Operating Principles for Impact Management

Amundi Disclosure Statement

August 2023

Trust
must be earned

Amundi
ASSET MANAGEMENT

Contents

03 Introductory Statement
04 Editorial
05 Principle 1
10 Principle 2
17 Principle 3
22 Principle 4
31 Principle 5
36 Principle 6
41 Principle 7
45 Principle 8
49 Principle 9
50 Appendix

Introductory Statement

Amundi (the "Signatory") hereby affirms its status as a Signatory to the Operating Principles for Impact Management.

As of December 31, 2022, this Disclosure Statement applies to the following strategies that align with the Operating Principles for Impact Management:

- Amundi Planet Emerging Green One strategy
- Amundi Emerging Markets Green Bond strategy
- Amundi Green Credit Continuum strategy
- Amundi Impact Green Bond strategy
- Amundi Social Bonds strategy
- Amundi Finance & Solidarité strategy
- Amundi Senior Impact Debt strategy
- BFT France Emploi ISR strategy
- ENZA RE (European Net Zero Ambition Real Estate) strategy

The total value of the strategies in alignment with the Operating Principles for Impact Management is USD 4.3 billion as of December 31, 2022[1].

Jean-Jacques Barbéris
Member of the Executive Committee
Head of Institutional Clients
Coverage & ESG
Amundi

August 2023

1. The assets under management have been converted from its Euro denomination to a United States Dollar denomination. The Euro/USD currency exchange rate was 1.0671 as of 30/12/2022.

Editorial

With 829 billion euros in responsible investment assets[2], Amundi has made responsible investment a cornerstone of its growth story since its creation. Our teams have worked over the years with our clients and stakeholders to expand the reach of assets for which Environmental, Social and Governance criteria can be integrated in our investment processes with an explicit stance on double materiality, and build robust and clear rules around which designing responsible investment processes and solutions.

Building trust requires consistency in action and clarity in the value proposition of our responsible investment offering. As more investors around the globe are asked to specify their sustainability preferences alongside other suitability requirements, one needs to be clear, not all sustainable investment solutions are equal and only the most ambitious sustainable investment processes can claim to seek an explicit sustainable outcome.

For these reasons, Amundi is proud to continue being a signatory in the Impact Principles, supporting the emergence of global standards for managing impact investments. In light of the events of COP27 and the Summit for a New Global Financing Pact, mobilizing private investment toward impact-driven solutions and actors has never been so dramatically needed. Impact-driven investments will be critical in financing the means and ways to accelerate sustainable development in Emerging Markets and Developing economies and foster social and environmental solidarity globally.

In 2022, Amundi continued to work on delivering our "2025 Ambition" plan, comprised of ten objectives to strengthen our commitment to be a responsible investment leader. The third objective of this plan is centralized on expanding our impact investment offering, with an ambitious goal to reach 20 billion euros in assets under management across asset classes that seek positive environmental and social outcomes. To ensure Amundi lives up to the standards we have set over the years as a responsible investment leader, we have established a clear set of criteria to qualify impact products centered on the core and fundamental concepts of intentionality, measurability and additionality.

Building on healthy foundations, I am glad to report on the alignment of our impact management process with the Impact Principles for nine of our strategies. Our ambition for the next years is clear: continue expanding our impact-driven range to support the net zero transition and climate adaptation, social cohesion, natural capital preservation and restoration, as well as the SDGs, for which the private sector can make a difference. Doing so, we shall strive to maintain the highest standards while working on democratizing and expanding impact investing.

Timothee Jaulin
Head of ESG Business Development and Advocacy
Amundi

2. As of end June 2023.

Principle 1

Define strategic impact objective(s) consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or strategy to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

All strategies presented in this Disclosure Statement are qualified as impact strategies according to Amundi's approach to impact. To ensure a minimum level of integrity and intensity for any strategy labelled as impact driven, a strategy must demonstrate that it is able to meet three key defining characteristics: intentionality, additionality, and measurability. With a pragmatic approach, Amundi has identified different intensity levels of impact investing and the minimum requirements for an authentic and robust impact investment strategy that can be labelled as such. The categorization distinguishes three types of impact-related products: investing for impact, investing with impact, investing related to impact. Out of these three categories, strategies classified within the first two categories are qualified as impact. The remaining classification is attributed to strategies for which some features could be related to impact but that do not meet minimum standards to be qualified as impact. To assess whether a strategy can be classified in one of the three categories, a strategy undergoes a proprietary Impact Fund Score process. The outcome of this process is to ensure a strategy can be labelled as impact in our investment product range.

Amundi Planet Emerging Green One strategy

This is a layered strategy which invests in emerging markets hard currency green bonds through a credit enhancement mechanism. This strategy aims to deepen local capital markets and expand financing in emerging markets for climate investments. Several key features demonstrate that this strategy a breakthrough for green finance innovation:

- Unique project by size: One of the largest green bond strategies to date[3], seeking to deploy over time USD 1.4 billion into emerging market green bonds over the course of its lifetime;
- By focus: the first green bond strategy solely focused on emerging markets financial institutions green bonds; and
- By mechanism: the first comprehensive program combining a demand and a supply mechanism.

3. https://www.environmental-finance.com/content/focus/creating-green-bond-markets/publications/green-bond-funds-impact-reporting-practices-2021.html

The Strategy initially invested in sovereign, quasi-sovereign and other bonds issued by financial institutions (as per the Issue Document), as emerging market green bond issuances from financial institutions were limited at the strategy's launch, as well as for liquidity and yield management purposes. The Strategy targets to invest in green bonds issued by financial institutions because we believe that financial institutions are best placed to select green projects within the markets they cover. The rationale is that by sending financial institutions the signal that the strategy is willing to buy their green bonds, they will be in favour of financing more green projects. As time goes by, the strategy seeks to be invested in a portfolio comprising 100% of Green Bonds by the end of the Investment Period, following investment ratios into Green Bonds by the time frame indicated below, starting on the Initial Closing Date[4]:

- End Year 2: 15%
- End Year 3: 25%
- End Year 4: 40%
- End Year 5: 50%
- End Year 6: 70%
- End Year 7: 100%

The issuers of all bonds are screened against robust ESG criteria. In particular, the Strategy has an ESG Charter developed by Amundi and IFC in collaboration with EBRD and EIB. The ESG Charter is based on three key pillars which represent best practices:

- Exclusion policy at the issuer level, based on Issuers' ESG score,
- Assessment of the green bonds framework (focusing on transparency and disclosure level); and
- Seeking to ensuring high performance standards of the green bonds

The ESG Charter is an integral element of the investment decision-making process for the strategy.

The strategy stands as a sign of confidence in the green bond market, especially within the emerging markets space, pushing more investors to follow suit. Moreover, the Strategy's criteria for green bond selection encourages issuers to uphold best practices to access a new source of financing.

Amundi Emerging Markets Green Bonds strategy

Following the launch of the Amundi Planet Emerging Green One strategy, the intention was to enhance the offering through an open-ended version of the strategy offering daily liquidity and lower subscriptions, thus facilitating participation from a broad range of investors.

The Amundi Emerging Markets Green Bonds strategy aims to finance the energy transition by:

- Investing primarily in emerging market green bonds, however, the strategy can also invest up to 15% in sustainability bonds, and
- Seeking a positive impact on the environment, via the proceeds of the projects financed by the investments made.

The investment team assesses the environmental aspect of the projects financed by the green bonds invested in, taking into account the impact estimates produced by the projects, for example, the tons of CO_2 (tCO_2) emissions avoided through self-sufficient energy production.

While the ESG integration process does not consider the Sustainable Development Goals explicitly, as we invest mainly on Green Bonds (also in Sustainability Bonds which combine Green and Social projects), the projects funded by the issuances take the SDGs into account. More specifically, SDGs 7, 9 and 13 are taken into account. In particular, to ensure the eligibility of Green Bond issuers, our Green Bond analysts check whether the projects are aligned with the ICMA's Green Bond Principles (GBPs) and specifically whether the Green bond proceeds are expected to finance the following projects:

4. There is no guarantee that the strategy will reach the minimum interim targets set out above, or that it will be invested in a portfolio comprising only Green Bonds by the end of the Investment Period.

- Energy efficiency,
- Sustainable management of living natural resources,
- Pollution prevention,
- Climate change adaptation,
- Sustainable water management,
- Eco-efficient products,
- Terrestrial and aquatic biodiversity conservation,
- Renewable energy,
- Clean transportation, and/or green buildings.

Amundi Green Credit Continuum strategy

Launched in 2019 in partnership with the European Investment Bank (EIB), the Green Credit Continuum (GRECO) strategy offers a unique opportunity to take part in the creation of green debt markets, defining new green standards and lending an active support to green debt issuances in Europe, all the while developing a sustainable and green economy across the European Union.

Tailored to European markets, the objectives of the GRECO strategy is to develop important segments of the European green fixed income markets still lagging behind potential (green high yield corporate bonds, green private debt and green securitized credit), but displaying bright prospects in terms of financing the energy transition and sustainable growth at the European, national and local level. In terms of sector coverage, the use of proceeds of the targeted segments of the portfolio (i.e. not including traditional green bonds with low additionally) is concentrated in six sectors: green building, energy efficiency, renewable energies, clean transportation; and pollution prevention and control. The investment team assesses the environmental aspect of the projects financed by the green bonds invested in, thanks to a dedicated indicator: tons of CO_2 avoided. Same if it's not monitored in the portfolio management, the projects financed by the invested green bonds are mainly aligned with SDG 7, 11 and 13.

Amundi Impact Green Bond strategy

The Amundi Impact Green Bonds strategy aims to finance the energy transition by investing only in green bonds with a measurable and positive impact on climate change. The projects financed by the invested green bonds are aligned with primarily five SDGs (Goals 7, 8, 11, 12 and 13), but can also be aligned with the other twelve SDGs. With this in mind, the investment team assesses the environmental aspect of projects to be financed by green bonds, taking into account their estimated impact, expressed as greenhouse gas (GHG) emissions, which the investment team believes will be avoided in tons of CO_2 equivalent (tCO_2e)[5]. The impact objective is integrated into the strategy through the following considerations:

- Favoring bonds with high-level standards of impact via Amundi's internal GSS+ bond analysis process detailed in Appendix
- Monitoring the impact reporting of issuers and interpreting this impact at the portfolio level
- Making target commitments in terms of CO_2 emissions reduction for the portfolio

Amundi Social Bonds strategy

The Amundi Social Bonds strategy aims to reduce social inequalities by investing predominately in social bonds which finance projects with measurable and positive social outcomes[6]. Among the eligible social project categories fully in line with the Social Bond Principles (SBP) of ICMA and the UN SDGs, the investment team does not have a preferred category, but wants to address global social issues and their related social impact. The SBP provide high-level categories for eligible Social Projects in recognition of the diversity of current views and of the ongoing development in understanding of social issues and consequences. Social bonds can finance projects related to healthcare services, education or employment preservation which benefit at-risk or underserved populations, for instance, young people, unemployed individuals, or women.

5. Detailed information on the elements taken into consideration in the calculation of avoided emissions in tons of CO_2 equivalent can be found in the annual Impact Report of the strategy.
6. While the minimum allocation to social bonds is 75%, the strategy benefits from a much higher allocation to social bonds.

The impact objective is integrated into the strategy through the following considerations:

- Favoring bonds with high level standards of impact via Amundi's internal GSS+ bond analysis process detailed in Appendix.
- Having broad and inclusive vision of all societal issues when selecting projects
- Monitoring the impact reporting of issuers and interpreting this impact at the portfolio level. Given the diversity of social issues tackled at fund level, the investment team have identified different recurrent key impact indicators for each category. Among the variety of indicators, the team has defined a unique impact indicator: # of beneficiaries by M€ invested.

Amundi Finance & Solidarité strategy

The Finance & Solidarité strategy aims to invest in unlisted companies that have a social and/or environmental mission and seek to have an impact on both or either missions. Below you will find examples of the objectives, these companies' products or services can address:

- Serve at risk or underserved populations (people that are financially excluded, experiencing long term unemployment, low-skilled, with disabilities, or with poor access to housing)
- Fight against climate change (through the offering of low carbon / energy transition products and services, new models of consumption, waste disposal methods) and,
- Contribute to preserving the environment and equitable sharing of natural resources (circular economy).

Finance & Solidarité strategy has an "impact first" objective, which means that the investment team utilizes a dedicated impact analysis process for the unlisted companies it seeks to invest in. The investment team can only invest in unlisted companies which score positively in the impact analysis process.

In terms of positive and measurable effects, the aim of the strategy is to generate a positive impact for the beneficiaries benefitting from the products and services offered by the invested companies. Finance & Solidarité invests in companies that address one or more of the five major themes below. These themes are aligned with meeting basic needs of women and men, contributing to greater social cohesion, and are aligned with the United Nations' 17 Sustainable Development Goals (UN SDGs).

The five themes are aligned with one or more goals of the UN SDGs:

- Access to decent housing, one of the factors of social cohesion (SDG 9-11)
- Access to a meaningful job, a factor for social inclusion (SDG 8-10), including international solidarity such as microfinance (SDG 2-6-7)
- Access to healthcare (SDG 3)
- Access to education and training (SDG 4)
- Preservation of the environment and contribution to a more equal access to natural resources (SDG 12-13-14-15)

In order to achieve our impact objective, shareholder or loan agreements of investee companies include incentive and reporting obligations linked to annual measurement of the social / environmental impact and strategic decisions taken by the invested companies to maximize their impact. The financial and impact analysis of the companies invested in are updated on an annual basis.

Amundi Senior Impact Debt strategy

Amundi Senior Impact Debt strategy responds to two observed issues in the senior private debt investment space: **1.** a majority of mid-market issuers often face obstacles to develop an ESG strategy in particular in their transition to a low carbon business model. A lack of knowledge on the subject, constraints in human resources, data and tools are examples of how they may lag in ESG best practices in comparison to other companies; **2.** when regulatory measures in Europe come into force, mid-market issuers are not equipped with the capabilities to implement the sustainability disclosure requirements.
With a global urgency to meet carbon neutrality objectives, all stakeholders, including mid-market issuers, should aim to reach these objectives by revising their business models to take into account the transition to low carbon economy as well as the impact of such a transition.

The strategy's impact thesis for the 2022-2025 investment period is to:

- Equip issuers with insights on data providers, sustainability KPIs to implement and improve on, or aligning with global frameworks, such as the UN Sustainable Development Goals (UN SDGs),
- Engage with issuers to understand their action plan to reduce their carbon emissions in line with a 1.5°C scenario or at least well below 2°C,
- Encourage issuers to reach the social and environmental indicators or carbon emission reduction targets by subsidizing part of the costs needed to meet their targets (i.e. additional resources, new material required to transition their business model).

These objectives translate into the following eligibility criteria included in the Supplement of the strategy for mid-market issuers in the portfolio: **1.** 100% of issuers in the strategy commit to have a carbon footprint assessment and an action plan to reduce carbon emissions, and **2.** a majority of issuers in the strategy commit to define and measure sustainability indicators in accordance with the identified key ESG challenges they face.

BFT France Emploi ISR

BFT France Emploi ISR is an equity strategy that invests in French listed stocks. It is part of the BFT offer called "Investing in France for a sustainable growth".

The launch of the BFT France Emploi ISR strategy in 2021 reflects a clear objective: to contribute positively to the employment theme in France, through an indirect impact, by investing in the most virtuous companies in their employment-related policies and practices, by encouraging best practices and by conducting a dialog on possible improvements.

Through its investments, the strategy supports national enterprises that promote job creation and pay particular attention to:

- Job creation in France;
- Job creation with regards to the most vulnerable groups: young people, senior citizens, inclusion of persons with disabilities;
- Social policies of the invested companies.

The objective is to invest in a thematic that contributes to a greater social cohesion and is aligned with the United Nations' Sustainable Development Goals n°8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all".

Moreover, the strategy aims at ensuring the quality of its ESG profile and, more generally, controlling negative externalities. This ESG integration approach is based on Amundi Group's ESG policy, methodology and data: exclusions, "best in class» rating approach, engagement and voting.

Finally, the strategy implements a carbon approach: the carbon footprint of the strategy must be lower than the one of the reference universe at all times.

ENZA RE (European Net Zero Ambition Real Estate)

ENZA RE is an unlisted real estate strategy investing across Europe in commercial properties, mainly offices, retail, hotels and industrial assets. Its primary aim is to reduce the carbon intensity of its properties, progressively bringing them to net zero by 2050, and always remaining below the CRREM[7] 1.5°C trajectory. To do this, a carbon audit is realized before the acquisition of an asset and an action plan is defined in order to ensure the alignment of the investment strategy with the impact objectives of the strategy.

The strategy is aligned with:

- UN SDG 7 (affordable and clean energy) through the use of renewable energy in all assets, either purchased or produced on-site;
- UN SDG 11 (sustainable cities and communities) through the improvement of all the ESG characteristics of its buildings, with a particular focus on developing green modes of transport;
- UN SDG 13 (climate action) by taking each property to net zero carbon over time.

7. Carbon Risk Real Estate Monitor

Principle 2

Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

The Amundi Group takes into account ESG-related considerations into its compensation policies at several levels. ESG related considerations are integrated into investment management teams' annual evaluations and discretionary bonus[8]. Investment teams managing our impact strategies are also held to this standard. Within the context of Amundi's 'Ambition 2025'[9], the Group will take its ESG commitments to the next level. One of these ambitions is to ensure 20% of criteria determining long-term variable compensation of 200 senior executives are indexed to ESG and CSR objectives. Progress and achievements made on this commitment are detailed in the Amundi Universal Registration Document.

Amundi Planet Emerging Green One strategy

The strategy's objective is to stimulate the issuance of green bonds in Emerging Markets ("EM"), by deepening local capital markets and expanding financing for climate investments. It aims to educate emerging market players about green bonds and embed best practices in line with the International Capital Market Association's (ICMA) Green Bond Principles (GBP). The strategy aims to play a transitional role in transforming EM bond market practices by addressing market shortfalls and with its robust ESG investment criteria, influence market development over the 7 year investment period. During this period, the strategy aims to transition entirely to green bonds as the market for green bonds in EM deepens.

8. Please refer to the Amundi Group Remuneration Policy: https://about.amundi.com/files/nuxeo/dl/497e1ef2-f351-4362-b3b8-38172d37823a
9. Please refer to the Amundi 2025 Ambition Brochure: https://www.amundi.com/globaldistributor/Responsible-Investing/Amundi-s-ESG-Ambition-2025

In order to align with these objectives and select investable green bonds, the investment team relies on issuer (Amundi ESG rating methodology) and issuance level analysis (Amundi GSS+ bond analysis) conducted by Amundi's ESG Research team. Selection of eligible Green Bonds is based on a three-step assessment: **1.** issuer-level ESG screening, **2.** issuance-level GSS+ analysis and **3.** ongoing monitoring after investment. Details on the three steps of the process can be found in Appendix.

During the second step of the assessment, there is an emphasis on the following criteria, in addition to the Amundi issuance-level GSS+ bond analysis process:

- Select only Green Bonds in compliance with the ICMA's Green Bond Principles;
- Conduct additional environmental and social analysis to ensure that the proceeds:
  a. Do not finance projects that are deemed not investable (i.e. fossil fuel projects);
  b. Focus on projects with limited adverse environmental and social impact in line with relevant IFC performance standards.
  c. Select only green bonds for which there is a commitment to implement an impact assessment of the use of proceeds.

Additionally, the strategy's green bond holdings are subject to continuous monitoring, including good governance practices, in order to ensure compliance with all aforementioned aspects until maturity or divestment. In order to provide transparency on the alignment of these objectives, the strategy issues a monthly and annual extra-financial reporting.

Impact at portfolio level is monitored through:

- Since the strategy's objective is to stimulate the issuance of green bonds in emerging markets by deepening local capital markets and expanding financing for climate investment, impact at portfolio level is monitored through monthly reports focused on the share of green bonds in the portfolio, highlighting the breakdown of green bond issuers. ESG ratings and the following impact metrics are also presented on the strategy's monthly reporting: Tons of CO_2 equivalent (tCO_2e) avoided emissions per €1 million invested per year[10], and
- Annual comprehensive and dedicated impact report, highlighting in addition to the above, breakdown of the use of proceeds, first-time green bond issuers and issuer and engagement case studies, footprint of the Green Bond Technical Assistance Program (GB TAP), alignment with UN SDGs, among other details.

Amundi Emerging Markets Green Bonds strategy

The strategy's objective is to invest in emerging market green bonds whose projects' meet the ICMA's Green Bond Principles, thus seeking to generate a positive impact. The investment team's active management approach seeks to add value through both top-down and bottom-up analysis of the investable universe of emerging market green bonds, although bottom-up considerations particularly on ESG analysis are important to achieve the investment objectives (investment value increase within recommended holding period of 5 years and positive impact on the environment).

10. For the sake of clarity, the avoided emissions' metric, according to the Carbon Disclosure Project is: "Estimate of emissions that would have been released if a particular action or intervention had not taken place. For example, the use of insulation in premises might reduce the consumption of gas to heat the building with the consequential reduction of GHG emissions from the property. [...] In order to determine the level of emissions avoided through the use of certain goods or services, it is necessary first to establish what the level of emissions would have been had the goods or services not been used. This level is known as a baseline level. The avoided emissions are quantified by reference to the difference between the baseline level and level of GHG emissions achieved through the use of the goods or services." Please note that this data is updated based on issuers who have reported their use of proceeds at the time of production of the monthly reporting, and may vary across green bond issuers.

The expected impact of the strategy's investments is assessed through the lens of the ESG profile of the issuer and the quality of a green bond's framework. The objectives are to **1.** conduct an ESG screening at the issuer level for all bonds, **2.** conduct a green bond assessment to ensure that the best practices set out by the ICMA's Green Bond Principles are met by the bonds, and **3.** retrieve additional information on the green bonds to supplement the investment team's assessment and carry out ex-post monitoring on the use of proceeds with a focus on KPIs such as CO_2 emissions avoided per million euros invested to ensure they generate positive environmental benefits.

Amundi Green Credit Continuum strategy

The strategy's philosophy and process has remained consistent throughout the strategy's history; i.e. to stimulate segments of the European green fixed income market still lagging behind potential by investing in green high yield corporate bonds, green private debt and green securitized credit. We use an active, qualitative and fundamentally-driven investment approach based on a strong cooperation between credit, ESG analysts, Green Bond analysts and portfolio managers.

The analysis of the Green Bonds conducted by the GSS+ bond analysis team is performed on the basis of qualitative minimum requirements oriented towards the Green Bond Principles (GBP). High quality requirements are placed on transparency concerning the use of proceeds and selection process of the projects to be financed. Importance is also attached to comprehensive and regular reporting upon the financed projects. The analysis of each green bond consists in a rigorous issuance-level and issuer-level analysis described in Appendix. These analyses are available in Amundi's internal portfolio management platform, ALTO*[11]. This platform allows portfolio managers to ensure the quality and the impact of their investment.

One of the key attributes of green investments is to expose investors to a quantitative and measurable environmental impact. Since its inception, we report the tons of CO_2 avoided per million euros invested, which is calculated by our GSS+ bond analyst team. The impact of the portfolio level for 2022 was 375 tCO_2 avoided emissions per one million euros invested per year. The analysis used to set the strategy's impact target comes is retrieved from the GSS+ bond analyst team expertise, please refer to the Appendix for details on the GSS+ bond analysis process at the issuance-level, issuer-level, and ongoing monitoring.

Amundi Impact Green Bond strategy

The strategy's philosophy and process has remained consistent throughout the strategy's history; i.e. to finance the Energy transition through green bonds with positive and measurable impacts on the environment, and delivering attractive returns, throughout the different economic cycles.

One of the key attributes of green bonds is to expose investors to a quantitative and measurable environmental impact. Since its inception, the strategy has aimed to maximise the t/CO_2 avoided per million euros invested in the proceeds.

Given the urgency of reaching carbon neutrality, this metric (tCO_2) has now become a standard used by most green bond issuers, we monitor, analyze, engage and disclose the environmental impact of the green bonds held in our portfolio and thus we set an annual impact target at the fund level. In order to set a transparent, attainable yet ambitious target we use the following criteria:

- The average of impact per project category
- The need of investment per project category to reach the Paris Agreement and the current structure of the green bond market and its evolution[12]
- The portfolio investment policy

11. Amundi Leading Technology & Operations
12. In 2016, the strategy's impact target was set at 1,000 tCO_2e per million (rebased on percentage of green bonds with an impact indicator reported), then reduced to 800tCO_2e (rebased) in 2021 to take account of the evolution of the green bond market. Ultimately, the impact target set is not rebased given the greater transparency it represents. We set a new target* of 300 tons of GHG avoided emissions reported per €1 million invested per year (non – rebased).

The impact target at the portfolio level for 2022 is 300 tCO_2 avoided emissions per one million euros invested per year and 750 tCO_2 rebased on green bonds that have already reported. The strategy achieved its impact target of 300 tCO_2e per M€ and was above this target most of the time during the period June 2021 - June 2022.

Amundi Social Bonds strategy

The strategy integrates social considerations in its management to support the post-crisis social transition: offering a high allocation to social bond investments allowing investors to address the global social challenges of our time.

The investment team favors social bonds with great levels of transparency on impact measurement and seeks for the number of beneficiaries per M€ invested in impact reporting across all social project categories. All projects financed by the strategy are aligned with the UN Sustainable Development Goals (SDGs). Among the eligible social project categories – fully in line with the Social Bond Principles (SBP) and the UN SDGs – the investment team does prioritize one social project category over another, but seeks to address global social issues and their related social impact.

Amundi Finance & Solidarité strategy

Impact & ESG analysis methodology has several objectives:

- Take into account both qualitative and quantitative criteria to highlight the criteria defining an impact business: intentionality, support for beneficiaries, a sustainable economic model, the provision of innovative solutions to challenges social and environmental, the measurability of the impact, the management of the strategy with regard to financial and impact criteria;
- Analyze before investment the so-called ESG positioning of the target company on the criteria of governance, diversity, and training of its employees. These ESG criteria are therefore also measured each year
- Being able to follow the evolution over time of the impact created by the company; and, where applicable, measure the impact achieved by the invested company each year in order to compare it with the extra-financial objectives set before the investment
- Combine financial and extra-financial criteria in order to arrive at a single final score, clearly illustrating the strategy's positioning as an impact investor: sustainability and profitability of the investment, intentionality, additionality and measurability of the impact

Even more than measuring the impact generated post-investment by the companies in the portfolio, the key approach of the Management Team is to carry out an in-depth impact analysis before investment, validating the investment thesis and the ability to achieve the extra-financial objectives supported by the strategy.

This pre-investment impact analysis methodology, and its annual review during the holding period, allows strategies to follow the 3 key characteristics of an impact investing strategy:

- Intentionality: Thanks to a pre-investment impact analysis methodology developed by the Management Team, the strategy will respect the environmental and social impact objective, and will only select companies and entrepreneurs aligned with the thesis of fund investment.
- Additionality: The Team supports the companies in the portfolio in all possible ways to enable them to maximize their environmental and social impact. For consistency, the strategy will also systematically support all companies for the implementation of an action plan to improve their own practices, in particular their Carbon Footprint
- Measurability: The pre-investment analysis will make it possible to select the only companies for which we will be able to report each year the social or environmental impacts generated according to the sectors of activity: tonnes of CO_2e avoided thanks to their solution, cubic meters of water saved, tonnes of natural resources not extracted, hectares of agricultural land preserved, tonnes of waste recycled, improvement in farmers' income, number of people having access to responsible products, number of sustainable jobs created, training of all employees and beneficiaries to the challenges of environmental transition, etc.)

Analyses are made on 5 pillars:

- Social commitment: Selected projects must meet a Sustainable Development Goals theme, be Impact First and define a key indicator to measure social impact.

- Societal performance: Evidence of the quality of its model through quantitative social impact criteria
- Transparency : Ensure transparency of information for all stakeholders
- Sustainability : Ensure the durability and duplicability of the proposed solution
- Specific Criteria : Evaluation of the most important criteria for the company

During the due diligence process, the investment team identifies with the investee company the impact KPIs they seek to measure and report on. The KPIs selected should demonstrate the company's ability to generate social and/or environmental impact. For instance, a KPI that is easily implementable and that our investment team utilizes is the impact ratio, the number of beneficiaries impacted per 10,000 euro invested by the company. The impact ratio is updated on annual basis per invested company.

The impact performance of the strategy is calculated in proportion to the strategy's investment in each company and then aggregated for the whole portfolio. This annual reassessment enables the investment team to monitor and analyze the impact achieved by the portfolio.

The investment team also calculates the number of beneficiaries impacted by the portfolio's investments by theme. Twice a year, the investment team calculates the contribution of the strategy versus the estimated number of beneficiaries to attain or target number to attain at the country level to solve key issues such as: the number of people with no access to decent housing, number of low-skilled or unemployed people, number of people with limited access to basic healthcare. For each of these challenges, we identify quantified targets needed to alleviate the issue, and we compare our actual annual measurement to this overall quantified target. The strategy's investments aim to contribute to alleviating these challenges.

The analysis is the same for equity & debt investments.

Amundi Senior Impact Debt strategy

The monitoring for this strategy is carried out according to three principles: **1.** define an ESG roadmap with issuers based on ESG KPIs to follow during credit lifetime, **2.** monitor and support issuers in the achieving of their ESG KPIs, and **3.** report on issuers' ESG progress on an annual basis.

1. Defining sustainability indicators with issuers

Conducting an ESG due diligence of issuers allows us to establish a diagnosis and identify relevant KPIs that serves as a basis for areas to improve once the investment is made. The commitment to perform a carbon footprint assessment (Scope 1, 2 and 3) and an action to reduce carbon emissions which can be referred as the carbon indicator is systematically implemented on each investment.

2. Monitoring issuers during the implementation of their sustainability indicators

When indicators are included in the legal credit documentation, audited compliance certificates on sustainability indicators are received, in generally annually with the achievement on the indicators stated. In addition, a review, at least on an annual basis, is carried out with each issuer through a detailed questionnaire which allows to re-assess the ESG rating defined at investment and discuss with issuers on the ESG performance and challenges.

If the ESG profile of the issuer deteriorates, the investment team brings this to the attention of the investment committee in order to better guide the overall performance of the strategy. In the event of a material deterioration of an ESG aspect of the issuer's profile which could have an adverse impact on the credit, the investment committee may, at its discretion, approve corrective measures to protect investors' capital and their reputation.

3. Report on annual progress

An annual ESG and impact report will be produced annually starting from 2023 (on results as of end 2022)[13] the strategy in order to report on concrete progress made by each issuer in the portfolio in key ESG areas identified during the investment. Indicators such as carbon footprint, carbon emissions reduction, among other ESG indicators will be published.

13. The 1st financing done on the strategy was invested in January 2022.

BFT France Emploi ISR

The management objective is to achieve, over a 5-year investment horizon, a performance superior to the CAC All Tradable index (dividends reinvested), after taking into account running costs, with the intention of:

- Generating an indirect impact on employment by investing in companies that contribute to improving employment in France, while
- Integrating E, S and G (Environment, Social, Governance) criteria into the analysis and selection process of the strategy's securities, and
- Implementing a carbon reduction approach.

In order to align with these objectives, the portfolio management team relies on three pillars:

Intentionality

- We manage the portfolio by identifying in a proactive way the most virtuous companies in terms of employment, and by optimizing the ESG profile and the carbon footprint of the portfolio thus obtained. The analysis of the impact is achieved at the level of each issuer.
  - Contribute to the SDG 8: Decent work and economic growth
- Value sharing: 5% of fixed management costs collected at one or more associations related to the implementation of the employment theme

Additionality

- On top of voting to the General Assemblies of issuers, we set up specific engagement campaigns with two objectives:
  - Enrich the analysis of the Employment score by obtaining greater transparency of information from the companies and
  - Encourage them to establish more ambitious employment strategies.
- The first engagement campaign, which started in 2021, is dedicated to the employment of young people.

Measurability

- We have defined a set of indicators that are used as an information and decision - making tool in portfolio management, as well as our yearly reporting.
- It includes complementary quantitative and qualitative employment criteria that are translated into score to allow comparability between issuers:
  - Youth employment policy
  - Senior employment policy
  - Employment policy for persons with disabilities
  - Quality of HR policies

The management team combines the following approaches:

1. Employment:
- Exclusion of the 20% worst-rated issuers regarding to the Employment score
- The Employment score of the strategy must be higher than the one of the investment universe

2. ESG:
- Exclusion of the 20% worst-rated issuers regarding to the ESG score
- Exclusion of the F and G-rated issuers
- "ESG improvement» approach: the portfolio's average ESG score must be higher than the investment universe's ESG score after elimination of at least 20% of the lowest rated values
- Normative and sectoral exclusion approach: controversial weapons, companies that seriously and repeatedly violate one or more of the 10 principles of the United Nations Global Compact, thermal coal, tobacco.
- Controversy analysis.

3. Carbon:
- Improving the carbon footprint: the carbon footprint of the portfolio must be permanently lower than that of the reference universe (CAC All Tradable) (in tons of CO_2 per million euros invested)

Furthermore, the strategy is managed according to a fundamental approach, based on three types of financial criteria: the quality of the company's fundamentals, the company's value and business growth.

ENZA RE (European Net Zero Ambition Real Estate)

The three pillars of ENZA RE's impact strategy are:

Intentionality:

- Adoption of a Net-Zero strategy aiming to bring its assets to carbon neutrality via a genuine GHG emission reduction pathway,
- Maintain at all times the aggregate real estate portfolio carbon footprint below the CRREM 1.5°C pathway model,
- Intermediate milestone: reduce aggregate portfolio carbon intensity by at least 30% by 2030, compared to 2019, using market-based method,
- 100% renewable or on-site produced energy,
- The acquisition of real estate assets is based on a strict analysis of the building's financial and technical performance,
- ESG policy is integrated and, to monitor technical achievements such as GHG emissions reduction, the strategy is supported by independent technical auditors which use the internationally recognized CRREM methodology for carbon measurement in real estate.

Additionality:

- The strategy is invested and will invest in assets with a strategy towards net zero (defined pre-investment),
- An important pedagogy will be implemented to make the main asset stakeholders aware of the importance of the way they manage and use the building in its trajectory towards carbon neutrality. For example, property managers are required to sign a charter with 11 undertakings and their performance is monitored every year. They are also asked to pass on to tenants a guide on good ESG practices within the building.

Measurability: Impact measurement is the assessment of the environmental externalities of investments according to the impact objectives intentionally pursued by the strategy. The strategy produces an annual report which includes:

- GHG emissions and reduction measures for each investment and at portfolio level
- Results of sustainability indicators for each investment and at portfolio level (CRREM 1.5°C trajectory, carbon intensity, renewable energy consumption - tenant and landlord controlled, GRESB score)

Principle 3

Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Amundi Planet Emerging Green One strategy

The strategy contributes to the achievement of impact through a blended finance solution to attract commercial capital towards projects that contribute to deepening the EM green bond market, while seeking to provide financial returns to investors.

Furthermore, while producing impact reporting is a commitment that Green Bonds issuers should comply with to be aligned with the Green Bonds Principles, the investment team understands that green bond impact reporting for EM issuers still lags behind developed market issuers. Notably, the level of granularity and detail of reporting differs widely, such as the methodology used to assess the environmental impact of funded projects and the GHG emissions avoided.

As such and to counterbalance that relative weakness, an Impact Report for the strategy is published on an annual basis. The report details information and indicators of the impact of the strategy's investments and general engagement activities supportive of emerging market green bond issuances. It also covers the environmental, social and governance profile of issuers in the portfolio, along with a deep dive into the strategy's green bond holdings and their respective environmental performance / GHG emissions avoided. More specifically on the latter, the report contains project descriptions and GHG emission avoided for each of the Green Bonds in the portfolio so as to provide as much transparency as possible for all stakeholders.

Lastly, the impact of the strategy goes beyond the invested bonds' use of proceeds. The strategy aims to create a market environment where there is active engagement with issuers, stock exchanges, regulators and other stakeholders. Engagement areas include fast-tracking the implementation of international standards, such as the Green Bond Principles, issuers' alignment to climate policies, international best practices for impact reporting and others. The annual Impact Reports for the strategy can be accessed here.

Amundi Emerging Markets Green Bond strategy

The strategy aims to finance the green transition by investing in emerging market green bonds and thus seek a positive impact on the environment. The environmental aspect of the projects financed by the green bonds invested in are assessed by taking into account the impact estimates produced by the projects, such as the tons of CO_2 (tCO_2) emissions avoided through self-sufficient energy production.

When we launched the Amundi Planet Emerging Green One strategy, our intention was to enhance our offering through a new strategy offering daily liquidity and lower subscriptions, thus facilitating participation from a broad range of investors. Given the success of the Amundi Planet Emerging Green One strategy, we launched the Amundi Emerging Markets Green Bond strategy in H2.2020, with the strategy holding over $480m as of end of December 2022, from institutional investors and third-party distributors.

As described in Principle 2, contribution of the Manager to the achievement of impact is enacted through the entire investment process. The Amundi green bond assessment process enables the investment team to select green bonds where the relevance and the extent of impact of the projects financed by the proceeds of the green bonds has been appropriately assessed. The alignment of the issuer's ESG strategy with its green bond issuance is also assessed.

In terms of transparency, our process allows us to assess the level of disclosure that the green bond issuer has published or is committed to. For instance the amount of information available on the green projects, impact data, and potential verification.

Once the investment team has invested in a green bond, the Amundi GSS+ bond analyst team monitors:

- Allocation and impact report of the green bond, to see if the issuer is reporting as it intended to do at the inception of the green project,
- Controversies the issuer is involved in, and
- Issuer's environmental strategy.

Any data on the above-mentioned actions are supported by Amundi's internal green bond database as well as data retrieved from external data providers. Amundi's internal green bond database gathers all impact data available on bonds the investment team is invested in. This allows the investment team to communicate on impact output at the portfolio-level. All bonds are reviewed at least once a year.

For this strategy, an annual impact report has been published, which details **1.** avoided CO_2 emissions **2.** Use of Proceeds breakdown by project category **3.** Use of proceeds breakdown by geography **4.** Use of Proceeds breakdown by sector **5.** ESG Ratings breakdown **6.** Case studies and **7.** Second Party Opinion breakdowns.

The impact of the strategy goes beyond the invested bonds' use of proceeds. The ESG Research team conducts ongoing engagement with a defined list of green bond issuers on five key themes:

- Issuer's best practices on green bond reporting;
- Issuer's green bond funding rationale;
- Issuer's plans to transition toward a low carbon economy;
- Ensuring the issuer's transition is a just transition (green project follows the do not significant harm principle); and
- Ensuring the issuer has strong governance practices on project selection.

In addition, engagement is conducted with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate. The annual Impact Report for the strategy can be accessed via the attached.

Amundi Green Credit Continuum strategy

The strategy aims to achieve direct positive environmental impact in line with the EU's environmental objectives, as well as disseminate best practices at the security level (accompanying these nascent "green" markets in their development) and issuer level (in terms of ESG practices). At the security level, the best practices were defined by the Scientific Committee. It was set up at the launch of the GRECO program in 2019 to discuss on new green technologies, new financial instruments and exchange on best practices. The issuers have to be aligned with the Green Bond Principles or Green Loan Principles (GLP) and have to be committed to publish an impact and allocation report on the use of proceeds to be renewed annually until full allocation. As such, knowledge sharing is identified as a key lever in achieving the latter objectives, through the publication of an annual Impact Report that seek to be optimal in breadth, depth and transparency.

Therefore, the strategy provides an annual Impact Report, describing in reasonable detail:

- Portfolio characteristics and performance, in terms of:
- Alignment of the strategy with the European Commission's Action Plan for Sustainable Finance;
- Development of Green Credit Markets in Europe with a focus on the target segments of the strategy

Amundi Impact Green Bond strategy

The strategy only invests in green bonds with a positive and measurable impact on the environment. We place high quality requirements on transparency concerning the use of proceeds, selection process of the projects to be financed and regular reporting upon the financed projects. To do so, issuers have to be aligned with the Green Bond Principles and have to be committed to publish an impact and allocation report on the use of proceeds to be renewed annually until full allocation. The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. Amundi actively engages with issuers to harmonize methodologies for impact measurement, which contributes to the strengthening of the GB market.

In order to provide transparency, the strategy issues monthly and annual extra-financial reporting. Impact at portfolio level is monitored through:

- Monthly reporting focused on the share of green bonds in the portfolio, highlighting issuer as well as green project breakdown, ESG ratings and the following impact metric: Tons of CO_2 equivalent (tCO_2e) per one million euros invested, and;
- Annual comprehensive and dedicated impact report, highlighting in addition to the above, breakdown of the use of proceeds, impact analysis, issuer and engagement case studies, alignment with SDGs, among other details.

Amundi Social Bonds strategy

The strategy only invests in social bonds with a positive and measurable impact on the society. We contribute to fostering best practices and transparency in the social bond market by placing high quality requirements on transparency concerning the use of proceeds, selection process of the projects to be financed and regular reporting upon the financed projects. In this way, issuers have to be aligned with the Social Bond Principles and have to be committed to publish an impact and allocation report on the use of proceeds to be renewed annually until full allocation. The annual report should include a list of the projects to which Social Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.

In order to provide transparency, the strategy issues monthly and annual extra-financial reporting. Impact at portfolio level is monitored through:

- Monthly reporting focused on the share of social bonds in the portfolio (minimum allocation is 75% but the share has increased significantly since the launch of the strategy which is in line with the expansion of the social bond market), highlighting breakdown of the social projects and target population, ESG ratings according to Amundi's proprietary ESG rating methodology, and;
- Annual comprehensive and dedicated impact report, highlighting in addition to the above, a breakdown of the use of proceeds, impact analysis, issuer and engagement case studies, alignment with SDGs, among other details.

Amundi Finance & Solidarité strategy

The objective of the strategy is to seek impact first. The investment team is positioned as long-term partner that supports the impact and economic development generated by each company in the portfolio. The strategy provides consistent capital for a long-term investment period. The strategy mainly invests in companies that do not have access to regular financing organizations usually because they serve at-risk or underserved populations, generating limited financial returns.

Contribution of the Manager to the achievement of impact is enacted through the entire investment process:

- During the due diligence phase, the investment team and the company identify internal impact KPIs that will be tracked over the investment period
- A dedicated impact investing committee assesses the impact thesis and the financial sustainability of the project.
- The investment team is represented at the Board of each company to monitor the achievement of the impact targets
- The investment team brings its expertise to the companies to enhance its impact strategy and process
- The aforementioned Impact Ratio enables the investment team to compare the potential & realized achievement across all investee companies
- The impact reporting of the strategy exhibits the number of beneficiaries impacted by the investments in the portfolio and also demonstrates how the strategy contributes to one or more UN SDGs.
- A dedicated website for the strategy serves as a communication tool for clients to better identify the impact of their investments and is a great platform to communicate around social enterprises and their contribution to furthering impact.

Amundi Senior Impact Debt strategy

The investment team supports Companies, mainly SMEs[14] with limited resources to transition to a more sustainable economy (lack of CSR team, lack of maturity on the importance and the benefits of understanding the key ESG topics, not subject to any reporting regulation such as NFRD, etc.) and help them in transitioning through the definition of carbon footprint objectives and other sustainability indicators.

1. Regarding carbon footprint objectives:

- The investment and ESG team can support portfolio companies through the provision of insights on the selection of carbon assessment experts and define an action plan. In particular, we have met with different carbon footprint experts (Carbon 4, EcoAct, Sweep, Carbometrix more notably) able to act on different geographies and sectors and have been able to advise issuers on the right experts tailored to their needs (different subsidiaries in different countries for example). There is systematic discussion between our 2 dedicated ESG experts and the best person/team at the Company (CSR team but also in cases, financing director when CSR person is not existent) to point them towards what is wanted in terms of carbon footprint + carbon reduction trajectories and follow the work of the carbon expert (spanning several months) together with the Company.
- The strategy can provide financial support (up to EUR 5000) to portfolio companies who are conducting their first-time carbon assessment.

2. Regarding sustainability indicators:

Two mechanisms are put in place to support portfolio companies achieve their defined sustainability indicators (one of which can be the carbon footprint + reduction of carbon emissions) throughout the life of the credit:

- Impact Contribution from the Strategy subject to the investment team's consultation.

14. Small and medium-sized enterprises

The Impact contribution is a 10bps discount on the annual interest rate of the coupon on the strategy's share of the debt for Companies not benefiting already from sustainability-linked (ESG ratchets) financings and which have reached and exceeded their sustainability indicators over the past year. The impact contribution is discussed during the annual Impact committee with the investor with Amundi taking the final decision.

- Sustainability-linked (ESG ratchets) financings: financings for which the interest rate of the debt may vary up or down according to the achievements of their sustainability objectives. Contrary to the Impact Contribution, this would apply on the whole financing (shared with other lenders), vary down AND up and is detailed in the legal credit documentation and applied mechanically every year. These sustainability-linked financings are the majority in the existing portfolio and support the trend seen in the private debt markets. Amundi Private debt and ESG team have initiated and contributed to a working group under France Invest umbrella to publish in the first quarter 2023, a guide of good practices on Sustainability-linked financings. The guide is available via this link.

An annual ESG and impact report, detailing how the impact has been achieved for the strategy will be available in 2023.

BFT France Emploi ISR

The Investment team contributes to the impact thesis by financing companies that are identified as contributing to improving employment in France. The Investment team is supported by an Employment scoring, calculated by an external non-financial data provider (Humpact). The analysis of companies is based on a benchmark of criteria leading to the development of a scoring for each of the issuers studied on a scale of 0 to 1 (0 being the lowest and 1 the best). The Employment Scoring is based on a «Best-in-Universe» approach: all companies are compared with each other, independently of their sector. Moreover, the Investment team excludes the 20% worst-rated companies of the reference universe in terms of Employment score (as well as in terms of ESG scores).

Concerning additionality:

- On the financial side, we set-up our capital allocation to support the most virtuous companies regarding their behavior on Employment issues. As other asset management firms demonstrate the same concerns, we think that collectively, we investors will succeed in making an impact (signal theory).
- Furthermore, on non-financial channels, the fund's management process integrates an engagement approach. The first campaign addresses the issue of employment of young people. It has been led for 5 companies, aiming an impact in terms of improvement of transparency and of HR practices regarding this issue particularly relevant in France, where the youth unemployment rate is high. This campaign started in 2021 and was prolonged in 2022. We set engagement objectives and follow them on a three-year period.

ENZA RE (European Net Zero Ambition Real Estate)

ENZA RE reports on the progress of its impact strategy through its annual report. The contents of the report's ESG section are:

- The strategy's and the assets' CRREM curves, showing their global emissions pathway, with and without further action, compared to the CRREM target;
- A list of capital expenditure per asset, aiming to improve their carbon intensity (e.g. Solar panels, Insulation, Lighting, Heating and hot water, Air conditioning, Ventilation, Refrigerant gases, Electricity contracts);
- The strategy's GRESB[15] score;
- A description of actions undertaken with the strategy's stakeholders, mainly the tenants and property managers, to advance the strategy's impact strategy.

15. GRESB is an independent organization providing validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making.

Principle 4

Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: ❶ What is the intended impact? ❷ Who experiences the intended impact? ❸ How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Amundi Planet Emerging Green One strategy

To ensure the quality of the selected issuers and green bonds, a thorough selection process is applied, as per the ESG Charter of the strategy.

Starting with the issuer selection, green bond issuer screening is applied ex-ante broken down as follows:

- Country level exclusion policy
- ssuer level ESG exclusion policy
- Issuer's portfolio exposure to high ESG risk and carbon intensive sectors and projects associated with potentially significant environmental and social risks and impacts.

On the green bonds selection, the following selection criteria are applied:

- Select only green bonds in compliance with the Green Bond Principles (GBPs);
- Additional E&S analysis to ensure that the proceeds:
  - Do not finance projects that are deemed not investable (for example fossil fuel projects);
  - Focus on projects with limited adverse environmental and social impact in line with relevant IFC Performance Standards.
  - Select only green bonds for which there is a commitment to implement an impact assessment of the use of proceeds.

Furthermore, the strategy only invests in green bonds that provide investors with sufficient information to estimate the positive environmental impact of the investment promote a set of environmental key performance indicators (KPIs).

This means that a green bond will not be purchased by the strategy if the issuer has not already published an impact reporting or has not committed to do so. Whenever feasible, and in line with the joint International Financial Institutions publication (to which EBRD, EIB and IFC contributed) *"Green Bonds: Working Towards a Harmonized Framework for Impact Reporting"*, the strategy will strongly encourage quantitative impact reporting, using metrics consistent with market best practices.

Moreover, as the GBPs strongly encourage the positioning of the green project selection and other relevant environmental KPIs within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, Amundi supports such an endeavor whenever possible.

Environmental and Social Metrics & Key Performance Indicators (KPIs)

At the green bond level, the investment team expects the impact assessment to include metrics based on generic and sector specific indicators which are pertinent to the sector in which the green bond is financing a project. Below is an indicative list of impact assessment indicators for Energy Efficiency, Renewable Energy and Clean Transport projects, which the investment team seeks to identify:

- Energy Efficiency: Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings); Annual GHG emissions reduced/avoided in tons of CO_2 equivalent; Annual absolute (gross) GHG emissions from the project in tons of CO_2 equivalent; Fossil fuel consumption avoided;
- Renewable Energy: Annual GHG emissions reduced/avoided in tons of CO_2 equivalent; Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy); Capacity of renewable energy plants constructed or rehabilitated in MW; Capacity of renewable energy plants to be served by transmission systems (MW); Annual absolute (gross) GHG emissions from the projects in tons of CO_2 equivalent; and
- Clean Transportation: Total transportation CO_2 emissions per passenger-km; freight tonne-km or per capita; passenger transportation CO_2 emissions per capita.

Such metrics can then be used to calculate the environmental benefit of a project by comparing the project's impact measurements against an alternative scenario if the project in question had not taken place, most notably in clean transportation.

Naturally, as climate mitigation projects have the most mature impact indicators, the green bond selection procedure will favor green bonds supporting climate mitigation projects. It is not, however, the Strategy Manager's intention to limit the Strategy's exposure exclusively to climate mitigation projects.

Therefore, throughout the lifetime of the project, the internal green bond selection process will be open to development to ensure the Strategy's ESG policy corresponds to market best practices in green bond impact assessment.

For instance, KPIs relating to the area of energy efficiency and more specifically green buildings can be the following (non-exhaustive list):

- Energy performance; and
- Top two levels of internationally recognized energy efficiency or sustainability certification (e.g. BREEAM, LEED, HQE, etc.) to ensure the environmental quality of the projects.

Amundi Emerging Markets Green Bond strategy

As green bond investors, Amundi has developed a GSS+ bond analysis process to appropriately assess the relevance and the extent of impact of the projects financed by the proceeds of the green bonds we select. Amundi's ESG Research team also assesses the alignment of the issuer's ESG strategy with its green bond issuance. Prior to any investment, portfolio managers ensure that the green bonds have undergone the GSS+ bond analysis process detailed in Appendix.

Any data on the above-mentioned process is supported by Amundi's internal GSS+ bond database as well as data retrieved from external data providers. Amundi has developed an internal green bond database that gathers all impact data on bonds we invested in. This allow portfolio managers to communicate on impact output at the fund level. All bonds are reviewed at least once a year to update data. Controversies are monitored on a daily basis through the flow of information received by ESG Research team. A systematic screening is done every quarter using external data providers to sort out the most controversial names into our universe. Furthermore, the ESG Research team conducts ongoing engagement with a defined list of green bond issuers on five key themes:

- Issuer's best practices on green bond reporting;
- Issuer's green bond funding rationale;
- Issuer's plans to transition toward a low carbon economy;
- Ensuring the issuer's transition is a just transition (green project follows the do not significant harm principle); and
- Ensuring the issuer has strong governance practices on project selection.

Engagement is also done with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate.

Amundi refers to widely accepted taxonomies such as the one provided by CBI, and increasingly referring to working EU taxonomy texts. Given the heightened scrutiny for green projects with potential adverse environmental & social impacts, such as large hydro dams, the ESG Research team refers to multiple texts to ensure green projects are aligned with widely accepted concepts. In the case of energy efficiency projects, we also assess if fossil fuel activities are explicitly excluded from the framework. The taxonomies mentioned above set thresholds for project eligibility (i.e.100kgCO_2/MWh for power generation projects, min. GHG savings for biofuel, max. gCO_2/km for green cars, top percentile for green buildings) that we refer to as benchmarks when assessing the level of stringency of the eligibility criteria retained by the issuer. In some instances, we can have stricter views than that of established taxonomies. For instance, we share negative opinions on green bonds aiming at financing new airport terminals – even if they have received an environmental certification.

When analysing issuer as a whole, the ESG Research team also leverages on the data provided by external providers. The information received covers ESG scores, ESG controversies, and other ESG-related information. The ESG analysis draws on this data to generate internal ESG scores/ratings, ESG controversies analysis, and processed data to serve clients' specific exclusion requirements. ESG data is verified internally to assure their consistency.

On impact reporting, on a monthly basis the strategy seeks to report the following metrics **1.** Avoided CO_2 emissions **2.** Use of Proceeds breakdown by project category **3.** Use of proceeds breakdown by geography **4.** ESG Ratings breakdown and **5.** Morningstar Sustainability Level Globes. Moving forward, Amundi seeks to improve the monthly reporting by integrating new data with the help of the Amundi ESG team.

In addition and as mentioned above, on an annual basis, the strategy seeks to report on **1.** avoided CO_2 emissions **2.** Use of Proceeds breakdown by project category **3.** Use of proceeds breakdown by geography **4.** Use of Proceeds breakdown by sector **5.** ESG Ratings breakdown **6.** Case studies and **7.** Second Party Opinion breakdowns. The strategy's annual impact report can be found here.

Data on the monthly and annual reports originate from green bond issuers' impact reports, relying on publicly available information, such as annual impact reports, dedicated newsletters and/or official websites regarding the green bond issuers, if available. These reports usually include aggregated impact information per eligible category under the Green Bond Principles. Issuers often express impact using KPIs such as CO_2 emissions avoided, energy saved, renewable energy installed capacity, water saved and others.

The strategy takes this information and selects a set of indicators to summarize the impact of eligible projects that have been financed through its investments in green bonds.

Avoided CO_2 emissions is one of the most frequent impact indicators disclosed by green bonds and is one of the key indicators for reporting the impact of the Strategy's investments.

Data quality on impact reporting remains a challenge as **1.** many bonds issued after March 2022 have not yet published their impact report (usually available one year after issuance) **2.** access to information can prove to be challenging from certain issuers due to regional differences in transparency standards **3.** Inconsistent methodologies, level of granularity and detail of reporting impact indicators reported across green bond issuers. **4.** Inconsistent timing of impact reported across green bond issuers.

Due to the challenges faced above, engagement is of paramount importance – in particular, encouraging investors towards international market standards (e.g. ICMA's Principles and Harmonized Framework for Impact Reporting[16], European taxonomy), holding issuers who do not report on time accountable and engaging with issuers to improve their data transparency and quality.

Amundi Green Credit Continuum strategy

In order to ensure that investments contribute to develop important segments of the European green fixed income market, displaying bright prospects in terms of financing the energy transition and sustainable growth at the European, national and local level. The ESG policy includes ex-ante screening at issuer, security and underlying project level, as well as ex-post monitoring to ensure that the issuer nor the underlying projects financed are exposed to controversies and that the eligibility criteria are respected throughout the life of the strategy.

The green investments included in the strategy have to contribute to at least one of the EU's environmental objectives and be consistent with the standards in place wherever applicable, the Green Bond Principles (GBP) or Green Loan Principles (GLP). Our ESG analysts generate internal ESG scores / ratings, ESG controversies analysis, and ensure for each issuer do not significantly harm other environmental and social objectives. For this element, we look at specific environmental and social PAIs (Principle Adverse Impacts).The GBP and GLP seek to ensure that the issuer commits to providing a comprehensive list of projects financed, as well as their expected impact. The GSS+ bond analyst team verifies that the issuer or structurer provides a list and description of all the projects to which the proceeds have been allocated, as well as their expected impact.

The recorded impact of the strategy is annually published in a dedicated impact report that can be found here. In 2022, please find below the breakdown of impacts according to funded projects:

Target Portfolio Project Use of Proceeds' Breakdown	% Expo	tCO_2 per M€
Renewable Energies	0,56%	10,40
Energy Efficiency	3,90%	10,77
Pollution Prevention and Control	1,38%	-
Living Natural Ressources and Land Use Projects	0,00%	-
Sustainable Water and Wastewater Management	0,00%	-
Biodiversity	0,00%	-
Clean Transportation	23,77%	28,73
Climate Change Adaptation	0,00%	-
Circular Economy and/or Eco-Efficient Projects	0,00%	-
Green Buildings	25,23%	8,22
Other Green Categories	6,73%	129,62

Source: GRECO Impact Report 2022.

16. Source: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf

Amundi Impact Green Bond strategy

The investment team aims to ensure that issuers consider environmental criteria when they assess the benefits of a project. They consider the allocation to project categories when selecting bonds as they understand that some categories (e.g. renewable energies) have a more time-sensitive impact than other categories (clean transportation), but they also need to consider other factors, as all categories require massive investments to reach carbon neutrality goals. The investment team would like issuers to be able to select the best solution/technology, based not only on financial criteria, but also on a positive environmental impact. To ensure this, the investment team selects only green bonds that have undergone the Amundi GSS+ bond analysis process detailed in Appendix. Furthermore, the investment team is keen on favoring new financing instead of refinancing to maximize positive environmental impact at the project level. This means that impact is the key criteria for the investment team in deciding whether a green bond is an eligible investment. To this end, the investment team assesses the environmental aspects of projects that are being financed by green bonds, considering the impact estimates retrieved from issuers' green bond frameworks. These estimates are based on the amounts of greenhouse gas emissions that will be avoided, using the $tC0_2e$ measure.

Amundi Social Bonds strategy

Given the importance of ensuring high standards of transparency of social bonds and capturing all its ESG characteristics, the investment team utilizes the Amundi GSS+ bond analysis process (as detailed in Appendix) to select social bonds for investments. During our analysis, we pay particular attention to the assessment of the social features of project categories financed by the social bonds. From this exercise, we identify that a key challenge lies in the variety of impact indicators in a social project category. The investment team finds that the number of beneficiaries is the most common indicator across all categories covered by social bonds and is also the most convenient indicator to convert the other reported impact indicators, which are interesting and valid, e.g. the number of students and families. However, even though they are relevant, the investment team has chosen the number of beneficiaries by M€ invested, as the single indicator which is aggregated at the portfolio level for reporting.

Once we invest in a social bond, we regularly review the allocation and impact report, issuer controversies and the issuer's overall sustainability strategy. At Amundi, we see social bonds as an opportunity to engage, not only on the transparency over the assets financed by the proceeds but also on the alignment of the wider issuer strategy with the sustainable goals pursued by their sustainable financing framework.

Amundi Finance & Solidarité strategy

The Investment team has developed an internal impact analysis method with the aim to calculate a unified impact rating incorporating economic, financial and social data of the company. These metrics are related to the company sector and are complemented by specifics criteria linked to the company particularities.

The analysis process relies on 5 pillars:

- Analysis of social engagement: qualitative assessment of the company's mission with respect to the SDGs: **1.** What is the intended impact **2.** Who are the targeted beneficiaries of the intended impact
- Analysis of impact performance: quantitative assessment of the impacts generated by the company in terms of number of beneficiaries, improvement of the quality of life and of the environment over a given period **3.** Magnitude of the intended impact
- Sustainability of the economic model and the consistency of the performed societal impact
- Transparency of the management, the quality of available information and the capacity to measure and report its impact
- Specific criteria: By identifying the main particularities of the invested company, we can support its dual economic and impactful objective and its achievement

These impact metrics are measured, assessed and reported for each investment on a yearly basis. The annual impact report for the strategy can be found on the following dedicated website here. The impact metrics reported on relate back to the number of beneficiaries or impact generated across all five themes (e.g. people housed, beneficiaries of micro-credit, tons of waste treated, healthcare recipients, and people trained), with a description of each invested company and geolocation of projects.

The design of the impact analysis method was developed before the strategy's inception in 2012. The methodology has regularly been updated to take into account the multiple standards created by the impact investing communities. The investment team has incorporated the Impact Management Project (IMP) method's five dimensions of impact: "What" & "Who" dimensions are covered by our pillar "Analysis of social engagement"; "How much" & "Contribution" covered by pillars "Analysis of impact performance" and "Specific criteria". Finally "Risks" are covered by our pillars "Sustainability of the economic model" and "Transparency".

Amundi Senior Impact Debt strategy

The common objective set for all investments in the portfolio is to reduce greenhouse gas emissions in order to be in line with the Paris agreement (limiting the temperature increase to 1.5°C (or well below 2°C) scenario by 2100).

This objective is applied to all of the strategy's investments in two steps:

- the completion of a carbon footprint assessment for companies that have never conducted this assessment
- the definition of a carbon reduction plan that is in line with the objectives of the Paris Agreement. The objective is to have all Companies with reduction of carbon emissions targets aligned on the Paris Agreement within 12 months after investment.

As a result, precise impact targets will be measured[17] within next 2 to 2,5 years after each investment (12 months to implement carbon footprint + reduction trajectories + 12-18 months of performance including timing to publish results) and the investment team will be able to monitor the direct impact of the strategy's approach. The investment team expects to publish its first annual impact report before year end 2023.

The overall portfolio trajectory is clearly defined as well as the trajectories for each of the investments and will be presented in the dedicated annual reporting. These trajectories will be specific to each company, taking into account its sector of activity, its geographical location and the additional elements involved in the Paris Agreements. In addition to this, we are also pushing for companies to have their GHG reduction trajectories certified by SBTi.

In addition to the carbon footprint objective, for some investments we may also integrate other sustainable indicators chosen according to the sector of activity and the extra-financial performance of each company.

When this mechanism is put in place, annual targets are set. Each year, the companies must send us a compliance certificate to validate the levels achieved and check whether or not the targets have been met. Depending on whether or not these targets have been met, the company will receive a bonus or a penalty on its cost of financing.

We report on the results each year through the ESG Report.

BFT France Emploi ISR

The management team takes into account the Employment scores and the ESG ratings of companies at all steps of the process:

- During the screening of companies through an exclusion process and a quantitative filter
- During an in-depth fundamental analysis of companies, to enhance the Employment, ESG and carbon footprint profile of companies
- And during the portfolio construction phase.

17. Targets will be defined with the investee companies, in line with their sector and individual situation specificities.

The Employment Scoring comprises three components for each of the companies analyzed:

- Job creation and destruction in France;
- Impact according to the employment “verticals”, i.e. the measurement of creation or destruction of jobs for high-risk categories: young people, senior citizens, inclusion of persons with disabilities;
- Quality of HR policies:
- Transparency
- Gender equality
- Value sharing
- Quality of employment

3 PILLARS	**Job creation and destruction in France** 33%	**Impact by employment axes** 33%	**Quality of HR policies** 33%
8 AXES	- Job creation	- Job creation for young people - Job creation for seniors - Job creation for disabled people	- Transparency - Gender equality - Value Sharing - Job quality

Presentation of the Humpact rating principles

1. Processing and aggregating employment data around 8 axes
2. Award an overall Employment score by company
3. Convert score into stars on a scale of 1 to 5 by company
4. Monthly rating update

273 FIRMS SCORED AND SCORED* BY HUMPACT

* Source: https://www.humpact.fr

As of December 31, 2022

Overall, we assess the impact of our portfolio using 11 indicators based on the Humpact methodology, which comprises more than 150 criteria: 60 annual quantitative criteria based on the data collected by Humpact and 90 qualitative criteria. Examples of criteria can be found below:

General staff employed	- Relative changes in staffing - Absolute changes - Staff rotation
Transparency of information on:	- Staff employees - Number of young people - Number of senior citizens - Number of persons with disabilities - Number of women among employees
Youth employment	- Absolute changes - Relative changes - Share of alternates in staff - Share of young people in the workforce - Compliance with legal bonds
Employment of senior citizens	- Absolute changes - Relative changes - Senior staff shares
Employment of persons with disabilities (HSP)	- Absolute changes - Relative changes - Share of persons with disabilities in the workforce - Compliance with legal bonds
Sustainable development goals (out of 17 SDGs)	- Combating poverty - Education - Gender equality - Decent work - Reducing inequality
Explicit policy in matters	- Parity - Youth employment - Employment of senior citizens - Disability
Gender balance	- Relative changes - Women's share of staff
Financial criteria	- Salary mass in relation to turnover - Sharing of benefits with employees

These impact metrics are measured, assessed and reported for each company by Humpact on a yearly basis.

An annual dialogue and engagement campaign approach on the subject of employment is implemented with companies that are (or have been) present in the portfolio. The first engagement campaign focuses on the «theme of youth employment».

The idea is to influence business practices through an annual engagement campaign to:

- Better understand companies' policies and practices.
- Set objectives by asking the identified companies for more transparency and qualitative engagement campaign over a given time horizon.

The engagement campaign and the dialogue with companies enrich the management analysis and impact investment decisions.

ENZA RE (European Net Zero Ambition Real Estate)

One of the pillars of the strategy's impact strategy is to "Avoid, Reduce, and Compensate" any harmful projects, i.e. those that increase an asset's carbon intensity.

Avoid: measures taken to avoid creating impacts from the outset.

Reduce: measures taken to reduce the intensity and/or extent of impacts that cannot be completely avoided, e.g.

- Operational changes, i.e. reduce energy demand
- Energy efficiency, i.e. reduce energy consumption
- Retrofit (refurbishment)
- Heat decarbonisation
- On-site renewable energy production

Compensate: measures taken to compensate for any significant residual, adverse impacts that cannot be avoided, reduced and/or restored.

By and large, the higher the reduction in carbon intensity (both in absolute terms, measured in $kgC0_2/sqm/yr$, and in relative terms, in percentage), the higher the impact. As a Best-in-Progress strategy, the strategy will target assets whose carbon intensity is sub-par in order to improve them and progressively take them to net-zero carbon. In order to maximise impact, it will select assets whose carbon intensity can be improved the most, in absolute and relative terms.

The acquisition process therefore includes a carbon audit to determine:

- what is the asset's current carbon intensity,
- what measures can be taken to improve it,
- by how much and over what timeframe, and
- at what financial cost in order not to jeopardise the strategy's financial performance objectives.

Principle 5

Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Amundi Planet Emerging Green One strategy

The strategy's ESG Charter, developed alongside IFC with input from the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and Proparco, was developed to reflect high level characteristics aggregated under an ESG charter:

- An ESG screening at the issuer level for all bonds, using a joint framework co-developed by Amundi and IFC;
- A green bond framework assessment ensuring that the best practices set out by the Green Bond Principles are met; and
- Additional information requirements and ex-post monitoring on the use of proceeds with a focus on:
  - Performance standards to ensure positive Environmental benefits: impact assessment requirements and exclusion of specific categories of projects
  - Environmental and Social risks borne by the green bond

These three pillars seek to enable the investment team to:

- Ensure the promotion of green bond best practices, maintain and reinforce green bond market integrity for emerging markets green bonds,
- Focus whenever possible on green bonds supporting projects with the highest level of environmental benefits, and
- Mitigate ESG risks that may prevent reputational risks at the issuer or green bond level.

More specifically, once the investment team has invested in a green bond, the Amundi GSS+ bond analyst team will regularly review (among others), the allocation and impact report of the green bond, to see if the issuer is reporting as it intended to do at the inception of the green project, controversies the issuer may be involved in, and the issuer's environmental strategy. Controversies are monitored on a daily basis through the flow of information received by ESG

Research team. A systematic screening is done every quarter using external data providers to sort out the most controversial names into our universe.

Following the ongoing monitoring process, the ESG Research team conducts ongoing engagement with a defined list of green bond issuers on five key themes:

- Issuer's best practices on green bond reporting;
- Issuer's green bond funding rationale;
- Issuer's plans to transition toward a low carbon economy;
- Ensuring the issuer's transition is a just transition (green project follows the do not significant harm principle); and
- Ensuring the issuer has strong governance practices on project selection.

Engagement is also done with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate. The detailed ESG Charter can be viewed in the prospectus for AP EGO on the following link here.

Amundi Emerging Markets Green Bond strategy

As described in Principle 2, the bottom-up screening of a green bond issuer and issue consists of three steps: initial screening, detailed analysis and ongoing monitoring. On the ongoing monitoring part, once the investment team has invested in a green bond, the Amundi ESG Research team regularly reviews:

- Allocation and impact report of the green bond, to see if the issuer is reporting as it intended to do at the inception of the green project.
- Controversies the issuer is involved in
- Issuer's environmental strategy

Any data on the above-mentioned actions are supported by Amundi internal green bond database as well as data retrieved from external data providers.

On Green Bond monitoring and the issuer's environmental strategy, Amundi has developed an internal green bond database that gathers all impact data on bonds we are invested in. This allows portfolio managers to communicate on impact output at the strategy level. All bonds are reviewed once a year to update the data.

To qualify a particular bond as a Green Bond and avoid greenwashing or reputational risk, Amundi usually requires the issuer to provide a second party opinion by one of reputable providers, including but not limited to Sustainalytics, Cicero, Vigeo-Eiris, among others. This is an important input into the internal green bond analysis.

Engagement is also done with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate.

On controversy monitoring, Amundi has set up a firm-wide controversy monitoring process. This process can be found in Appendix.

Amundi Green Credit Continuum strategy

In order to ensure that eligible green instruments contribute to the impact objective of the strategy, while not significantly harming other objectives, the investment team ensures that each instrument will follow ESG criteria described in the strategy's ESG Charter, which defines eligibility guidelines per targeted asset class aligned with European Union environmental and climate policy objectives. . The analysis is based first on our own assessment of the issuer and the green issuance. We rely on the GSS+ bond analyst team to assess the documentation provided by the issuer (framework, Second Party Opinion, CSR reports, any information on their website) in the framework of their GSS+ bond assessment found in Appendix. Finally, the Amundi ESG rating methodology enables the investment team to take into account specific risks related to the issuer' activities and to manage these risks. We therefore constantly monitor our investee companies, across all E, S and G factors in addition to traditional financial metrics.

Taking into account the issuer's ESG rating, the investment team aims to:

- Verify that the issuer of green emissions has taken ESG issues into account
- Assessing the link between the projects financed by green emissions and the company's ESG/environmental strategy
- Identify and assess the risks of controversy

Amundi Impact Green Bond strategy

The investment team has developed a comprehensive approach to assess the relevance of green bonds, ensure their high levels of transparency and capture all their ESG characteristics. The analysis is based first on our own assessment of the issuer and the green issuance. We use the documentation provided by the issuer (framework, Second Party Opinion, CSR reports, any information on their website) and rep risk for controversies screening. However, this analysis can be complemented by the external opinion from ESG agencies on the issuer when the ESG profile of the issuer is low and by the SPO on the green bond to look for additional information. In any case, our internal analysis prevails over that of external firms. In addition, the DNSH (Do No Significant Harm) principle is integrated in the Amundi GSS+ bond analysis, for instance, any additional project related impact on environment, biodiversity, local communities, or social aspects.

Finally, from an issuer-level standpoint, Amundi's proprietary ESG rating methodology aims to assign issuers an ESG (Environmental, Social, Governance) rating and enables to take into account specific risks related to the issuer' activities and to manage these risks[18]. We therefore constantly monitor our investee companies, across all E, S and G factors, including the monitoring of controversies. Taking into account the issuer's ESG rating, the portfolio management team aims to:

- Verify that the issuer of green emissions has taken ESG issues into account within its framework
- Assessing the link between the projects financed by green emission and the company's ESG/environmental strategy
- Identify, assess and monitor the risks of controversy

Issuers rated F or G by Amundi's proprietary ESG rating methodology are excluded of the portfolio[19].

Amundi Social Bonds strategy

During our analysis, we emphasize the assessment of the social feature of each project categories, especially for the ones that are not social by nature. In addition, the DNSH (Do No Significant Harm) principle is integrated within the Amundi GSS+ bond analysis, for instance, any additional information on the negative impact on environment and biodiversity.

Finally, Amundi's proprietary ESG rating methodology aims to assign issuers an ESG (Environmental, Social, Governance) rating and enables to take into account specific risks related to the issuer' activities and to manage these risks. We therefore constantly monitor our investee companies, across all E, S and G factors, including the monitoring of controversies.

Amundi Finance & Solidarité strategy

We implement an ESG action plan to support the improvement of our investee's practices. By adapting this analysis to the means and size of the social enterprise, we can advise the company on how to improve the environmental footprint of the company (i.e. social housing built with the highest environmental standards), social (HR and training policies), and governance practices (presence of independent board members and employee representative).

18. Amundi has developed a proprietary ESG scoring system based on a seven letter scale, ranging from A to G, where A is the best and G the worst rating. Any issuer with a G-rating is excluded from all of Amundi's actively managed portfolios, as they do not comply with Amundi's Responsible Investment policy. Please refer to Amundi's Responsible Investment Policy for further details on this methodology.
19. Please refer to Amundi's Responsible Investment Policy for further details on this methodology.

For investments made prior to 2020, ESG criteria were set in relation with the ESG criteria applicable to listed assets. These ESG criteria are based on Amundi's ESG Analysis & Rating framework[20]. ESG assessment for unlisted asset is performed in relation to these criteria.

From 2020 and onwards, with the publication of the "EU taxonomy for sustainable activities" guidelines, the investment team is taking into consideration the DNSH criteria, and will progressively implement these criteria in its ESG & Impact analysis, as well as any additional provisions set by the EU Taxonomy.

Lastly, the impact analysis for each investment is reviewed on an annual basis, which requires investee companies to provide documentation to corroborate their impact objectives and results. This allows us to enrich the transparency pillar of our impact analysis, and also allows us to better understand their progress and encourage them to improve their extra-financial objectives in their overall strategy.

Amundi Senior Impact Debt strategy

Pre-investment:
ESG risks are identified pre-investment through a systematic ESG due diligence conducted by the ESG dedicated experts. The ESG analysis is based on a questionnaire sent to the company and direct discussions with the company, which ensures that the extra-financial issues are respected. The ESG experts dedicated to private debt participate to the management calls or dedicated calls with the issuer's key CSR person(s) and present the results of the ESG due diligence and the key sustainability challenges to the investment committee as well asan ESG rating validated through the proprietary ESG ratings methodology developed with Deloitte. The ESG team has a veto right at the investment committee. The investment committee is the governance entity at private debt level to validate investments on the basis of a detailed credit analysis which must include an ESG due diligence and the confirmation that the eligibility criteria of the strategy (including ESG and impact criteria) are met.

Post-investment:
Each year, the ESG questionnaire is sent to the company to update the ESG data, enabling us to update the ESG rating and our analysis. ESG risks are monitored during the credit lifetime though a review, done at least on an annual basis, the conclusion of which is presented to the investment committee with the update on the ESG rating.

BFT France Emploi ISR

BFT IM investment teams rely on the Amundi Group's responsible investment policy and ESG resources developed by the dedicated ESG team.

Through its investments, the strategy supports national companies, which demonstrate the best practices in terms of employment (recruitment and HR policies), while ensuring the quality of their ESG profile and, more generally, to control negative externalities.

This ESG integration approach is based on Amundi Group's ESG data, and seeks through a «best in class» approach to favor the leading issuers of their business sector according to the ESG criteria identified by the Group' team of extra-financial analysts.

The strategy is classified as Article 8 according to SFDR, and applies Amundi's processes for identifying, monitoring and mitigating the principal adverse impacts deriving from its investment activities.

An internal governance committee is dedicated to ESG: the "Sustainable Development Committee", every two weeks, composed of the Executive Committee members of BFT IM, and managed by the Head of ESG strategy.

The management of controversies is managed monthly and ad-hoc (emergence of controversies, alert) within the Investment Committee and the Sustainable Development Committee, with the following objectives: to identify rising controversies, to follow the evolution of controversies identified, to take

20. As of end December 2022, Amundi's in-house ESG analysis covers more than 18,000 issuers (listed and unlisted, worldwide), through 38 criteria (17 general criteria & 21 sector-specific criteria) for each company which are then compared to ESG best practices in each sector.

appropriate measures depending on the degree of severity. The screening of controversies combines signals from RepRisk, Sustainalytics, MSCI, and is monitored by the group's ESG analysts to identify the major controversies among a large universe of issuers. This screening is carried out quarterly on systematic basis. Other sources (media, reports) are also used to assess critical cases.

On top of the engagement campaign on Employment led by BFT IM and Humpact, a majority of invested companies are also engaged at the Amundi group level on ESFG issues such as climate change, biodiversity, gender diversity etc.

ENZA RE (European Net Zero Ambition Real Estate)

ESG risks are addressed at acquisition. As part of the underwriting exercise, an "SRI map" is prepared. The map covers and scores items such as the energy performance, carbon performance, transportation, supplier management, renewable energy, biodiversity, health & safety. It also provides an assessment of the physical risks related to climate change, i.e. is the asset at risk of rising sea levels, floods, rising temperature, heat waves, storms, droughts, forest fires. Furthermore, the manager will also seek to address any ESG risks that appear, as long as it is in the interest of the strategy and the investors. The SRI map is updated at least every three years.

Principle 6

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Amundi Planet Emerging Green One strategy

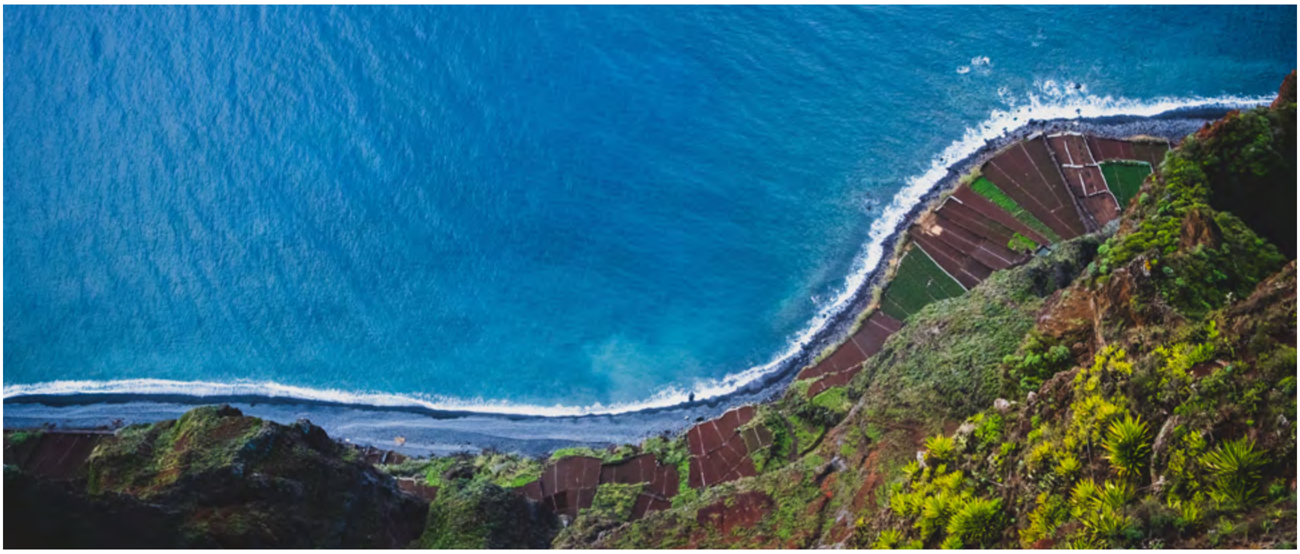
The strategy's annual impact report describes in detail the elements sought in Principle 6. On the data collection process, once the investment team has invested in a green bond, the Amundi ESG Research team will regularly review:

- Allocation and impact report of the green bond, to see whether the issuer is reporting as it intended to do at the inception of the green project.
- Controversies the issuer is involved in
- The issuer's environmental strategy

Any data on the above-mentioned actions are supported by Amundi internal green bond database as well as data retrieved from external data providers. Amundi has developed an internal green bond database that gathered all impact data on bonds we are invested in. This allows Amundi to communicate on aggregate impact output at the strategy level. All bonds are reviewed once a year to update data, as it is industry standard for green bond issuers to issue an impact report one year after issuance. Please find below highlights of the impact report for 2022:

The strategy held 39 green bonds cumulatively over the course of the year. The strategy started 2022 with 30 green bonds; nine were purchased and six matured or were sold during the year. As of Dec. 31, 2022, there were 33 green bonds in the strategy. The investment team communicates on geographical distribution of the green bonds in the strategy's portfolio by issuer's headquarters location. As of the end of 2022, the geographical distribution by issuers' headquarters covers 14 countries.

The investment team also communicates the use of proceeds by a sector breakdown. As at 2022-end, the use of proceeds is concentrated in eight sectors: renewable energy, green building, green transport, water management, waste and pollutants management, energy efficiency, alternative energy, and undisclosed.



The impact of the strategy goes beyond the invested bonds' use of proceeds. The strategy aims to create markets that include active engagement with issuers, stock exchanges, regulators and other stakeholders. Engagement areas include fast-tracking the implementation of international standards, such as the Green Bond Principles, issuers' alignment to climate policies, international best practices for impact reporting.

Amundi Emerging Markets Green Bond strategy

Please consult the response in Principle 4 for more information on the ongoing monitoring of this strategy, and to the impact report of the strategy. As of end of 2021, the strategy held 80.6% of EM Green Bonds, and 12.6% of sustainability bonds, diversified across 140 issuers, with the reminder in cash and derivatives. The investment team communicates the use of proceeds by project category breakdown. As at 2022-end, proceeds are used across multiple projects including renewable energy, green building, green transport, water management, waste and pollutants management, green industry, Land use and marine resources and others.

The impact of the strategy goes beyond the invested bonds' use of proceeds reporting. Within the ongoing monitoring step of our bottom-up ESG analysis of the investment process, the ESG Research team also conducts ongoing engagement with a defined list of green bond issuers, please consult Principle 7 for more details. Engagement is also done with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate.

Amundi Green Credit Continuum strategy

Once the strategy is invested in a green instrument, the investment team in conjunction with the Amundi GSS+ bond analyst team carry out ongoing engagement with the issuers and regularly monitor the following elements shared monthly during the ESG rating committee:

- Allocation and impact reports for green transactions
- Controversies related to the issuer
- The issuer's environmental strategy

The annual Impact Report for the strategy communicates the environmental impact of the portfolio based on the aggregate KPI selected tons of CO_2e avoided, the portfolio's ESG footprint, as well as its climate related footprint of the portfolio, which can be consulted here.

Throughout the year, we engage with a select number of issuers to understand **1.** the selection of impact indicators aligned with market practice such as the Harmonized Framework for Impact Reporting; and **2.** the level of comprehension they have on the adoption of the life cycle assessment (LCA). We support the adoption of the *Harmonised Framework for Impact Reporting*, which provides guidelines to issuers on how to estimate the environmental benefits of various projects. In addition, life-cycle assessment has emerged as a critical way to understand the complexity, interdependencies and impacts of business operations. Overall, we see issuers have taken steps to align with the Harmonized Framework for Impact Reporting.

Amundi Impact Green Bond strategy

Once the strategy is invested in a green bond, the investment team in conjunction with the Amundi GSS+ bond analyst team carry out ongoing engagement with green bond issuers and regularly monitor the following elements: comparison of the expected project allocation and impact reports, controversies related to the issuer, the issuer's environmental strategy. More details on the ongoing monitoring process can be found in Appendix. The annual impact report for the strategy details environmental impact (tCO_2e avoided) of the green projects with impact reports available, its contribution to the SDGs, its ESG footprint as well as its climate related footprint, which can be consulted here.

Throughout the year, we engage with a select number of issuers to understand **1.** the selection of impact indicators aligned with market practice such as the Harmonized Framework for Impact Reporting; and 2) **2.** the adoption of the life cycle assessment (LCA). We support the adoption of the Harmonised Framework for Impact Reporting, which provides guidelines to issuers on how to estimate the environmental benefits of various projects. In addition, life-cycle assessment has emerged as a critical way to understand the complexity, interdependencies and impacts of business operations. Overall, we see issuers have taken steps to align with the Harmonized Framework for Impact Reporting. On geographical differences, issuers in developed markets have shown greater adoption of the Framework, as well as the wider scope and availability of data as compared to issuers in emerging markets. Despite this, many issuers in emerging markets have expressed an interest and willingness to better align with the best practices of impact reporting and some have allocated resources to do so.

Amundi Social Bonds strategy

Once the strategy invests in a social bond, the investment team in conjunction with the Amundi GSS+ bond analyst team carry out ongoing engagement with social bond issuers and regularly monitor the following elements: comparison of the expected project allocation and impact reports, controversies related to the issuer, the issuer's sustainability strategy. More details on the ongoing monitoring process can be found in Appendix. At Amundi, we see social bonds as an opportunity to engage, not only on the transparency over the assets financed by the proceeds but also on the alignment of the wider issuer strategy with the sustainable goals pursued by their Sustainable financing framework.

To assess the entire portfolio's impact, the investment team goes through several steps to collect the project impact data and assess the portfolio's aggregate impact via a single indicator, number of beneficiaries by M€ invested. This process is done on an annual basis, and entails reviewing the projects' allocation, the SDGs contribution or the targeted population allocation which is already monitored on a monthly basis. For details on the estimated impact calculation methodology for this strategy and the results please refer to the annual impact report for the strategy here.

Amundi Finance & Solidarité strategy

In order to carry out our impact measurement, as well as being involved in supporting the companies financed, each investee provides an annual report on the impact KPIs being monitored. This annual assessment enables the investment team to monitor the strategy's investments and analyze the company's development, both financial and in terms of social and environmental impact. Two other actions that allow the investment team to monitor the company's progress on achieving their impact objectives are the following:

- The investment team has a seat at a company's Board, which allows us to monitor closely, all year-long, their achieved impact,
- The investment team holds regular meetings with the company to enhance impact possibilities

The annual impact report for Amundi Finance & Solidarité can be accessed here.

To ensure that the impact data collection is carried out in a timely fashion, the investment team has established a data collection tool[21] to automate this process.

Amundi Senior Impact Debt strategy

Data collection is a key aspect of the impact strategy of ASID IV. A detailed questionnaire is sent every year to issuers to serve as a basis of the ESG and impact reporting. Support in filling in the questionnaire at issuer level through the help of a third party's platform (Ethifinance) and active participation in marketplace working groups (France Invest, EuroPP group) to harmonize questionnaires and information undertakings in legal documentation are tools to help maximize the data collection and quality Currently, the current questionnaire complies with the recommendations provided by France Invest[22] and includes around nearly one hundred extra-financial indicators. The data retrieved from these questionnaires allows us to ensure precise monitoring of investments, obtain an ESG Score through the ARA ESG Scoring tool and to report to clients on the extra-financial performance of investments made on ASID IV and the strategy on an annual basis. In addition, this data collection also enable to engage with the management of the financed Companies to support them in improving their sustainability indicators.

Discussions with the right team/person at the Company level may be led in case of an underperformance with corrective actions requested. In the case an issuer underperforms on its sustainability indicators, there is no exit procedure for private debt. Unlike 'traditional' asset classes, private debt investments are illiquid and therefore very difficult to sell or hold to maturity. However, the investment committee can take a number of remedial measures in the event of an investment divergence, whether in terms of credit or ESG. These remedial measures include a dialogue with the borrower, a request for additional counterparties and closer monitoring. If these measures do not work, the committee may decide to sell the investment, taking into account the best interests of the client.

BFT France Emploi ISR

We deeply analyze each company we decide to invest in. The Employment data are updated on a monthly basis by our external data provider. The ESG ratings and Carbon footprints are also updated on a monthly basis by Amundi's ESG team. These data are loaded in the Portfolio Management system and the management team monitors the evolution of each investment and of the portfolio on a monthly basis. If a company's Employment score or ESG score was to deteriorate below our selectivity threshold, the management team has to sell the stock in order to stay aligned with the KPIs of the investment process (i.e.: exclusion of the 20% worst-rated issuers regarding to the Employment/ESG score and F&G scores).

The management teams also takes into account two other KPIs that can lead to over- or under-weight companies in the portfolio:

- The ESG score of the strategy must stay higher than the ESG score of the investment universe,
- The carbon footprint of the strategy must stay lower than the Carbon footprint of the investment universe.

In order to optimize our impact, we also engage with the companies we invest in, notably in order to obtain greater transparency of information from these companies.

An annual impact report is published, reflecting specific metrics linked to the Employment thematic, such as:

- The overall Employment score of the strategy and of the investment universe
- Average scores on the 3 pillars and 8 Employment axis of the Humpact methodology (see below)
- ESG scores
- Carbon footprints
- Engagement process and outcomes
- Financial support to associations

21. SIRSA / Reporting21, https://www.sirsa.io/
22. https://www.franceinvest.eu/

ENZA RE (European Net Zero Ambition Real Estate)

The carbon intensity of each asset is measured throughout the strategy's life. In practice, energy consumption and GHG emission data is collected automatically and continuously from the buildings or the tenants via an end-to-end data-intelligence solution. At least once a year, this data is fed into the CRREM model in order to plot the assets' emissions trajectory. If an asset were to go above the 1.5°C trajectory, the Manager of the strategy would have to find out what corrective measures can be implemented to cure the breach, if it is in the strategy's interest to implement them given their cost, or to divest the asset.

Data collection can only be successful with the active participation of all stakeholders, mainly the tenants and the property managers. Our aim is to establish a streamlined data collection process with our stakeholders, in the case where a data collection process cannot be streamlined, we may rely on tenants to provide missing data, however this is subject to whether the lease agreement obliges the tenant to do so. If the tenant is not cooperative (which has not happened to date), data points will have to be estimated ("gap filling") by using data from similar properties.

Principle 7

Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Amundi Planet Emerging Green One strategy

The policy of this strategy is to hold the green bonds until maturity. There is a 7 years transition period (up to 2025) to a 100% green bond portfolio which is also aiming to guide the green bond market in developing countries to be aligned with international best practices. The strategy's significant capital deployment and operation with its robust ESG investment criteria will influence green bond market developments in emerging markets. The strategy was initially invested into sovereign, quasi-sovereign and other bonds issued by financial institutions, as emerging market green bond issuances from financial institutions were limited at launch. Since then, the strategy has started to transition to green bonds and will continue to do over the course of the investment period as the market for green bonds in emerging markets develops. Throughout that period, the strategy will uphold best market standards and practices in line with the Green Bond Principles in emerging markets. Exit of green bonds would only happen in case of negative assessment of credit risk at issuer level or breach of the strategy's ESG Charter described above.

Amundi Emerging Markets Green Bond strategy

On controversy monitoring, Amundi has set up a firm-wide controversy monitoring process. This process can be found in Appendix. Systematic screening is done every quarter using external data providers to sort out the most controversial names into our universe. Controversies are assessed by Amundi ESG Research team, and should the outcome of their engagement with the issuer lead to a downgrade of the issuer's ESG rating to a G-rating on the Amundi ESG rating methodology, as per the Amundi Responsible Investment Policy[23], the investment team would need to divest from the issuer.

Throughout the investment period, the strategy seeks to uphold best market standards and practices in line with the Green Bond Principles in emerging markets. Exit of green bonds would only happen in case of negative assessment of credit risk at issuer level or breach of the strategy's ESG guidelines. While an ESG controversy on an issuer may trigger a sell, we do not have a sell discipline per se, insofar as no single position in itself has any meaning outside the overall risk/return context. In this respect, forecasts are based on qualitative and ESG views and not on target prices. A view is fed by a set of factors and established at a given horizon. It is translated into a position taking into account risk allocation constraints. Should one factor change or its maturity expire, the position is immediately reviewed, i.e. closed or adjusted. In other words, positions are reviewed on an on-going basis and adjustments are made to take into account new risk allocations, ESG or market changes while maintaining the overall risk consistency of the portfolio.

23. Details of the Amundi Responsible Investment Policy can be found in the following link: https://about.amundi.com/files/nuxeo/dl/c44a7bb2-813b-4346-96e0-e3d695241d9b#:~:text=Following%20the%20completion%20of%20our,in%20line%20with%20Amundi's%20ESG

Engagement is also done with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate.

Our investment process uses quantitative, market volatility, market liquidity indicators, option market skew and term structure as well as qualitative scenario inputs help identify potential sources of financial market stress. When faced with uncertainty, the decision to de-risk the portfolio, reduce ex ante tracking error, is as important as the asset class views themselves.

Amundi Green Credit Continuum strategy

Advocating engagement and dialogue with issuers is a key pillar of our investment philosophy. Amundi seeks to implement an engagement policy that influences through active dialogue with companies on specific themes. This engagement is intended to help issuers foster better ESG practices on green bond reporting and transition to a lower carbon economy through green projects that do not cause harm. Monitoring of controversies is conducted at two levels:

- Issuer level: a controversy screening will be continuously carried out, triggering a Due Diligence if a controversy is found. In this case, if the Due Diligence does not yield satisfactory results, the strategy would divest.
- Project level: if Amundi is informed of a controversy on a project, an Enhanced Due Diligence will be triggered. In this case, if the Enhanced Due Diligence does not yield satisfactory results, the strategy would divest.

If an issuer does not publish an impact report (or does not provide a rationale for the delayed publication) or if a controversy arises and after engaging with the issuer, corrective measures to remediate the controversy are not put in place, the decision to hold or sell the position will depend on the corrective action taken. In the most severe of cases, the investment team can take the decision to sell the position.

Amundi Impact Green Bond strategy

The strategy invests in green bonds that are issued in the public fixed income market and are accessible to all market participants. Thus, the additionality is lower compared to a private market.

Advocating engagement and dialogue with issuers is a key pillar of our investment philosophy. Amundi seeks to implement an engagement policy that influences through active dialogue with companies on specific themes. Engagement is intended to help issuers foster better ESG practices on green bond reporting and transition to a lower carbon economy through green projects that do not cause harm. If an issuer does not publish an impact report (or does not provide a rationale for the delayed publication) or if a controversy arises and after engaging with the issuer, corrective measures to remediate the controversy are not put in place, the decision to hold or sell the position will depend on the corrective action taken. In the most severe of cases, the investment team can take the decision to sell the position.

Amundi Social Bonds strategy

The investment team considers that Green, Social, and Sustainability (GSS+) bonds offer a specific license to engage, not only on the transparency over the assets financed by the proceeds but also on the alignment of the wider issuer strategy with the sustainable goals pursued by their GSS+ financing framework. The goal of engagement is to have a better view of the intention of the issuer in terms of ESG strategy, its willingness to improve its reporting practices. The investment team also needs to explain to issuers what is expected from their allocation and impact report and why. Indeed, if the investment team asks for detailed and verified information, this is to ensure the team has reliable information on the impact of the bonds they invested in.

Thanks to this process, the investment team can clearly communicate to its investors on the impact of the strategy. As we are talking about social financing, the outcome should be clear and measurable to avoid any risk of social washing. Projects are social in essence (school, hospitals) and if not, the targeted population must be clearly defined. Impact data calculation on those projects have to be detailed and ideally verified by a third party. The purpose of the investment team's engagement with an issuer is thus to support the confidence through full disclosure. If an issuer does not publish an impact report (or does not provide a rationale for the delayed publication) or if a controversy arises and after engaging with the issuer, corrective measures to remediate the controversy are not put in place, the decision to hold or sell the position will depend on the corrective action taken. In the most severe of cases, the investment team can take the decision to sell the position.

Amundi Finance & Solidarité strategy

The engagement for this strategy is to support the companies over the long term and to preserve impact in case of an exit. The exit policy is stated in shareholder and loan agreement and linked to impact objectives. These policies, included in the legal documentation of the investment, list:

- The potential & agreed exit date (maturity for debt investment, exit appraisal period for equity investment[24]).
- Events that may trigger earlier exit may also be included (changes of the strategy of the investee that may diverge for the impact mission pre agreed at investment)

A decision of exit is discussed and decided with the key managers of the company and if possible the largest number of stakeholders before being submitted to our Impact Committee for final approval. The investment team takes into consideration the impact of the exit decision for all stakeholders involved, the sustainability of the investee's business model post exit is analyzed and the proper date of exit is agreed with the investee management in order to take into account any possible negative situation.

Amundi Senior Impact Debt strategy

The strategy is buy-and-hold on illiquid debt and the investments made are for a pre-defined period (generally 7 years maturity). Engaging with Companies to improve on their key ESG challenges and gain in maturity on ESG topics is at the core of the strategy. The proximity and regular discussions with the management and CSR teams at Company level allow to advice on corrective measures in case of a deterioration of the extra-financial performance or sustainability indicators. Financial covenants and undertakings may also be breached triggering an event of default if not waived by the lenders through the decision of the investment committee: if extra-financial performance is (for whole or in part) responsible for the breach in undertakings, corrective measures can be imposed to the issuer in exchange of a waiver on the default. In the event that the financial and/or extra-financial conditions deteriorate further during the course of the investment, the private debt investment committee studies the impact that this early exit could have on the company. A divestment could have consequences on the impact sought by the strategy as a whole and we consider this in our decision.

BFT France Emploi ISR

The strategy has an investment horizon of 5 years. As part of our additionality approach, we have a long-term support objective for companies, as long as their Employment/ESG/Carbon profile is aligned with the strategy of the strategy. The decision-making process in terms of purchase and exit stems from the Impact strategy of the strategy, and depends on the evolution of the companies' score with regards to this strategy.

The decision to exit from an investment is made by the investment team. The execution is done as best as possible for the holders. In the event that the deterioration of the ESG rating of a stock leads to selling the position (e.g. G-rating on the Amundi ESG rating scale) the exit is made as quickly as possible. Furthermore, a position can be sold for other reasons (e.g. poor financial outlook).

24. In December 2022, we sold a shareholding to another international impact strategy.

ENZA RE (European Net Zero Ambition Real Estate)

When considering the disposal of an asset, the manager of the strategy will consider:

- To what extent the decarbonisation strategy has been successfully implemented on the asset to be sold;
- The financial prospects of the asset, given the current state of the real estate market.

The manager would then draft a divestment proposal and take it to the Investment Committee where the Head of SRI would validate the impact assessments.

A situation of conflict could therefore arise whereby the manager would have to choose whether to sell an asset whose financial prospects are poor but whose carbon intensity has not been significantly reduced. It will be then up to the manager to weigh the pros and cons of each alternative, in the broader context of the strategy and its market.

Principle 8

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Amundi Planet Emerging Green One strategy

The strategy targets to invest 100% in green bonds issued by financial institutions by the end of the Investment Period, following investment ratios into Green Bonds by the time frame indicated below, starting on the Initial Closing Date[25]:

- End Year 2: 15%
- End Year 3: 25%
- End Year 4: 40%
- End Year 5: 50%
- End Year 6: 70%
- End Year 7: 100%

The progress of the strategy portfolio's "greening" is compared and monitored with the above interim targets. As of end of December 2022, the strategy portfolio "greening" is ahead of schedule at 80.9% (vs year 5 interim target of 50%).

On impact reporting, Amundi requires green bond issuers in the strategy to provide investors with a list and brief description of all the projects to which the green bond proceeds have been allocated, as well as the green bonds' expected impact. If an impact report is not available at the time of issuance, then Amundi requires a commitment from the issuer to provide investors with such a report going forward. The impact performance of each investment is updated and analyzed on an annual basis in order to monitor and improve our decisions regarding the objective of the strategy. The ESG research team is engaging with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate.

Finally, a Scientific Committee has been formed for this Strategy. The Scientific Committee is composed of sustainable finance experts (including in the fields of climate finance and development finance), energy transition experts and people with knowledge and experience in product development. Its role includes advising the Portfolio Manager on translating the program's objectives into investment objectives, identifying new areas of development for climate development objectives and other IFC development goals pursued by the strategy.

The Scientific Committee takes no part in the management or control of the business or affairs of the Strategy. The Scientific Committee members do not have any power or authority to act for or on behalf of the Strategy. Actions taken by the Scientific Committee are advisory

25. There is no guarantee that the strategy will reach the minimum interim targets set out above, or that it will be invested in a portfolio comprising only Green Bonds by the end of the Investment Period.

only, and neither the Board, the AIFM nor the Portfolio Manager nor any of their Affiliates will be required or otherwise bound to act in accordance with any decision, action or comment of the Scientific Committee or any of its members.

Amundi Emerging Markets Green Bond strategy

The impact performance of each investment is updated and analyzed on an annual basis in order to monitor and improve our decisions regarding our objective.

Other than the continuous and day-to-day contact between portfolio managers and ESG research team, a quarterly Emerging Markets Green Bond Committee has been set between the investment and the ESG research team. The objective of this committee is to provide progress on the growing investment universe, updates on green bond issuers and engagements, and discuss controversies, if any. The aim of this committee is to have an open dialogue between the investment and the ESG analyst teams to identify improvements in decisions and processes and address different expectations on analysis and decisions.

Amundi Green Credit Continuum strategy

The impact performance of each investment is updated and analyzed by the GSS+ bond analyst team in order to monitor the underlying green projects. All analyses performed by the Amundi ESG or GSS+ bond analysts or data coming from external providers are computed and available in our portfolio management system, ALTO* . This tool provides all financial and extra financial metrics in real time for each position and for each issuer. Each year the investment team can report, follow, review, and document the contribution of the strategy to the energy transition trajectory and observe the improvement regarding impact achievement thanks to the information within ALTO*.[26]

Each year we can report, follow, review, document, the contribution of the strategy to the energy transition trajectory and observed the improvement regarding impact achievement.

We publish on an annual basis an Impact Report for the strategy whose content is divided between reporting on the impact of GRECO's investments and developments on the green bond market, mainly the target segments (high yield, securitization debt and private debt). It covers the environmental, social and governance profile of issuers in the strategy's portfolio, along with a deep dive into the strategy's green bond holdings and their respective environmental and ESG performance as well as GHG emissions avoided.

Amundi Social Bonds strategy

The impact performance of each investment is updated and analyzed by the GSS+ bond analyst team in order to monitor the underlying social projects. All analyses performed by the Amundi ESG or GSS+ bond analysts or data coming from external providers are computed and available in our portfolio management system, ALTO*. Each year the investment team can report, follow, review, and document the contribution of each investment to the objective of the strategy, thanks to the information within ALTO*.

An Impact Report for the strategy is published on an annual basis, whose content is divided between reporting on the impact of the strategy's investments, main findings and recommendations on social bonds impact reports, and developments on the social bond market. It covers the environmental, social and governance profile of issuers in the portfolio, along with a deep dive into the strategy's social bond holdings.

Amundi Finance & Solidarité strategy

The impact performance of each investment is updated and analyzed on an annual basis in order to monitor and improve the investment team's decisions in regards to the strategy's objective.

26. Amundi Leading Technologies & Operations.

The impact analysis has improved on the following:

- The methodology is based on a sector-based approach to identify companies that have the best practices regarding impact.
- The impact objectives are challenged every year with the management and an action plan is co-built with the management to improve the impact potential

For each thematic investment, the investment team identifies the global targets to reach in order to answer to one or more UN SDG's objectives. Each year the investment team can report, follow, review, document, the contribution of the strategy to this objective and observed the improvement regarding impact achievement.

Amundi Senior Impact Debt strategy

Each year from 2023 onwards, an impact & ESG reporting is published reporting on the achievements of each issuer compared to set objectives. A presentation is made to the issuers at the annual event gathering Companies in private equity and private debt around the sharing of good practices. This enables to get feedback from issuers in addition to the regular exchanges throughout the data collection process on challenges experienced and ways for improvement. The information gathered through events and general discussions with management is essential to help Companies (as a reminder, mostly SMEs), to transition to more sustainable business models. It has to be noted that a key part of the discussion targets the ability to get quality and comparable information which is still at an immature stage. An impact committee is also organized once a year with the investors of the strategy to decide on a potential Contribution Impact, a 10bps discount on the interest rate of the debt of issuers achieving their sustainability indicators but not benefiting from an ESG ratchet through sustainability-linked financings.

BFT France Emploi ISR

We update and review the impact performance of each investment on a monthly basis. The portfolio's overall impact on job creation is an indicator we provide in the annual impact report for this strategy. Our annual report will be published before the end of 2023. The first report was published on 30 June 2022, one year after the launch of the strategy.

Concerning the continuous improvement of the investment process, Humpact has helped us by broadening the qualitative rating criteria to societal indicators (impact on local communities and value chain) and no longer solely to the social aspect.

- Each category of social and societal policy is scored out of 20. The actions are classified into 2 categories: primary and secondary. Primary actions are actions deemed essential; secondary actions are complementary. Primary actions are worth 10 points and secondary actions are worth 10 points as well. It is not necessary to carry out all the actions to obtain all the primary or secondary points, it is necessary to carry out at least 75% of the points.
- For example, in the case of a past controversy with a company, we identified weak signals from the quantitative data that was collected (threshold tool), and following systematic dialogue with the company due to its weak social indicators (professional equality index, equity ratio, accident rate and safety of the employment), we deemed that their unsatisfactory answer/lack of transparency merited a downgrade in its rating.
- Implementation of 2 levels of controversies: major and minor. Minor controversies are not scored. Only major controversies are going to have a final impact on the score. The succession of minor controversies can nevertheless lead to a major controversy.

A major controversy can lead to:

- The exclusion of the company from the strategies of which it is part (No company concerned to date),
- The establishment of a dialogue with the company to understand the controversy,
- The decline in the general rating of the company.

The assessment of the general drop in a company's score is left to the qualitative assessment of the analyst team. Given the diversity of possible controversies, the analyst in charge of monitoring must construct and formalize an analysis specific to each controversy and determine the final impact according to key criteria to assess it. The analyst submits their analysis to the rest of the investment team in order to limit their discretionary aspect.

ENZA RE (European Net Zero Ambition Real Estate)

Impact performance for each asset will be obtained by improving its carbon intensity, mainly through the following actions:

- Improving equipment (insulation, ventilation, heating, renewable energy);
- Optimising operations (installation of measurement devices, automatic adjustment of temperature, lighting and ventilation settings);
- Incentivising tenants to reduce energy consumption;
- Producing on-site renewable energy.

These will be reported on within the strategy's annual report, where the evolution of each KPI is disclosed.

Actual vs expected variances will be looked at and the asset upgrade program will be adapted to each asset and improved with experience. In particular, items with the best cost/impact ratio will be prioritized. This learning curve will benefit all assets by the strategy.

Principle 9

Publically disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

Robust impact management processes are an essential component of Amundi's impact investing strategies and we commit to annually disclose on our alignment with the Operating Principles for Impact Management going forward. Amundi will be completing external verification of its disclosure statement and publish the conclusion of the verifier's assessment in 2023. The selection of an external verifier will be completed before year end 2022, with the first verification to be published before end 2023.

Appendix

Overview of Green, Social, Sustainable, and Sustainability-linked (GSS+) Bond Analysis

The GSS+ bond analyst team within the Amundi ESG Research, Engagement & Voting team are in charge of defining the investable universe on the GSS+ bond market. Utilizing our internal GSS+ bond assessment, any new investment must undergo this assessment as described further below. It is important to note that portfolio managers are not allowed to trade GSS+ bonds that would have not been screened by GSS+ bonds analysts first.

Following the assessment, all related data is gathered into our internal GSS+ bond database that allows Amundi to monitor the investable GSS+ bond universe. All bonds are reviewed once a year to reflect changes in the data. This internal database allows us to feed issuer and issuance level data at the fund level, which allows for a better understating of the allocation and impact of the fund. As a result, these items serve as a basis to engage with relevant GSS+ bond issuers. Engagement is a key component of our GSS+ bond assessment. We engage issuers on missing reports, discrepancies in impact data, or on thematic issues

Amundi developed a proprietary Green, Social, Sustainable and Sustainability-Linked (GSS+) bond assessment process to ensure that we are appropriately assessing the relevance and the extent of impact of the projects financed by the proceeds of the GSS+ bonds we invest in. We also assess the alignment of the issuer's ESG strategy with its GSS+ bond issuance. Prior to investment, all GSS+ bond investments undergo a three-step assessment: **1.** issuer-level ESG screening, **2.** issuance-level GSS+ analysis and **3.** ongoing monitoring after investment.

Issuer level ESG screening

Verifying the ESG rating of the GSS+ bond issuer

The GSS+ bond analyst will verify the issuer's ESG rating to understand where the issuer situates themselves in regards to their ESG practices (e.g. the ability of an issuer to anticipate and manage the E, S and G risks and opportunities inherent to its industry and/or context). Should the analyst identify any weakness on each of the E, S and G pillars, the GSS+ bond analyst will look for any controversy on the related pillar in more detail. Worst performers i.e. issuers with a G-rating on Amundi's ESG rating scale are not eligible for investment and portfolio managers are not allowed to override ESG views (the trade would be blocked into the portfolio management tool used by portfolio managers).

Screening GSS+ bond issuers for controversies and alignment with industry standards

The GSS+ bond analysts systematically check for the following items:

- Alignment of issuer with industry standards (e.g. ICMA Green or Social Bond Principles, EU taxonomy),
- Existence of a second party opinion or other certification, such as Climate Bond (CBI) certificates;
- Whether the issuer faces severe ESG controversies (detailed in section 7. 'Amundi's Responsible Investment Capabilities & Resources'); and
- Whether the projects to be financed by the green bond contribute to wider efforts by the issuer to favour the energy and/or environmental transition.

If this initial screening is not satisfactory, then the GSS+ bond cannot be considered for investment.

Issuance level GSS+ analysis

Once the GSS+ bond issuer has undergone the initial screening, Amundi GSS+ bond analysts conduct a comprehensive analysis of the GSS+ bond issuance and a comparative analysis of the ESG performance of the issuance vs the overall ESG strategy of the issuer, as follows:

Project	Issuer	Green & Social Funding Rationale	Transparency
Asset level impact Degree of green & social contribution in absolute, as well as relative to the sector and the country	**Issuer strategy** Contribution to issuer's ESG strategy, link between the green/ social bond and issuer's KPIs	**Funding purpose** Alignment between green/social bonds and green/social assets in terms of purpose and allocation	**Disclosure** Amount of information available on projects, impact data, and verification (such as SPO)

Source: Amundi, provided for illustrative purposes only.

If the analysis concludes that the GSS+ bond is not investable under Amundi's eligibility criteria, portfolio managers are not allowed to buy the bond for inclusion in their portfolios. It is important to highlight that our internal guidelines are stricter than just having an alignment with ICMA principles. Indeed, we already have refused GSS+ bonds due to concerns on the issuer (controversies on past project developed) or on the project(s) financed by the bond (e.g. airport extension) despite the projects being aligned with ICMA principles.

Ongoing Monitoring

After investment, GSS+ bond analysts assess on an ongoing basis that the issuer has coherent ESG commitments as follows:

- One year after the issuance: assess the availability of the allocation and impact report of the GSS+ bond, including a formal dialogue with the issuer in case partial information is missing.
- On a regular basis: perform a review of the issuer's environmental and/or social strategy to ensure that the overall ESG performance of the issuer is improving and is update accordingly in case there is a significant evolution from one period to another.
- On a daily basis: controversy screening through different channels (internal controversy database, data providers, press, emails). If a significant controversy occurs, the GSS+ bond analyst engages with the issuer.

All of the information or data collected in the above-mentioned actions are gathered into an internal proprietary GSS+ bond database that allows Amundi to monitor the investable GSS+ bond universe. All bonds are reviewed once a year to reflect changes in the data. This internal database allows us to feed issuer and issuance level data at the fund level, which allows for a better understating of the allocation and impact of the strategy.

When our GSS+ bond analysts engage with issuers, there are two main objectives to the engagement:

- Clarify discrepancies or missing impact data such as understanding why there is a missing impact report, problematic impact data, or to define a remediation plan to address a controversy.
- Encourage issuers to integrate better ESG practices by promoting ICMA harmonised framework for impact reporting, promoting Life Cycle Assessment (LCA) considerations from the EU Taxonomy, encourage issuers to set targets for their ESG strategy, improve their E&S policies.

It is important to note that an unsuccessful dialogue with the issuer may lead to divestment in the event of severe controversies.

Amundi Controversies Process

The firm wide controversies monitoring process has the following objectives:

- Identifying emerging controversies (sectors, issuers, geographic areas ...)
- Identifying the most controversial issuers in order to establish a dialogue with them, exclusion being the last resort
- Protecting clients from reputational risk (linked to securities held in the portfolio)

Amundi has developed a controversy tracking system that relies on three data providers to systematically track controversies and their level of severity. This quantitative approach is then enriched with an in-depth assessment of each severe controversy, led by ESG analysts and the periodic review of its evolution. Controversies are monitored on a daily basis through the flow of information received by ESG Research team.

The table below summarizes the providers and the type of data:

Provider	Severity and reputational risk indicator	Format
RepRisk	Reputational Risk Indicator – RRI and severity indicator	Alerts are sent to ESG analysts through emails or file”
MSCI	MSCI Flag : Red / Orange / Yellow / Green	Web access / Alerts / data file
Sustainalytics	Level of severity: scale from 1 to 5	Web access / data file

A screening combining signals from RepRisk, Sustainalytics and MSCI allows ESG analysts to identify the major controversies among a large universe of issuers. This screening is carried out quarterly on systematic basis and is accessible to the ESG analysts.

Then, for the analyst, the assessment of a controversy is structured around the following key points:

- Multiplicity of controversies and associated ESG issues
- Frequency, magnitude and extent of the controversy (s)
- Response provided by the company and any corrective measures taken by the company
- Potential business impact / Potential impact on stakeholders
- Source (quality and visibility)
- Duration / Relevance

Qualitative assessments of controversies are summarized on a dedicated database updated quarterly. Portfolio managers and financial analysts have easy access to the dedicated database on the internal platform iPortal. Controversies are then assessed manually by Amundi ESG Research team and can be settled by a downgrade of the ESG internal score, in accordance with the Amundi Responsible Policy.

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LEGALS

Amundi Asset Management
French "Société par Actions Simplifiée" - SAS with a capital stock of 1 143 615 555 euros - Portfolio management company approved by the French Financial Markets Authority (Autorité des Marchés Financiers) - under no. GP 04000036.

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Amundi
ASSET MANAGEMENT

Amundi

Independent assurance report on the alignment of the impact management systems of Amundi with the Operating Principles for Impact Management

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Amundi

Independent assurance report on the alignment of the impact management systems of Amundi with the Operating Principles for Impact Management

To the Head of Institutional Clients Coverage & ESG,

In response to your request, we have verified whether the impact management systems of Amundi (the "Policies") are aligned, in all material aspects, with the Operating Principles for Impact Management of February 2019 and updated in June 2021 (the "Impact Principles", available at www.impactprinciples.org) for USD 4.3 billion of its assets under management (as of December 31, 2022).

Limited assurance conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the policies of Amundi are not aligned, in all material aspects, with the Impact Principles for USD 4.3 billion of its assets under management (as of December 31, 2022).

Amundi's responsibilities

It is Amundi's responsibility to define the necessary processes, roles and responsibilities to align its organization with the Impact Principles. It is also its responsibility to prepare and publicly disclose, on an annual basis, a report describing the alignment of its Policies with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. These disclosures are available on the Impact Principles website.

Our responsibility

Our responsibility is to (i) plan and perform the engagement to obtain limited assurance about whether the Policies are aligned with the Impact Principles; (ii) form an independent conclusion based on the procedures we have performed and the evidence we have obtained; and (iii) report our conclusion to Amundi's Head of Institutional Clients Coverage & ESG.

However, our responsibility does not include assessing the effectiveness of the impact measurement approach of Amundi, nor verifying the resulting impacts achieved.

As we are engaged to form an independent conclusion, we are not permitted to be involved in the preparation of the Policies or the Impact Principles' Disclosure Statement, as doing so may compromise our independence.

Professional Standards Applied

We have performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance and ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainable finance experts. We remain solely responsible for our assurance conclusion.

Summary of the work we performed

For each strategy, we performed the following procedures based on our professional judgment:

- We verified that the Policies are addressing each of the Impact Principles.
- We assessed the relevance, completeness, reliability, neutrality and understandability of the Policies in relation to the Impact Principles.
- We conducted interviews with the people in charge of defining, applying and enforcing the Policies.
- We performed walk-through tests to check the correct application of the Policies.
- We examined the integrity of the information provided in the Disclosure Statement in relation to the Policies.
- We also verified that the aggregate amount of assets under management (as of December 31, 2022, taking into account the 9 strategies) are aligned with the Impact Principles.

Paris-La Défense, July 28, 2023

The Independent Auditor
EY & Associés

Caroline Delérable
Partner