Amundi Sustainable Finance Disclosure Statement

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Amundi

Contents

This statement relates to the implementation in Amundi of Regulation (EU) 2019/2088 on sustainability related disclosures ("**SFDR**" or the "**Disclosure Regulation**") and Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**Taxonomy Regulation**"). More information on how Amundi engages in responsible investment may be found in Amundi's Global Responsible Investment Policy and the Amundi's Global Remuneration Policy which are available on www.amundi.com. For product-level sustainability related disclosures please refer to the relevant Amundi website or prospectus.

Introduction

Since its creation in 2010, Amundi has made responsible investment one of its founding pillars. Responsible investing is one of our core values and an essential component of our investment management approach.

Following the confirmation by the European Council of the commitment of the Union and its Member States to the implementation of the 2030 Agenda, in close cooperation with partners and other stakeholders, and the approval by the European Union (the "EU" or the "Union") of The Paris Agreement adopted under the United Nations Framework Convention on Climate Change (the "Paris Agreement"), the EU has set in motion an Action Plan on Sustainable Finance (the "Action Plan").

This Action Plan is aimed at:

1. Improving the contribution of finance to sustainable and inclusive growth by funding society's long-term needs;
2. Strengthening financial stability by incorporating environmental, social and governance (ESG) factors into investment decision-making.

As part of the Action Plan, a set of rules to strengthen and improve the disclosure of sustainability related information by manufacturers of financial products and financial advisors towards end investors across the Union was adopted. The Disclosure Regulation was published in November 2019 and entered into force on March 10, 2021.

The Disclosure Regulation defines "harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability related information with respect to financial products."

The legislation requires that manufacturers of financial products such as Amundi publish on their websites information about their policies on integrating sustainability risks into their investment decision making processes. It also requires remuneration policies to be published on the website and explanations of how those policies are consistent with the integration of sustainability risks.

This document aims to provide a comprehensive overview of Amundi's approach to sustainable investing in accordance with the requirements of the Disclosure Regulation and the Taxonomy Regulation. It is made available on relevant Amundi public websites and updated on a regular basis.

Scope of this document

The information provided in this document applies to the following legal entities of Amundi, which, as financial market participants, are subject to the SFDR requirements (for additional information on the sustainable investment policies of the management companies listed below, please refer to their respective websites):

- Amundi Asset Management (Amundi AM) – *France*
- Amundi Private Equity Funds (PEF) – *France*
- Amundi Immobilier – *France*
- Amundi Transition Energétique – *France*
- BFT Investment Managers (BFT IM) – *France*
- CPR Asset Management (CPR AM) – *France*
- Société Générale Gestion (S2G) – *France*
- Sabadell Asset Management, S.A., S.G.I.I.C., S.U. – *Spain*
- Amundi Austria GmbH – *Austria*
- Savity Vermögensverwaltung GmbH – *Austria*
- Amundi Czech Republic Asset Management, a.s. – *Czech Republic*
- Amundi Czech Republic, investiční společnost, a.s. – *Czech Republic*
- Amundi Deutschland GmbH – *Germany*
- Amundi Ireland Ltd – *Ireland*
- Amundi Real Estate Italia SGR S.p.A. – *Italia*
- Amundi Luxembourg S.A. – *Luxembourg*
- Amundi Real Estate Luxembourg S.A. – *Luxembourg*
- Amundi Polska TFI – *Poland*
- Amundi Asset Management S.A.I. S.A. – *Romania*
- Amundi Iberia S.G.I.I.C., S.A.U. – *Spain*
- Amundi Alapkezel – *Hungary*
- Amundi SGR SpA – *Italia*

The above entities are referred to as "**Amundi SFDR Entities**" throughout the rest of the document.

Sustainability Risks

Since our creation in 2010, our commitment to responsible investment has been foundational and remains central to our approach. This commitment has notably rested on one central conviction that the integration of Environmental, Social or Governance (ESG) criteria in investment decisions is a driver of long-term financial performance.

Amundi's approach to sustainability risks[1] relies on three pillars: our targeted Exclusion Policy, the integration of ESG scores in our investment processes and our Stewardship Policy.

1. Targeted Exclusion Policy

As part of its fiduciary responsibility, Amundi has set minimum standards and exclusion policies on critical sustainability topics, triggering specific monitoring, and escalation procedures when breaches are identified, that can lead to engagement, specific voting actions (when applicable) or exclusion.

Amundi Minimum Standards and Exclusion Policy is implemented in our portfolios, unless otherwise requested by our clients and always subject to applicable laws and regulations prohibiting their implementation.

The ESG and Climate Strategic Committee sets out the guidelines of the Minimum Standards and Exclusion Policy and the ESG Rating Committee validates the rules for implementation. Excluded issuers[2] are flagged in fund managers' portfolio management system and pre-trade blocking controls are implemented in the compliance tool to prevent any purchase. Second level of controls are performed by the Risk teams.
For any new mandate or dedicated fund, Amundi's Minimum Standards and Exclusion Policy shall be implemented in accordance with our pre-contractual documentation, unless otherwise requested by the client.
For passive portfolios, the application of the Exclusion Policy differs between ESG products and non-ESG products[3]:

- For ESG passive products: All ESG ETFs and index funds apply Amundi's Exclusion Policy
- For non-ESG passive products: The fiduciary duty in passive management is to replicate as closely as possible an index. The portfolio manager has thus limited leeway and has to meet the contractual objectives to get passive exposure fully in line with requested benchmarks. Amundi index funds/ETFs replicating standard (non-ESG) benchmarks do not apply systematic exclusions beyond the regulatory exclusions. However, for securities that are excluded due to the Exclusion Policy[4] applicable to Amundi's active investment universe, but that could be present in non-ESG passive funds, Amundi has strengthened its engagement and voting actions that may lead to a vote against the discharge of the board or management, or the re-election of the Chairman and of some Directors

The Minimum Standards and Exclusion Policy distinguishes between corporates and sovereigns exclusion criteria. The corporate criteria target company activities and practices that can lead to the exclusion of securities from a company. The sovereign criteria can lead to the exclusion of sovereign bonds from the government of a country.

1. 'Sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment
2. Please refer to the scope of application detailed in our Global Responsible Investment Policy
3. See Appendix for an exhaustive view of the scope of application of Amundi Exclusion Policy.
4. Please refer to our Global Responsible Investment Policy

For more information on the Exclusion Policy, please refer to Amundi Global Responsible Investment Policy[5].

a. For listed companies

This Minimum Standards and Exclusion Policy address the most significant sustainability risks linked to:

- Environmental risks: climate (companies developing new thermal coal capacities, thermal coal mining, thermal coal power generation, unconventional fossil fuel), and environment (breaches of UN Global Compact Principles 7, 8 & 9)
- Social risks: health (tobacco product manufacturers), labor and human rights (breaches of UN Global Compact Principles 1, 2, 3, 4, 5 & 6)
- Governance risks: corruption risk management (breaches of UN Global Compact Principle 10)

b. For unlisted companies and real assets

Amundi Real Assets applies targeted exclusion rules in line with those set out in the Group's Exclusion Policy. The nuclear energy value chain is also excluded for the portfolios managed by its subsidiary Amundi Energy Transition (AET), dedicated to financing infrastructure projects in the energy transition sector.

c. For sovereign issuers

Countries on the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions) are excluded, after formal review and validation from Amundi's ESG Rating Committee.

2. Integrating ESG Scores in our analysis and investment process

We firmly believe that ESG analysis consolidates value creation as it provides a holistic understanding of issuers. This view has led us to integrate ESG criteria across all our active management processes, and to implement an engagement policy, where applicable. Underlying ESG integration is the conviction that a strong sustainable development perspective enables issuers to manage their regulatory and reputational risks better as well as improve their operational efficiency.

a. For listed companies

Amundi's ESG scores and criteria, as well as complementary E, S or G key performance indicators ("KPIs") are all made available in Amundi management systems and are available at issuer level and portfolio level. Amundi's ESG scores represent a key source of information for portfolio managers to take into account sustainability risks in their investment decisions. The ESG score aims to measure the ESG performance of an issuer, i.e., its ability to anticipate and manage the sustainability risks and opportunities inherent to its industry and to its individual circumstances.

Amundi's ESG rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. Where applicable, G-rated companies are excluded from investment.

Our ESG analysis framework is comprised of 38 criteria (each of the 38 criteria is also rated from A to G), which are either:

- General criteria, independent of business sector
- Sector specific criteria

5. https://www.amundi.com/institutional/files/nuxeo/dl/c44a7bb2-813b-4346-96e0-e3d695241d9b

Table 1: **Amundi's Environmental, Social and Governance criteria**

ESG pillar	General criteria	Sector-specific criteria
Environment	- Emissions & Energy - Water Management - Biodiversity & Pollution - Supply Chain - Environment	- Clean Energy - Green Car - Green Chemistry - Sustainable Construction - Responsible Forest Management - Paper Recycling - Green Investing & Financing - Green Insuring - Green Business - Packaging
Social	- Health & Safety - Working Conditions - Labour Relations - Supply Chain - Social - Product & Customer Responsibility - Communities Involvement & Human Rights	- Bioethics - Responsible Marketing - Healthy Products - Tobacco Risks - Vehicle Safety - Passenger Safety - Responsible Media - Data Security & Privacy - Digital Divide - Access to Medicine - Financial Inclusion
Governance	- Board Structure - Audit & Control - Remuneration - Shareholders' Rights - Ethics - ESG Strategy - Tax Practices	Not applicable

Our ESG analysts review at least every 18 months the selection and weighting of Amundi's criteria for each sector. This enables us to ensure that the criteria and weighting remain relevant and that we continuously seek to improve our analysis by assessing their materiality.

Our ESG analysts are sector specialists tasked with:

- Staying abreast of emerging and advanced ESG topics and monitor trends of each business sector
- Selecting relevant criteria & KPIs and associated weights in Amundi's proprietary ESG scoring system.
- Assessing sustainability risks and opportunities as well as negative exposure to sustainability factors
- Monitoring controversies and assessing impact on issuers
- Engaging into a dialogue with issuers as part of the stewardship policy to influence activities or behavior of investee companies
- Defining and exercising voting rights

Amundi's ESG Mainstream investment process is applied by default to all of Amundi's active open-ended funds[6]. For each fund, a benchmark representative of the investment universe is defined for that purpose (the ESG benchmark). Where applicable[7], the fund needs to have a better weighted average ESG score than its ESG benchmark. Many individual products, family of funds, etc. also have deeper ESG integration, through higher selectivity, rating or non-financial indicator upgrade, thematic selection, etc.[8]

6. Wherever technically feasible: some exceptions are defined to the implementation of the ESG Mainstream objective (Funds for which the active management feature is limited such as Buy and Watch funds or Securitization Undertakings, Real Estate and Alternative funds; Funds not managed on Amundi Investment Platform, and delegated Funds; Funds with high concentration in Index or limited ratable issuers coverage; Fund Hosting products)
7. Please refer to the Global Responsible Investment Policy for the scope of application
8. Please review a Fund's offering documents for complete information on ESG integration

Portfolio managers and investment analysts from all investment platforms have access at all times to issuers' ESG scores, and related ESG analytics and metrics at issuer or portfolio level through the Portfolio Management System ALTO*[9] Investment and its various modules.

b. For unlisted companies and real assets

Amundi Real Assets has developed a customised ESG analysis methodology tailored for each strategy (real estate, multi-management, private debt, private equity, infrastructure and social impact). Any opportunity received and presented to the investment committee is the subject of ESG due diligence that provides in-depth analysis of any non-financial risks identified. This due diligence is an integral part of the analysis criteria and supplements the financial analysis, which is carried out in parallel. ESG due diligence is carried out by all areas of expertise, in collaboration, where necessary, with Amundi's ESG experts. Depending on the assets, it may include the sending of questionnaires, discussions with the company's management and reviews of sector studies by non-financial rating agencies or the analysis of co-investors. Particular focus is set on the characteristics of real estate and infrastructure assets.

For more information on the ESG scoring methodology, please refer to Amundi Global Responsible Investment Policy[10].

c. For sovereign issuers

Amundi ESG sovereign scoring methodology aims at assessing the ESG performance of sovereign issuers. E, S and G factors can have an impact on the issuer's ability to repay its debt in the medium and long-term. They can also reflect on how countries are faring in dealing with major sustainability issues that affect global stability.

3. Stewardship policy

Stewardship activity is an integral part of Amundi's ESG strategy. Amundi promotes a transition towards a sustainable, inclusive low carbon economy. Amundi's Stewardship Policy applies to all Amundi's funds, through the application of Amundi's engagement and voting policies that apply to all entities in scope of this document.

a. Amundi's Engagement Policy

Amundi has developed a pro-active engagement policy that seeks to:

- Contribute to best practice dissemination and drive a better integration of sustainability in our investees' governance, operations and business models,
- Trigger positive change concerning how investees are managing their impacts on specific topics paramount to the sustainability of our society and our economy,
- Support the investees in their own transition towards a more sustainable, inclusive and low carbon business model,
- Engage to push investees to increase their level of investment in Capex/R&D in highly needed areas for this transition.

For more information on Amundi's engagement activities, please refer to Amundi Engagement Reports and Amundi Stewardship Reports[11].

b. Amundi's Voting Policy

Amundi has developed a voting policy emphasizing the need:

- for an accountable, diversified & well-functioning board,
- for corporates' governance and board to come to grasp with environmental and social challenges
- to ensure that boards and corporates are appropriately positioned and prepared to handle the transition towards a sustainable, inclusive and low carbon economy.

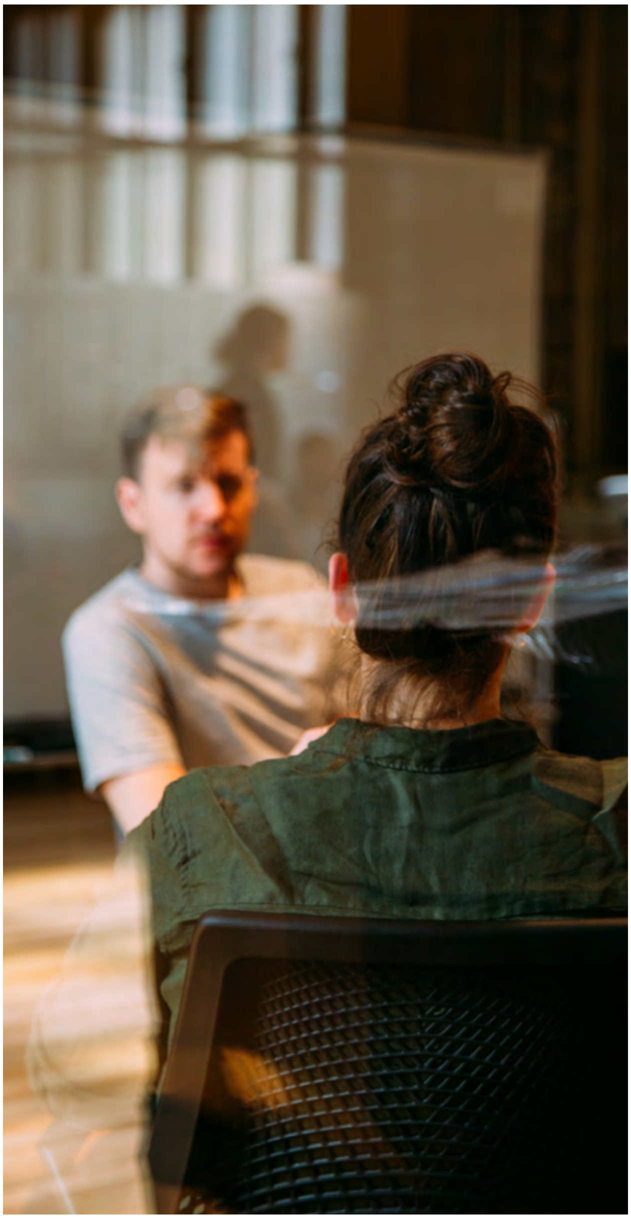
For more information on voting policy, please refer to Amundi Voting Policy[12].

9. Amundi Leading Technologies and Operations
10. https://about.amundi.com/files/nuxeo/dl/c44a7bb2-813b-4346-96e0-e3d695241d9b
11. https://about.amundi.com/files/nuxeo/dl/5994803c-6af1-4d7e-89e0-f1134f6374a7
12. https://www.amundi.com/institutional/files/nuxeo/dl/0522366c-29d3-471d-85fd-7ec363c20646

Good Governance Practices

To assess good governance practices of the investee companies, Amundi relies on its ESG scoring methodology. Amundi's ESG scoring is based on a proprietary ESG analysis framework, which accounts for 38 general and sector-specific criteria, including governance criteria. In the Governance dimension, we assess an issuer's ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives i.e., guaranteeing the issuer's value over the long term. The governance criteria considered are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy.

For all Article 8 and Article 9 funds[13], each corporate security (shares, bonds, single name derivatives, equity and fixed income "ESG ETFs") included in investment portfolios has been assessed for good governance practices applying a normative screen against UN Global Compact Principles on the associated issuer. The assessment is performed on an ongoing basis. The ESG Rating Committee monthly reviews the list of companies in breach of the UN Global Compact Principles leading to rating downgrades to G[14]. Amundi's Stewardship Policy (engagement and voting) related to governance complements this approach[15].



13. For Article 9 complying with 100% SI within portfolio, good governance test is complemented by the additional screening described under the sustainable investment section
14. Divestment from securities downgraded to G is carried out by default within 90 days
15. Refer to Amundi Global Responsible Investment Policy for additional information

Sustainable Investments

On 6 April 2022 the European Commission adopted the **Regulatory Technical Standards (RTS)** under the Disclosure Regulation. For Article 8 and Article 9 funds, fund manufacturers are expected to disclose in their precontractual disclosure the minimum proportion of their investment in 'Sustainable Investments' (without any obligation to make Sustainable Investments in an Article 8 product).

The Disclosure Regulation, Article 2(17) defines 'Sustainable Investments':

> ***"A Sustainable Investment means an investment in an economic activity that contributes to an environmental or social objective, provided that such investments do not significantly harm any of those objectives, and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."***

Amundi has defined a 'Sustainable Investment Framework' ("**Amundi Sustainable Investment Framework**"), comprised of a set of criteria and indicators used to assess:

- An economic activities contribution to an environmental or social objective.
- Compliance with the requirement to not significantly harm any of those objectives.
- Whether investee companies follow good governance practices.

The Amundi Sustainable Investment Framework enables Amundi and its subsidiaries to assess whether investments can be considered as 'Sustainable Investments', as defined by the Article 2(17) of the Disclosure Regulation, to disclose the proportion of investment in 'Sustainable Investment' and to monitor the compliance with fund level commitments.

Criteria applied to identify if a company or specific financial instruments contribute to an environmental or social objective[16]

Amundi considers that a company contributes to an environmental or social objective ("Contribution Test") if is follows best environmental and social practices and if its products and services do not by essence harm the environment and society. Amundi follows the two criteria outlined below to identify if a company can pass the Contribution Test:

1. The company operates in an activity which is *compatible* with long-term sustainability and development goals

Amundi considers that a company is compatible with long-term sustainability and development goals if it does not have a significant exposure[17] to the activities below:

- Activities listed as unsustainable in **the Preliminary EU Social Taxonomy Report** (July 2021): tobacco, weapons, gambling.
- Activities that must be significantly reduced or discontinued to achieve **global carbon neutrality objectives**: coal, hydrocarbons (all «upstream» activities and the most polluting downstream activities), most polluting activities (meat production, aviation, etc.).
- Activities that must be reduced in line with **the EU Farm to Fork Strategy or have a significant negative impact on natural capital**: fertilizer and pesticide manufacturing, single-use plastic production.

2. The company *contributes* to long term sustainability objectives

Amundi considers that to contribute to long-term sustainability and development goals, a company must be a "best performer" within its sector of activity on at least one of its material environmental or social factors. The definition of best performing companies relies on Amundi's ESG rating methodology which aims to measure the ESG performance of an issuer on relative terms[18].

In order to be considered "best performer", Amundi considers that a **company must perform within the top third[19] of the companies within its sector on at least one material environmental or social factors[20]**. This corresponds to a minimum C score on Amundi's ESG scoring methodology which goes from G to A (A being the best score).

16. The approach outlined below applies to all companies outside Amundi Real Assets scope
17. Significant exposure is defined by Amundi as ≥10% in terms of revenue. Source: Trucost
18. Amundi relies on its ESG scoring methodology for specific criteria pertaining to 'Sustainable Investment'. It is a best-in-class approach where the ESG score of an issuer is built using a z-scoring methodology at each and every level (ESG/E/S/G/individual criteria). Those scores are in a range that roughly goes from -3 to 3 which is then transposed on a G to A scale, A being the best score. Scores are distributed within each sector following a normal distribution. The ESG rating is thus "sector neutral", that is to say that no sector is privileged (see technical appendix for more details).
19. The exact percentage can slightly differ across sectors thought the exact threshold is a score higher than half a standard deviation above the median (i.e. a z-score of 0.5)
20. The ESG rating of an issuer is a weighted average of the scoring for E, S and G dimensions, each dimension being itself the weighted average of the internal reference values. The output of each the scores for the 38 criteria are translated into an ESG rating from A to G. There is only one ESG rating for each issuer, regardless of the chosen reference universe. The ESG rating is thus "sector neutral", that is to say that no sector is privileged or, on the opposite, disadvantaged. See technical annex for more details

The table below presents the environmental and social factors considered material by Amundi across macro sectors:

Table 2: **Material environmental and social factors considered by Amundi**

	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Communication Services	Utilities	Real Estate
Environmental factors*											
Emissions & Energy	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Environmental Solutions		✔	✔	✔			✔				✔
Water Management		✔		✔	✔			✔		✔	
Biodiversity & Pollution	✔	✔	✔	✔	✔	✔				✔	
Supply chain - Environment			✔	✔	✔			✔			
Social factors*											
Working Conditions (including H&S and Labour Relations)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Supply chain - Social			✔	✔	✔			✔			
Product & Customer Responsibility		✔	✔	✔	✔	✔	✔	✔	✔		✔
Community Involvement & Human Rights	✔	✔				✔	✔		✔	✔	✔

*The factors are detailed below:

Emissions & Energy: Assessment of the climate change strategy, energy consumption, sourcing and production, and the related greenhouse gas emissions.

Environmental Solutions: Assessment of the products and solutions with environmental benefits the company offers. It includes green businesses such as green cars, green chemistry, sustainable construction or green investing.

Water Management: Assessment of water resources management and risks, based notably on water withdrawals, consumption efficiency and water stress.

Biodiversity & Pollution: Assessment of biodiversity strategy, land use, waste management, pollution prevention and environmental impact in general. It includes the management of operations as well as products design, sourcing and disposal.

Supply chain - Environment: Assessment of environmental risks and opportunities management in the supply chain. It notably includes supply chain incidents, procurement policy and products certifications.

Working Conditions: Assessment of human capital management. It considers the management of occupational health and safety and working conditions as well as freedom of association and union representation. It includes fair remuneration, employee turnover, upskilling, and career development as well as equal opportunities through related programs, certifications and incidents.

Supply chain - Social: Assessment of social risks and opportunities management in the supply chain as well as the relationship with suppliers. It notably includes supply chain incidents, procurement policy and product certifications.

Product & Customer Responsibility: Assessment of the management of product safety and customer responsibility. It notably includes data privacy and security; chemical, passenger and food safety; responsible marketing and media.

Community Involvement & Human Rights: Assessment of incidents, programs and policies related to community involvement and the respect of human rights. It notably includes access to social benefits such as access to medicine, and digital or financial inclusion.

Debt-based and equity-based financial instruments issued by companies that pass the Contribution Test are deemed to pass the Contribution Test.

Green, social, and sustainable debt instruments

Green, social and sustainable debt instruments ("GSS"), as defined by the International Capital Market Association ("ICMA"), and structured in accordance with its principles or guidelines contribute by design to an environmental or social objective and are deemed to pass the Contribution Test, provided that:
- Where applicable, the issuers operate in an activity which is compatible with long-term sustainability and development goals; or
- The GSS instruments have been analysed by Amundi's ESG analysts and comply with Amundi's GSS requirements (including funding rationale, issuer ESG performance, project analysis and transparency).

Criteria applied to identify if an investment does not significantly harm any environmental or social objective

Amundi considers that an investment should pass the two Do Not Significantly Harm tests ("DNSH Test") below:

1. First DNSH Test: the company does not harm specific sustainability factors

The first DNSH Test relies on the monitoring of specific Principal Adverse Impacts ("Principal Adverse Impacts" or "PAIs"). In order to pass the test, a company should:
- Have a **CO_2 intensity** which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors[21]) (unit: tCO_2e/M€[22] revenues, source: Trucost).
- Have a **Board of Directors' diversity** which does not belong to the last decile compared to other companies within its sector (unit: %, source: Refinitiv).
- Be cleared of any severe controversy in relation to **work conditions and human rights** (unit: yes or no, source: MSCI and Sustainalytics).
- Be cleared of any severe controversy in relation to **biodiversity and pollution** (unit: yes or no, source: MSCI and Sustainalytics).

Amundi already considers specific principal adverse impacts within its Exclusion Policy as part of its Global Responsible Investment Policy. These exclusions, which apply on top of the tests detailed above, cover the following topics: exposure to **controversial weapons (PAI 14), violations of UN Global Compact Principles (PAI 10), and coal & unconventional fossil fuel (PAI 4)**[23].

21. Economic sectors that highly contribute to climate change or that can significantly contribute to mitigation objectives. The current definition is based on the NACE sector classification by the EU (in EU Commision delegated regulation 2020/1818) is quite broad as it classifies as economic sectors that represent around 2/3 of the global economy.
22. Tons of carbon dioxide equivalent per million euros
23. The remaining Principle Adverse Impact are not included yet in the DNSH test because of a lack of good quality data or because of a limited coverage

2. Second DNSH Test: the company is not an overall bad environmental or social performer

Beyond the specific sustainability factors covered in the first test, Amundi implements a second DNSH Test in order to verify that the company does not belong to the worst performers on environmental or social matters compared to the other companies within its sector. The approach relies on Amundi's ESG scoring methodology. Amundi has set a threshold for this test that corresponds approximately to excluding the worst ~7% on environmental pillar and worst ~7% on social performance pillar across each sector. Using Amundi's ESG scoring methodology, this means that a company should have an environmental and a social score better or equal to E[24].

Criteria applied to assess investee companies' governance practices

Amundi relies on its ESG scoring methodology in order to ensure that a company follows good governance practices. Amundi has defined the three criteria below:

- A company should have an overall governance score better or equal to E. This governance score is the combination of multiple governance criteria.
- On some specific governance criteria (namely deontology, board of directors' structure, audit & control) a company should have at least two (out of the three) with a score better or equal to E.
- The company should not have any of the three previous governance criteria with a score of G (the worst score in Amundi's ESG scoring methodology).

Amundi applies its DNSH tests and good governance criteria to green, social, and sustainable financial instruments issued by corporates. The good governance test does not apply to green, social and sustainable financial instruments issued by sovereign issuers.

24. See technical appendix for more information

Sustainable Investments in Environmentally Sustainable Economic Activities under the Taxonomy Regulation

Fund manufacturers managing Article 8 and Article 9 products are also expected to specify in the precontractual disclosure if they have set a minimum proportion of ‘Sustainable Investments’ in

> ***“Sustainable Investments with an environmental objective, in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation”.***

The Taxonomy Regulation aims to establish “green” European criteria for classifying economic activities and thus promote responsible investment and achieve carbon neutrality by 2050.

What is the Taxonomy Regulation?

The Taxonomy Regulation identifies six environmental and climate-oriented objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

In order to be taxonomy aligned, economic activities need to be in line with the following three elements:

- Substantially contribute to at least one of the six environmental objectives as defined in the Regulation through the Technical Screening Criteria (“**TSC**”).
- Not significantly harm any of the other five environmental objectives as defined in the Regulation through the TSC.
- Comply with minimum social safeguards.
- Comply with technical screening criteria.

While it is expected that large companies will report on certain climate-related key performance indicators (KPIs) that are based on the framework established by the Taxonomy Regulation, smaller companies will only report on such KPIs on a voluntary basis. Moreover, the additional reporting obligations that apply to large companies that fall within the scope of the Taxonomy Regulation reporting obligations[25] have been phased from 1 January 2022 (lighter reporting for both non-financial and financial undertakings) to 1 January 2024 (full reporting including for financial undertakings). Consequently, financial market participants, and notably investors, will only have access to Taxonomy Regulation KPIs reported by mostly EU-incorporated companies over time.

25. Companies subject to the obligation to publish non-financial statements in accordance with Article 19a or Article 29a of the Accounting Directive 2013/34/EU

As fully fledged non-financial reporting obligations based on the Taxonomy Regulation have yet to come into force, third party data providers can only provide estimates of alignment with the Taxonomy Regulation and the European Commission has taken a position recommending fund manufacturers to avoid to commit and to disclose percentages of investment in environmentally sustainable economic activities when reliable data is not available. For this reason, Amundi has generally not taken a commitment at fund level to invest a minimum proportion in environmentally sustainable economic activities under the Taxonomy Regulation.

Amundi's approach to estimating Taxonomy Regulation alignment

At a company level

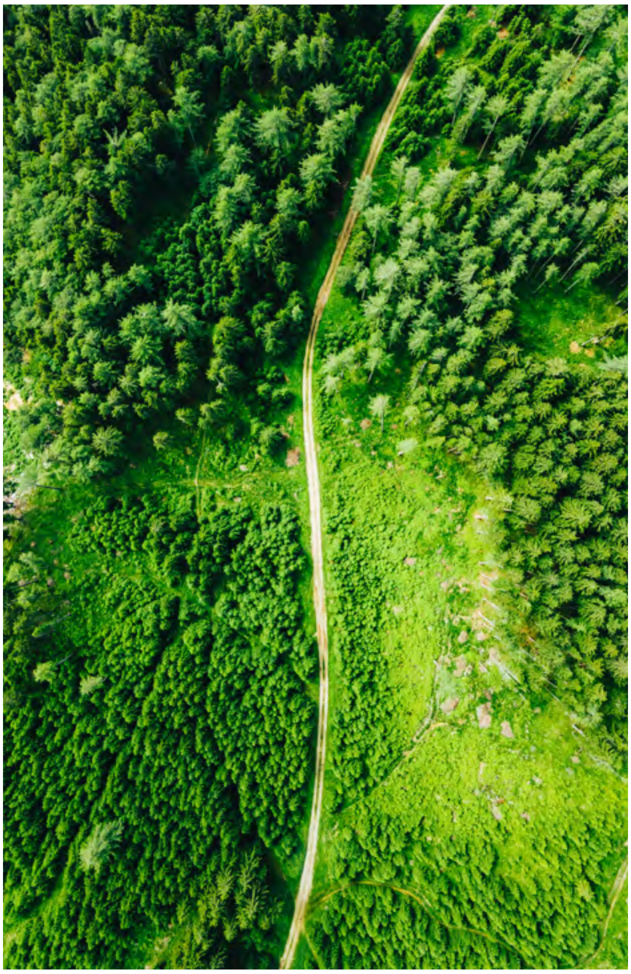
Amundi relies on third party data, provided by MSCI, with indicators at company level covering the percentage of revenue from eligible and aligned business activities. MSCI's approach is described below to ensure companies

- **Substantially contribute to at least one of the six environmental objectives as defined in the Taxonomy Regulation through the Technical Screening Criteria.** Such assessment relies on MSCI's Sustainable Impact Metrics that are designed to identify companies that derive revenue from products or services with a positive impact on the environment
- **Do no significant harm any of the other five environmental objectives.** This is done by evaluating involvement in any significant controversy relating to environmental issues based on MSCI ESG Controversies. **Comply with minimum social safeguards.** This is done by evaluating involvement in any significant controversy relating to social or governance issues based on MSCI ESG Controversies. An additional check based on MSCI Global Norms evaluates involvement into activities that pose risks to society and the environment.

The output from this methodology is a percentage of revenue eligible and a percentage of revenue aligned with the Taxonomy Regulation. It is possible to distinguish which data points are estimated by MSCI or directly reported by companies.

At green bond level

Amundi relies on its Green Bonds analysts to collect or estimate the alignment of the use of proceeds with the six environmental objectives set out above. When issuers report on taxonomy alignment, the reported data is directly collected. For issuers that do not report, an estimation is based on the project allocation of the green bond.



Principal Adverse Impact

Principal adverse impacts (PAIs) are impacts of investment decisions that result in negative effects on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

As a responsible asset manager, Amundi understands its fiduciary duty as encompassing the need to contribute positively to addressing major socio-economic and environmental challenges in the interests of our clients, our stakeholders and of society. For this reason, Amundi has embraced the concept of "double materiality" around which we build our ESG analysis and rating methodology. This means that not only do we assess the way ESG factors can materially impact the value of companies, but we also assess how the companies impact the environment, and social matters or human rights.

Under the Disclosure Regulation, financial market participants, which consider the principal adverse impacts of investment decisions on sustainability factors at a product level, should disclose in the pre-contractual information for each financial product, concisely in qualitative or quantitative terms, how such impacts are considered as well as a statement that information on the principal adverse impacts on sustainability factors is available in the ongoing reporting. Please refer to products' precontractual documentation and periodic reports for product-level information.

At entity level, Amundi considers PAIs via a combination of approaches that can vary depending on the asset class, investment process or type of strategy and fund range.

a. Engagement[26]

Engagement is a continuous and purpose driven process aimed at influencing the activities or behavior of investee or potential investee companies to improve ESG practices or their impact on key sustainability linked topics. Therefore, it must be result driven, proactive, considering double materiality, and integrated in our global ESG process. This approach applies to all of Amundi's products.

b. Vote

Amundi's voting policy responds to a holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information please refer to Amundi's Voting Policy[27] and Amundi's Voting Report[28]. This approach applies by default to all of Amundi products.

c. Exclusion

Amundi has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the Sustainable Finance Disclosure Regulation (SFDR). This approach applies to all Amundi funds in scope of Amundi Minimum Standards and Exclusion Policy[29].

26. Additional information regarding engagement at Amundi can be found in our 2022 engagement report
27. https://about.amundi.com/files/nuxeo/dl/0522366c-29d3-471d-85fd-7ec363c20646
28. https://www.amundi.com/institutional/Responsible-investment-documentation
29. Refer to Amundi Global Responsible Investment Policy for additional information on the scope of application and always review Funds' offering documents for complete information on ESG integration

d. ESG factors integration

Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G rated issuers and better weighted average ESG score than the applicable ESG benchmark)[30]. The 38 criteria used in Amundi ESG rating approach were also designed to consider key impacts on sustainability factors, as well as quality of the mitigation undertaken are also considered in that respect. All criteria are available in fund managers' portfolio management system.

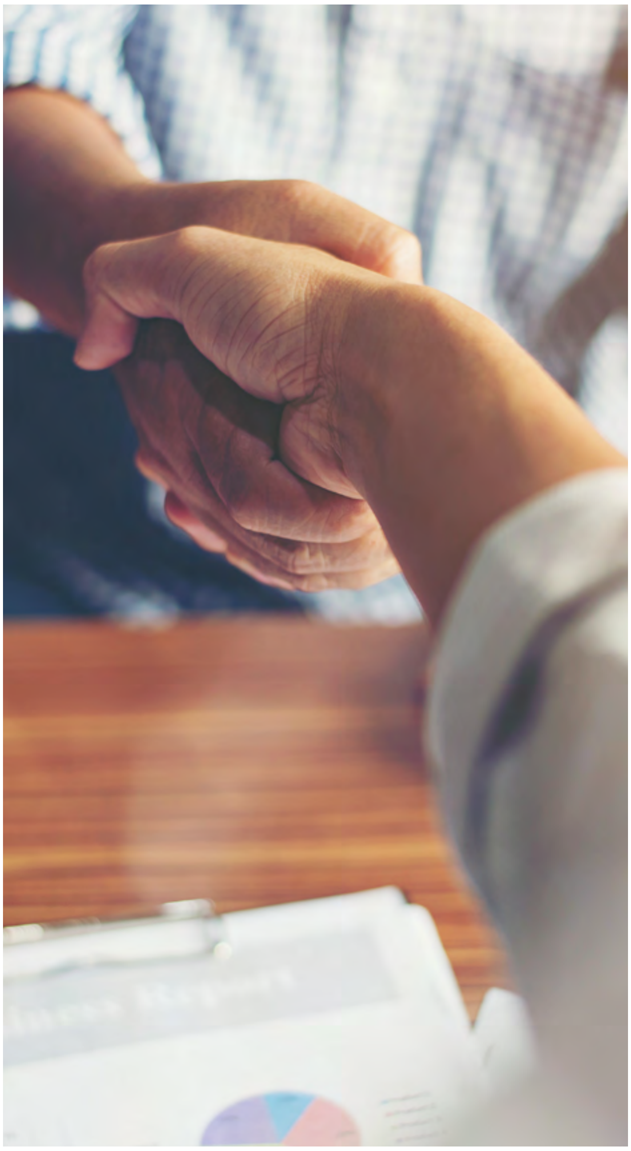
e. Controversy monitoring

Amundi has developed a controversy tracking system that uses third-party data from three providers to systematically identify controversies and establish their level of severity on a proprietary scale from 1 to 5 (5 being the highest). This quantitative approach is then supplemented by an in-depth analysis of the scope of controversies deemed to be severe (score of 3 or more), carried out by ESG analysts, and a periodic review of developments. In the most severe and repeated cases, when no credible corrective action is taken, the analyst may propose a downgrade of the company's ESG rating. This may ultimately lead to exclusion from the active investment universe (G rating), which is validated by the ESG Rating Committee.

For Article 8 and 9 actively managed products, Amundi considers all the mandatory PAIs applicable to the products' strategy and relies on a combination of some, or all, of the approaches mentioned above.

For Article 6, Amundi considers PAI 14 in its normative Exclusion Policy on exclusion weapons.

The same approach for PAI consideration applies by default to mandates delegated to Amundi.



30. Wherever technically feasible: some exceptions are defined to the implementation of the ESG Mainstream objective (Funds for which the active management feature is limited such as Buy and Watch funds or Securitization Undertakings, Real Estate and Alternative funds; Funds not managed on Amundi Investment Platform, and delegated Funds; Funds with high concentration in Index or limited ratable issuers coverage; Fund Hosting products). Refer to Amundi Global Responsible Investment Policy for additional investment information on the scope of application and always review Funds' offering documents for complete information on ESG integration.

The table below details the approach for each PAI that Amundi generally implements at Group level. Specific PAI approaches can also be followed at product level; in such case, the specific approach is also described in the precontractual documentation. Where applicable, PAIs are prioritized given the sustainable objectives or characteristics of the fund, provided that all minimum standards are met.

Table 3: **Amundi's approach for Principal Adverse Impacts**

#	Metric	Action taken	General considerations on the scope of application[31]
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS - CORPORATES			
1	**GHG emissions (Scope 1, 2, 3 and total)**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **Voting:** Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Voting:** active and passive funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
2	**Carbon footprint**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **Voting:** Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts, use of voting rights as escalation in the event of significant negative impacts **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Voting:** active and passive funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
3	**GHG intensity of investee companies**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **Voting:** Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts, use of voting rights as escalation in the event of significant negative impacts **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Voting:** active and passive funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)

31. Refer to Amundi Global Responsible Investment Policy for additional investment on the scope of application and always review Funds' offering documents for complete information on PAI consideration.

4	**Exposure to companies active in the fossil fuel sector**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **Voting:** Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts **Exclusion:** part of Amundi's Exclusion Policy dedicated to coal and to unconventional hydrocarbons	**Engagement:** active and passive funds **Voting:** active and passive funds **Exclusion (coal and unconventional hydrocarbons):** active funds and ESG passive funds (that apply Amundi's Sector Policy)
5	**Share of non-renewable energy consumption and production**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model).
6	**Energy consumption intensity per high impact climate sector**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches.
7	**Activities negatively affecting biodiversity sensitive areas**	**Engagement:** part of Amundi's engagement focusing on natural capital preservation **Voting:** Use of voting rights as escalation in the event of significant negative impacts **Controversy's monitoring:** screening among a large universe of issuers taking into account flags on biodiversity and land use **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Voting:** active and passive funds **Controversy's monitoring:** active funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
8	**Emissions to water**	**Engagement:** part of Amundi's engagement focusing on natural capital preservation **Controversy's monitoring:** screening among a large universe of issuers taking into account flags on biodiversity and waste **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Controversy's monitoring:** active funds **ESG score integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
9	**Hazardous waste ratio**	**Engagement:** part of Amundi's engagement focusing on natural capital preservation **Controversy's monitoring:** screening among a large universe of issuers taking into account flags on toxic emission, effluents and waste **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Controversy's monitoring:** active funds **ESG score integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)

#	Metric	Action taken	Consideration on the scope of application
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS - CORPORATES			
10	**Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines**	**Exclusion:** issuers that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact, without credible corrective action are excluded **Engagement:** part of Amundi's engagement focusing on social cohesion **Vote:** Use of voting rights as escalation for companies with controversial social practices **Controversy's monitoring:** screening among a large universe of issuers taking into account flags on UN Global Compact breaches	**Exclusion (UN Global Compact principles):** active funds and ESG passive funds (that apply Amundi Exclusion Policy) **Engagement:** active and passive funds **Vote:** active and passive funds **Controversy's monitoring:** active funds
11	**Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines**	**Engagement:** part of Amundi's engagement focusing on strong governance for sustainable development **Vote:** Use of voting rights as escalation for companies with controversial social practices **Controversy's monitoring:** screening among a large universe of issuers taking into account flags on public policies and governance incidents	**Engagement:** active and passive funds **Vote:** active and passive funds **Controversy's monitoring:** active funds
12	**Unadjusted gender pay gap**	**Engagement:** part of Amundi's engagement focusing on a social cohesion. **Voting:** part of Amundi's voting priority theme on social cohesion. **Controversy's monitoring:** screening among a large universe of issuers taking into account flags on labor relations employee management	**Engagement:** active and passive funds **Vote:** active and passive funds **Controversy's monitoring:** active funds
13	**Board gender diversity**	**Engagement:** making gender diversity mainstream is part of Amundi's engagement policy via the launch in 2020 of the 30% Club France Investor Group which Amundi became co-chair. **Vote:** part of Amundi's voting policy on companies with controversial social practices	**Engagement:** active and passive funds **Voting:** active and passive funds
14	**Exposure to controversial weapons**	**Exclusion:** controversial weapons are excluded as per Amundi's Minimum Standards and Exclusion Policy. As part of this policy, Amundi can engage with specific issuers to confirm their exposure to controversial weapons **Vote:** Use of voting rights as escalation for companies with controversial social practices	**Exclusion:** active and passive funds **Vote:** active and passive funds

INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS			
15	**GHG intensity**	**ESG Score Integration:** part of Amundi ESG sovereign methodology under the environmental pillar	**ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
16	**Investee countries subject to social violations**	**Exclusion:** Countries on the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions) are excluded, after formal review and validation from Amundi's ESG Rating Committee	**Exclusion:** active funds and passive ESG funds
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS			
17	**Exposure to fossil fuels through real estate assets**	**ESG analysis:** ESG analysis during the acquisition and managements phases	**ESG analysis:** all assets be subject to an ESG analysis during the investment and management phases
18	**Exposure to energy-inefficient real estate assets**	**ESG scoring methodology:** ESG analysis during the acquisition and managements phases	**ESG Score Integration:** Energy performance is taken into account in our scoring methodology
ADDITIONAL INDICATORS CONSIDERED			
19 Table 2	**Energy Consumption Intensity**	**ESG scoring methodology:** ESG analysis during the acquisition and managements phases	**ESG Score Integration:** Energy performance is taken into account in our scoring methodology
4 Table 2	**Investments in companies without carbon emission reduction initiatives**	**Engagement:** part of Amundi's engagement focusing on transition towards a low carbon economy **Voting:** Criteria requirement linked to the energy transition in executive compensation for sectors with a significant impact on climate, use of voting rights as an escalation in the event of significant negative impacts, use of voting rights as escalation in the event of significant negative impacts **ESG Score Integration:** included under the environmental pillar of Amundi's proprietary ESG model	**Engagement:** active and passive funds **Voting:** active and passive funds **ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model)
9 Table 3	**Lack of a human rights policy**	**ESG score integration:** included under the social pillar of Amundi's proprietary ESG model **Controversy monitoring:** screening among a large universe of issuers taking into account flags on Human Rights UN Global Compact breaches	**ESG Score Integration:** active funds with ESG rating upgrade and/or selectivity approaches (included under the environmental pillar of Amundi's proprietary ESG model) **Controversy monitoring:** active funds

For additional information regarding PAIs, please refer to Entity-level Principal Adverse Impact Statement.

Adherence to responsible business codes

Amundi's approach to sustainability risks and PAIs is based on texts that are universal in scope, such as the United Nations Global Compact, the OECD's guiding principles on corporate governance, the International Labour Organization (ILO), etc.

Amundi is a signatory of the following codes and initiatives:
- Principles for Responsible Investment (PRI)
- EFAMA Stewardship Code
- United Nations Global Compact (UNGC), through its parent company (Crédit Agricole SA)

Amundi actively participates in working groups led by market organisations aimed at developing responsible finance, sustainable development and corporate governance. Amundi is a member of (non-exhaustive list): the French Asset Management Association (AFG); the European Fund and Asset Management Association (EFAMA); the French Observatory for Societal Responsibility (ORSE); the Sustainable Investment Forums (SIF) in France (Forum pour l'Investissement Responsible - FIR), Spain (Spainsif) and Sweden (Swesif); the Canadian, Japanese and Australian SIFs; and the French association Companies for the Environment (EPE). Amundi is also a member FAIR[32].

In July 2021, Amundi joined the Net Zero Asset Managers initiative, committing to support the goal of net emissions by 2050 or sooner.

Finally, Amundi also supports initiatives that enrich our engagement policy, integration and management of sustainability risks and PAI. The table below lists the principles Amundi adheres to, the statements we have signed and the memberships we participate in.

32. Financer Accompagner Impacter Rassembler (ex FINANSOL) FAIR is a French association that unifies different stakeholders of social impact finance in France

Responsible Investment	- PRI - Principles For Responsible Investment - UN Global Compact - IFD – Institut de la Finance Durable - GIIN Operating Principles for Impact Management - GISD – Global Investors for Sustainable Development Alliance - High-Level Expert Group on Scaling up Sustainable Finance in Low and Middle-income countries - WBA - World Benchmarking Alliance - EUROSIF – European Sustainable Investment Forum - GIIN – Global Impact Investing Network - CASI – Capacity-building Alliance of Sustainable Investment
Environmental	- NZAM - Net Zero Asset Managers - IIGCC - Institutional Investors Group on Climate Change - AIGCC - Asia Investor Group on Climate Change - CDP - Disclosure Insight Action - ICMA - Green Bonds Principles - CBI - Climate Bonds Initiative - Climate Action 100+ - TCFD - Task Force on Climate-related Financial Disclosures - The Japan TCFD Consortium - OPSWF - One Planet Sovereign Wealth Fund - FAIRR - Farm Animal Investment Risk and Return - Finance for Biodiversity Pledge - PPCA - Powering Past Coal Alliance - Nature Action 100
Social	- Access to Medicine Index - Access to Nutrition Index - ICMA - Social Bonds Principles - WDI - Workforce Disclosure Initiative - FAIR - *Financer Accompagner Impacter Rassembler* (ex Finansol) - PLWF - The Platform Living Wage Financials - Investors for a Just Transition - Investor Action on Antimicrobial Resistance - The 30% Club France Investor Group - The 30% Club Japan Investor Group - The 30% Club Germany Investor Group - Tobacco-Free Finance Pledge
Governance	- ICGN - International Corporate Governance network - CII - Council of Institutional Investors

Further details on the responsible business codes and internationally recognised standards followed by Amundi, and the initiatives we are part of, are available in our annual Stewardship Report and our Global Responsible Investment Policy.

Technical annex: Amundi's ESG scoring methodology for corporate and sovereign issuers

For corporate issuers

Amundi has developed its own ESG analysis framework and scoring methodology. This methodology is both proprietary and centralised, enabling a self-defined, independent and consistent approach to responsible investing throughout the organisation, in line with the values and views of Amundi.

Our approach is based on texts that are universal in scope, like the United Nations Global Compact, the Organisation for Economic Co-operation and Development's (OECD) guiding principles on corporate governance, the International Labour Organization (ILO), etc.

The ESG score aims to measure the ESG performance of an issuer, e.g. its ability to anticipate and manage the sustainability risks and opportunities inherent to its industry and to its individual circumstances. The ESG score also assesses the ability of the management team to handle potential negative impact of their activities on the sustainability factors.

The ESG dimensions

Amundi's analysis framework has been designed to assess corporate behaviour in three fields: Environment, Social, and Governance (ESG). Amundi assesses companies' exposure to ESG risks and opportunities, including sustainability factors and sustainability risks, and how corporates manage these challenges in each of their sectors. Amundi scores issuers regardless of the instrument type, equity or debt.

Environmental dimension

There are risks and opportunities linked to environmental issues. Our analysis on this dimension examines how issuers address this topic, and assesses companies' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity.

Social dimension

In this dimension, we measure how a company manages its human capital and its stakeholders[33], drawing on fundamental principles with a universal reach. The "S" in ESG has multiple meanings. It covers the social aspect linked to an issuer's human capital, those linked to human rights in general and the responsibilities towards the stakeholders.

Governance dimension

In this dimension, we assess the company's ability to establish an effective corporate governance framework that ultimately supports the issuer's value over the long term.

33. Stakeholders other than shareholders.

The ESG specific criteria

Our ESG analysis framework is comprised of 38 criteria, of which 17 criteria independent of the business sector, and 21 sector-specific criteria. These criteria are designed to assess both how sustainability issues might affect the issuer as well as the quality of the management of these issues. Impact on sustainability factors as well as quality of the mitigation undertaken are also considered.

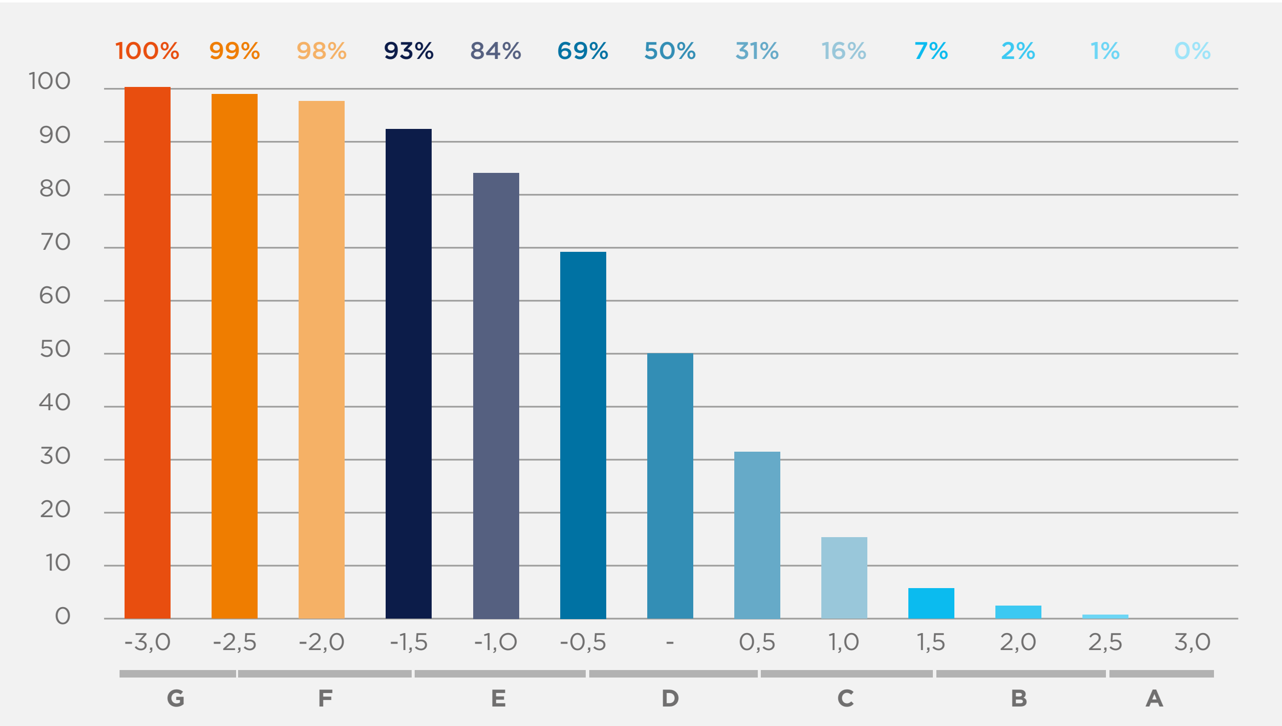
The ESG scoring and rating methodology and process

ESG ratings are calculated by using the ESG criteria and weights assigned by the analysts and combining the ESG scores obtained from our external data providers. At each stage of the calculation process calculation, the scores are normalized into Z-scores. Z-scores are a way to compare results to a "normal" population (deviation in the issuer's score compared with the average score of the sector, by number of standard deviations). Each issuer is assessed with a score scaled around the average of their sector, enabling to distinguish best-practices from worst practices at sector level. At the end of the process, each company is assigned an ESG score (approximately between -3 and +3) and the equivalent on a scale from A to G, where A is the best, and G the worst. Rating D represents the average scores (from -0,5 to +0,5); each letter matches a standard deviation.

There is only one ESG rating assigned for each issuer, regardless of the chosen reference universe. The ESG rating is thus "sector neutral", that is to say that no sector is privileged or, on the opposite, disadvantaged.

The graph below presents the distribution of Amundi's ESG scoring on average across sectors. Each bar corresponds to the probability for a random issuer to be above the corresponding numerical ESG score. The graphs below shows the correspondence between the numerical and the alphabetical scales of the ESG rating.

Graph 1: **Probability for a random issuer to be above a specific ESG score**



ESG ratings are updated on a monthly basis, based on the data provided by our external data providers. Developments on issuers' ESG practices are followed continuously.

Our ESG analysts review ESG analysis & rating methodology as required by changes in the business and policy environment, emerging material ESG risks, or the occurrence of significant events.

For sovereign issuers

Amundi ESG sovereign scoring methodology aims at assessing the ESG performance of sovereign issuers. E, S and G factors can have an impact on the issuer's ability to repay its debt in the medium and long-term. They can also reflect on how countries are faring in dealing with major sustainability issues that affect global stability.

Amundi's methodology relies on a set of about 50 ESG indicators deemed relevant by Amundi ESG research to address sustainability risks and sustainability factors. Each indicator can weigh in several data points, coming from different sources, including open source international databases (such as from the World Bank Group, the United Nations, etc.) and proprietary databases. Amundi has defined the weights of each ESG indicator contributing to the final Amundi sovereign ESG scores, and its various sub-components (E, S and G).

The indicators are sourced from an independent data provider.

All indicators have been grouped into 8 categories in order to provide greater clarity, each category falling into one of the pillars E, S or G. Similar to our corporate ESG rating scale, issuers' ESG score is translated in an ESG rating ranging from A to G.

Environment	Climate Change - Natural Capital
Social	Human Rights - Social Cohesion - Human Capital - Civil Rights
Governance	Government Effectiveness - Economic Environment

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The information contained in this document is deemed accurate as at December 2023.

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Amundi
ASSET MANAGEMENT