

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

Product name: AMUNDI ULTRA SHORT TERM GREEN BOND

Legal entity identifier: 2138005Z8LOXNQFYD482

Sustainable investment objective

Does this financial product have a sustainable investment objective?

Yes

No

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

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

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

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

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

with a social objective

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

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

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



What is the sustainable investment objective of this financial product?

The sustainable investment objective is to invest in green bonds, i.e. bonds that finance projects with a positive impact on the energy and environmental transition.

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

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

In addition to the quantitative and qualitative financial analysis of the bonds likely to make up the portfolio, the selection process envisages an approach aimed at maintaining their environmental qualities based on a multi-pronged analysis:

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

1. Analysis of the bond's characteristics in terms of:
 - (i) transparency, via reporting on the tonnes of CO2 emissions avoided per million euro invested in a year;
 - (ii) the environmental impact of the projects financed (such as the development of recycled products, sustainable management of natural resources etc.);
 - (iii) integration with the issuer's overall environmental strategy (such as the company's quantified targets for reducing CO2 emissions as part of the overall objective of limiting the temperature increase to 1.5°);
 - (iv) integration with an overall business approach aimed at conceptualising actions and defining environmental best practices (circular economy, development of recycling, waste reduction etc.).
2. Selection of business sectors compatible with Amundi's ESG policy, including the defined exclusion rules;
3. Analysis of the issuer's ESG fundamentals, to identify issuers who are "best performers" in their business sector on at least one of their material environmental factors.

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

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

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

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

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

To ensure that sustainable investments do not cause significant harm (the "Do Not Significantly Harm" or "DNSH" principle), Amundi uses two filters:

- the first DNSH filter is based on monitoring the mandatory indicators for the Principal Adverse Impacts set out in Table 1 of Annex I of the RTS (e.g. the greenhouse gas or GHG intensity of companies) through a combination of indicators (e.g. carbon intensity) and specific rules or thresholds (e.g. carbon intensity is not in the bottom decile for the sector).

Amundi already takes into account the specific Principal Adverse Impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal and tobacco.

- In addition to the specific indicators for the sustainability factors covered by the first filter, Amundi has defined a second filter that does not take into account the mandatory indicators for the Principal Adverse Impacts in order to verify that a company does not have a poor overall environmental or social performance compared with other companies in its sector. This corresponds to a minimum environmental or social rating of E on the Amundi rating scale.

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

The indicators for adverse impacts were taken into account as detailed for the first DNSH filter above:

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

- a CO2 intensity that is not in the bottom decile of companies in the sector (only applies to high-intensity sectors), and
- a board diversity that is not in the bottom decile of companies in its sector, and
- the absence of any controversy regarding working conditions and human rights, and
- the absence of any controversy regarding biodiversity and pollution.

Amundi already takes into account the specific Principal Adverse Impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal and tobacco.

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

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



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

Yes

Amundi takes into account the mandatory indicators for the Principal Adverse Impacts set out in Table 1 of Annex I of the RTS applicable to the UCI's strategy. It relies on a combination of exclusion policies (norm-based and sector-based), the integration of ESG ratings within the investment process, engagement and voting policies:

- Exclusion: Amundi has defined rules for norm-based exclusions by activity and sector, covering some of the main sustainability indicators listed in the Disclosure Regulation.
- Integration of ESG factors: Amundi has adopted the minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G-rated issuers and best weighted average ESG score above the applicable reference benchmark). The 38 criteria used in Amundi's ESG rating approach have also been designed to take into account the key impacts on sustainability factors, as well as the quality of mitigation.

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

- Engagement: engagement is an ongoing, targeted process aimed at influencing the activities or behaviour of companies. The aim of engagement can be divided into two categories: engaging with an issuer to improve how it integrates the environmental and social aspects, and engaging with an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues of importance to society and the global economy.
- Voting: Amundi's voting policy is based on a holistic analysis of all the long-term issues that could influence value creation, including material ESG issues (Amundi's voting policy is available on its website).
- Controversy monitoring: Amundi has developed a controversy monitoring system that uses three external data providers to systematically monitor controversies and their level of severity. This quantitative approach is reinforced by an in-depth assessment of each severe controversy by ESG analysts and a periodic review of any developments. This approach is applied to all Amundi funds.

No



What investment strategy does this financial product follow?

The investment strategy consists of reconciling financial performance and positive environmental impact. The fund invests in green bonds. Portfolio stocks are selected based on both financial-analysis criteria and non-financial criteria, systematically incorporating ESG (Environmental, Social and Governance) aspects, with a preference for projects that have a positive impact on the environment.

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

The fund aims to invest more than 75% in green bonds.

The fund applies the Amundi exclusion policy, which includes the following rules:

- legal exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons and depleted uranium weapons etc.);
- companies that seriously and repeatedly contravene one or more of the ten principles of the Global Compact, without credible corrective action;
- the Amundi Group sector-based exclusions on coal and tobacco (details of this policy can be found in the Amundi Responsible Investment Policy available at www.amundi.fr).

In addition, the fund applies the following rules:

- exclusion of issuers rated G at purchase;
- the "rating improvement" approach: the weighted average ESG rating of the portfolio must be higher than the weighted average ESG rating of the fund's investment universe;
- at least 90% of the securities in the portfolio are ESG rated.

● **What is the policy for assessing good governance practices of the investee companies?**

The management team applies Amundi's ESG rating methodology. The rating is based on a proprietary ESG analysis framework which takes into account 38 general and sector-based criteria, including governance criteria. For the governance aspect, Amundi assesses the issuer's ability to provide an effective corporate governance framework that enables it to attain its long-term objectives (e.g. maintaining the issuer's value over the long term). The governance sub-criteria taken into account are: the board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy.

Amundi's ESG rating scale consists of seven ratings, ranging from A to G, where A is the best rating and G is the worst. G-rated companies are excluded from the investment universe.

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

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



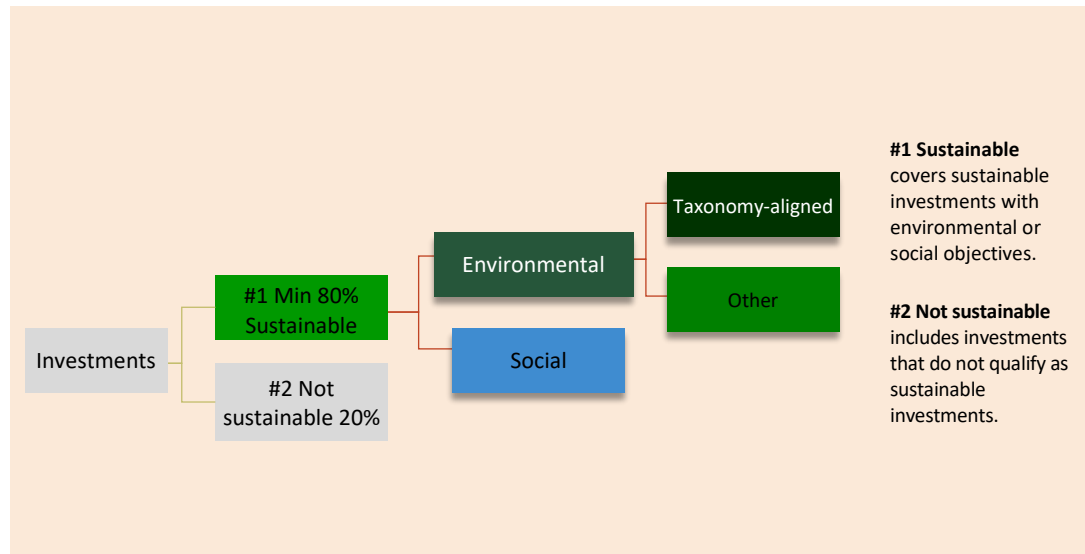
What is the asset allocation planned for this financial product?

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

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



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

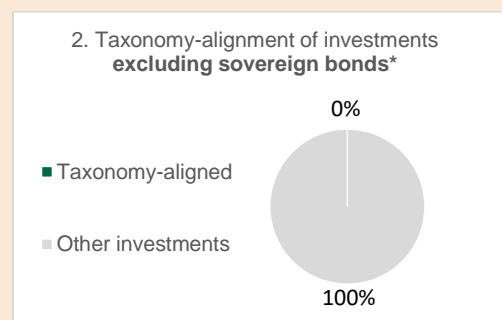
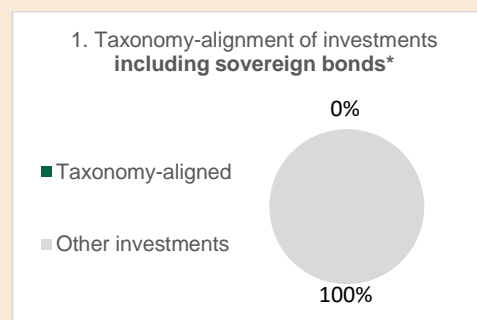
Derivatives are not used to attain the sustainable investment objective.



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

The fund currently has no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

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



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

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

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



The symbol represents environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU taxonomy.

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

The fund has no commitment to a minimum proportion of investments in transitional and enabling activities.



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

The fund currently has no minimum commitment to sustainable investments with an environmental objective not aligned with the EU Taxonomy.



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

The fund has no minimum share of sustainable investments with a social objective.



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

Derivatives and liquid assets (money market UCIs and cash) are included under "#2 Not sustainable". Derivatives do not contribute to the sustainable investment objective; they are used for hedging and/or risk exposure (exchange rates etc.). Liquid assets are used for cash management, to cover subscriptions/redemptions.



● **Has a specific index been designated as a reference benchmark to meet the sustainable investment objective?**

N/A

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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

N/A

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

N/A

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

N/A

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

N/A



Where can I find more product specific information online?

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