence value creation, including material ESG issues. For more information, please see Amundi's Voting Policy¹.
- **Controversy monitoring:** Amundi has developed a controversy monitoring system that uses three external data providers to systematically monitor the development of controversies and their level of severity. This quantitative approach is reinforced by an in-depth assessment of each severe controversy by ESG analysts, followed by a periodic review of any developments. This approach is applied to all Amundi funds.

For details on how to use the mandatory indicators for the principal adverse impacts, please refer to Amundi's ESG Regulatory Statement available at www.amundi.fr



No

¹ <https://about.amundi.com/files/nuxeo/dl/0522366c-29d3-471d-85fd-7ec363c20646>



What investment strategy does this financial product follow?

The Sub-fund's objective, over the recommended investment horizon, is to deliver a net performance comparable to that of the Bloomberg MSCI Euro Green Bond Index: Corporate Total Return EUR Unhedged by investing in a selection of green bonds from private issuers, with a preference for projects that have a positive impact on the environment.

"Green bonds" are defined as debt securities and instruments that finance eligible projects satisfying the criteria and guidelines of the Green Bond Principles (as published by the ICMA).

The Sub-fund invests 100% of net assets, excluding liquid assets (money market UCIs and cash) in all of the following types of green bonds traded on a regulated market and issued by governments, supranational organisations and private or public companies, including at least 80% in OECD-area private bonds.

At least 90% of the portfolio's net assets excluding liquid assets (money market UCIs and cash) will consist of euro-denominated bonds.

The average duration of the interest rates of the Sub-fund will be between 2 and 8.

The Sub-fund may invest up to 10% in non-OECD bonds and up to 10% in high-yield bonds.

The investment process identifies the best opportunities in terms of financial outlook and ESG characteristics, particularly environmental characteristics. The selection of securities using Amundi's ESG rating methodology and the assessment of their contribution to environmental objectives is designed to avoid the adverse impacts of investment decisions on the sustainability factors associated with the environmental nature of the Sub-fund. In addition to using Amundi's ESG rating, the ESG investment research team assesses, wherever possible:

- (i) any views of third parties or other types of certification, such as Climate Bonds Certification (CBI);
- (ii) whether the issuer is involved in severe ESG controversies; and
- (iii) whether the projects to be financed by the green bond contribute to the issuer's broader efforts to facilitate the energy and/or environmental transition.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-fund first fully applies the Amundi exclusion policy:

- regulatory exclusions on controversial weapons,
- exclusion of companies in breach of the United Nations Global Compact,
- Amundi Group sector-based exclusions on fossil fuels (e.g. coal and unconventional hydrocarbons), tobacco and weapons (e.g. nuclear weapons and depleted uranium weapons).

Details of this policy can be found in the Amundi Group Responsible Investment Policy available on the website at www.amundi.fr.

The Sub-fund also excludes companies involved in activities considered as non-compliant with the Paris Climate Accords (coal mining, oil extraction etc.). These exclusions are provided for in Article 12, paragraph 1, points (a) to (g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

In addition, sustainable investments will account for at least 80% of the portfolio, with 100% of its assets in all of the following types of green bonds traded on a regulated market and issued by governments, supranational organisations and private or public companies (excluding liquid assets). At least 50% of these green bonds have an ESG rating between A and D. Issuers with an ESG rating of F or G are excluded.

At least 90% of the securities held in the portfolio are subject to a non-financial analysis.

Lastly, the Sub-fund must seek to obtain a higher ESG score than that of its investment universe.

However, investors should note that it is not always possible to perform an ESG analysis on cash, cash equivalents, certain derivatives and certain collective investment schemes to the same standards as for other investments. The ESG calculation methodology will not include cash, cash equivalents, certain derivatives and certain collective investment schemes.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

To assess good governance practices of the companies, Amundi has developed an ESG rating methodology. Amundi's ESG rating is based on a proprietary ESG analysis framework, which takes into account 38 general and sector-based criteria, including governance criteria. For the governance aspect, we assess the issuer's ability to provide an effective corporate governance framework that ensures that it will achieve its long-term objectives (e.g. maintaining the issuer's value over the long term). The governance sub-criteria taken into account are: the board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy. Amundi's ESG rating scale consists of seven ratings, ranging from A to G, where A is the best rating and G is the worst. G-rated companies are excluded from the investment universe.

Each corporate security (shares, bonds, single-issuer derivatives, ETF shares and ESG bonds) included in the portfolios has been assessed for good governance practices by applying a filter for compliance with United Nations Global Compact (UNGC) principles to the issuer in question. The assessment is ongoing. Every month, Amundi's ESG Rating Committee reviews the lists of companies that do not comply with the UNGC and are therefore downgraded to a G rating. Investment is systematically withdrawn from G-rated securities within a period of 90 days.

This approach is supplemented by Amundi's Management Policy (engagement and voting) relating to governance.

This approach is specific to direct investments made by Amundi. With respect to investments in funds managed by third-party managers, Amundi will rely on the policies applied by the external manager.

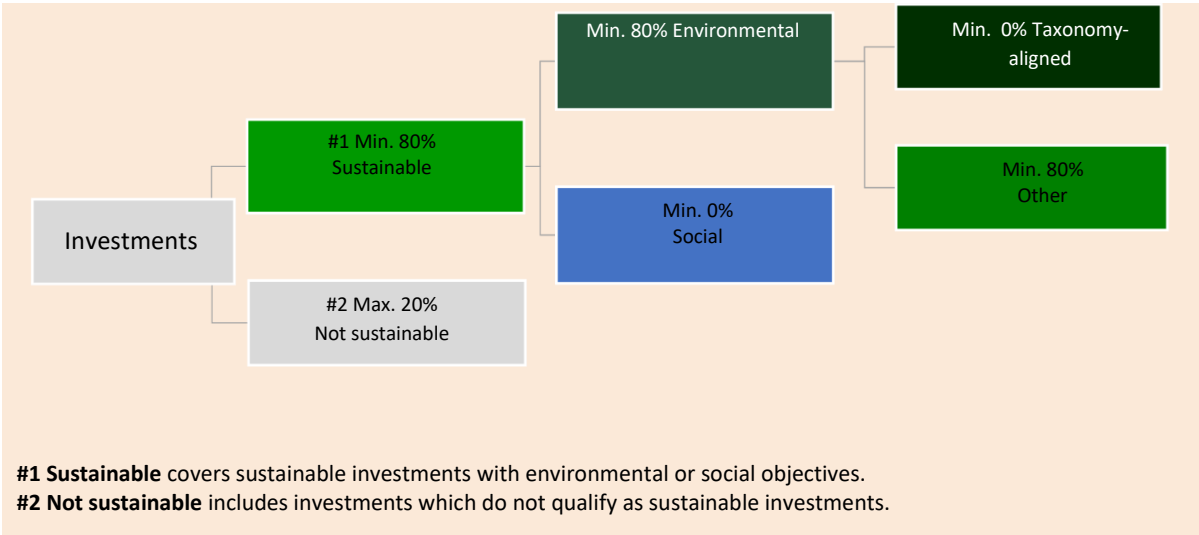


What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

- Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies;
 - **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
 - **operational expenditure** (OpEx) reflecting green operational activities

The Sub-fund is committed to having a minimum of 80% sustainable investments and to investing the remaining assets in cash and instruments held for liquidity and portfolio risk management purposes. The share of "other" "environmental" investments is expected to be at least 80% (i), although this may change as the actual proportion of Taxonomy-compliant and/or social investments increases.



of investee companies.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

● **How does the use of derivatives attain the sustainable investment objective?**

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is currently no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

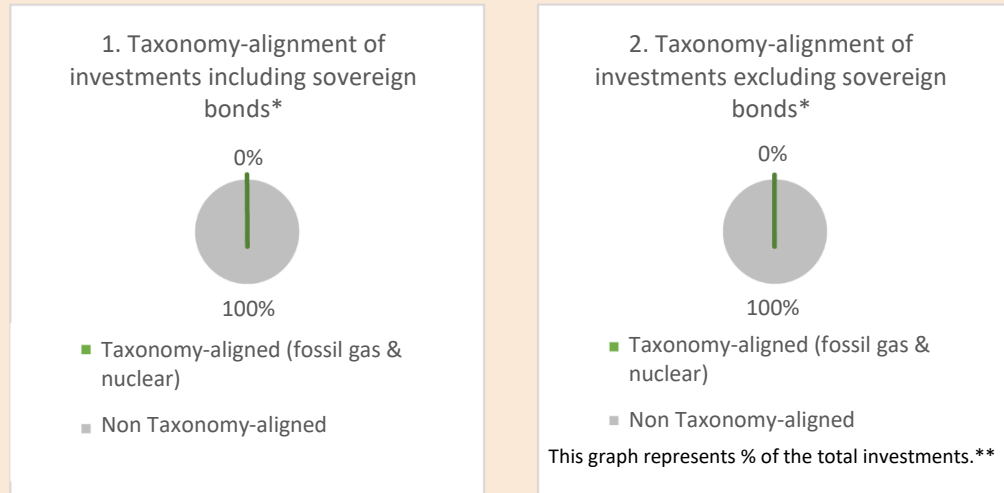
As illustrated below, there is no commitment to making Taxonomy-compliant investments in fossil gas and/or nuclear energy. However, as part of the investment strategy, investments may be made in companies that are also active in these sectors. Such investments may or may not be aligned with the Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** This percentage is purely indicative and may vary

● **What is the minimum share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities.

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-fund shall commit to a minimum of 80% of sustainable investments with an environmental objective, with no guarantee as to their compliance with the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?



The Sub-fund has not defined a minimum share.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

"#2 Other" consists of cash and instruments used for liquidity and portfolio risk management purposes. The category may also include securities without an ESG rating for which data needed to measure the attainment of environmental or social characteristics are not available.

There are no minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

The reference benchmark, the Bloomberg MSCI Euro Green Bond Index: Corporate Total Return EUR Unhedged, includes environmental characteristics in its components. It is therefore aligned with the investment objective and the environmental characteristics promoted by the portfolio.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The reference benchmark, the Bloomberg MSCI Euro Green Bond Index: Corporate Total Return EUR Unhedged, aims to represent the performance of the investment strategy.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The strategy aims to finance the energy transition by investing in green bonds that have a positive and measurable impact on the environment and that comply with the transparency recommendations of the Green Bond Principles (GBPs) issued by the International Capital Market Association (ICMA). As such, alignment with the index methodology is important because the index relies on two index providers recognised for their bond index and ESG analysis expertise, respectively. Using the ICMA's GBPs, MSCI's ESG research makes it possible to filter for green bonds in the vast universe of self-labelled green securities.

- ***How does the designated index differ from a relevant broad market index?***

The strategy is to invest in green bonds issued mainly by eurozone private issuers. The Bloomberg MSCI Euro Green Bond Index: Corporate Total Return EUR Unhedged ("I31617EU") is representative of investment-grade green bonds from private issuers.

- ***Where can the methodology used for the calculation of the designated index be found?***

The Bloomberg MSCI Euro Green Bond Index: Corporate Total Return EUR Unhedged is administered by MSCI. Information on the complete building methodology is published and available on the following website and in conjunction with the following document:
https://www.msci.com/documents/10199/242721/Barclays_MSCI_Green_Bond_Index.pdf/6e4d942a-0ce4-4e70-9aff-d7643e1bde96.



Where can I find more product specific information online?

More product-specific information can be found on the website: www.amundi.fr