

## Sustainability related disclosures

Capitalised terms used but not defined herein shall have the meanings set forth in the Fund's supplement.

**Product name:** ENHANCED ULTRA SHORT TERM BOND SRI FAM FUND

**Legal entity identifier:** 2549003V3KM7D5W09P96

### Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> 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 10% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

#### A. Summary

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Fund commits to making sustainable investments.

90% of the investments of the Fund will be used to meet the environmental or social characteristics promoted by the Fund in accordance with the binding elements of the investment strategy. The Fund commits to have a minimum of 10% of sustainable investments and the remaining proportion of the investments will be invested in assets with environmental and social characteristics. The Fund currently has no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

Derivatives are not used to attain the environmental or social characteristics promoted by this Fund.

The investment objective of the Fund is to provide a total return (income and capital growth) over a minimum twelve-month investment period in excess of its benchmark (composed of 80% Euro Short-Term Rate (€STR) and 20% ICE BofA 1-3 Year Euro Corporate Index).

The Investment Manager integrates sustainability factors into its investment process by taking into account the ESG rating of issuers in the portfolio construction. The ESG analysis of issuers aims to assess their ability to manage the potential negative impact of their activities on sustainability factors.

The benchmark does not assess or include its constituents in terms of environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted by the Fund.

The Investment Manager relies on Amundi Group ESG scoring methodology. Amundi Group's ESG scoring is based on a proprietary ESG analysis framework, which accounts for 38 general and sector-specific criteria, including governance criteria.

The Amundi ESG rating used to determine the ESG score is a quantitative ESG score translated into seven grades, ranging from A (the best scores in the universe) to G (the worst). In Amundi's ESG rating scale, securities belonging to the exclusion list correspond to a score of G. Amundi's ESG ratings may be expressed globally on the three dimensions E, S and G or individually on any environmental or social factor.

All ESG data, either externally or internally processed, is centralised by the Responsible Investment Business line, which is responsible for controlling the quality of the inputs and processed ESG outputs. Sustainability indicators used within Amundi rely on proprietary methodologies.

Amundi's ESG scores are built using Amundi's ESG analysis framework and scoring methodology. We source data from the following sources for ESG scores: Moody, ISS-Oekom, MSCI, and Sustainalytics. Amundi limitations to the methodologies and data sources are by construction linked to use of ESG data. The ESG data landscape is currently being standardised which can impact data quality; data coverage also is a limitation.

Each month, the ESG scores are recalculated according Amundi quantitative methodology. Amundi has an investment guideline management procedure as well as a breach management procedure applying across all operations. Both procedures reiterate strict compliance with regulations and contractual guidelines. Risk managers are in charge of monitoring breaches on a day-to-day basis, alerting fund managers and requiring that portfolios are brought back into compliance as soon as possible and in the best interest of investors.

Amundi engages investee or potential investee companies at the issuer level regardless of the type of holdings held (stocks and bonds). Issuers engaged are primarily chosen by the level of exposure to the subject of engagement, as the environmental, social, and governance issues that companies face have a major impact on society, both in terms of risk and opportunities.

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## **B. No sustainable Investment Objective**

The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of sustainable investment are to invest in companies that meet two criteria:

- 1) monitoring environmental and social best practice; and
- 2) not to generate products and services that harm the environment and society.

The definition of "best performing" company is based on a proprietary Amundi ESG methodology that aims to measure a company's ESG performance. To be considered "best performer", a company must score in the top three (A, B or C, on a rating scale from A to G) of its sector on at least one important environmental or social factor. Significant environmental and social factors are identified at the sector level. The identification of these factors is based on Amundi's ESG analysis framework, which combines extra-financial data with a qualitative analysis of associated sector and sustainability themes. The factors identified as material have a contribution of 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.

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

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

#### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

To ensure sustainable investments do no significant harm ('DNSH'), Amundi utilises two filters:

- The first DNSH test filter relies on monitoring the mandatory Principal Adverse Impacts indicators where robust data is available (e.g. Greenhouse Gas intensity of investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company's carbon intensity does not belong to the last decile of the sector). Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, Violations of UN Global Compact principles, coal and tobacco.

- Beyond the specific sustainability factors covered in the first filter, Amundi has defined a second filter, which does not take the mandatory Principal Adverse Impact indicators above into account, in order to verify that the company does not badly perform from an overall environmental or social standpoint compared to other companies within its sector which corresponds to an environmental or social score superior or equal to E using Amundi's ESG rating.

- In addition to the exclusions of the Investment Manager, the Manager's exclusion list which is based on the Manager's exclusion policy and compiled by the Manager will apply. Exclusion categories considered in the exclusion policy are United Nations Global Compact Principles, Controversial Weapons, Tobacco, Climate Change and Forced Labour. See the Manager's website for more detail on the application of the exclusion policy.

#### **How does this financial product take into account principal adverse impacts on sustainability factors?**

As detailed above, the negative impact indicators are taken into account in the first DNSH (do not significant harm) filter: this is based on the monitoring of the mandatory Main Negative Impact

indicators of Annex 1, Table 1 of the RTS when reliable data are available through the combination of the following indicators and specific thresholds or rules:

- have a CO2 intensity that does not belong to the last decile of companies in the sector (only applies to high intensity sectors), and
- have a diverse board of directors that does not belong to the bottom decile of companies in its sector, and
- be free from controversy over working conditions and human rights
- be free of controversy regarding biodiversity and pollution.

Amundi already takes into account specific Key Negative Impacts in its exclusions policy as part of its Responsible Investment Policy. These exclusions, which apply in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of the UN Global Compact principles, coal and tobacco.

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

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into our ESG scoring methodology. Our proprietary ESG rating tool assesses issuers using available data from our data providers. For example the model has a dedicated criteria called "Community Involvement & Human Rights" which is applied to all sectors in addition to other human rights linked criteria including socially responsible supply chains, working conditions, and labour relations. Furthermore, we conduct controversy monitoring on a, at minimum, quarterly basis which includes companies identified for human rights violations. When controversies arise, analysts will evaluate the situation and apply a score to the controversy (using our proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

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## **C. Environmental or social characteristics promoted by this financial product**

### **What are the environmental or social characteristics promoted by this financial product?**

The Investment Manager integrates sustainability factors into its investment process by taking into account the ESG rating of issuers in the portfolio construction.

The ESG analysis of issuers aims to assess their ability to manage the potential negative impact of their activities on sustainability factors. This analysis aims to assess their Environmental, Social and Governance behaviours by assigning them an ESG rating ranging from A (best rating) to G (worst rating), in order to achieve a more global risk assessment.

The analysis is based on a set of generic criteria for all issuers and then specific criteria for each sector, using a "best in class" approach.

The methodology of upstream ESG analysis and the taking into account of the global ESG rating in the construction of the portfolio (by excluding the lowest rated issuers and favouring those with the best ratings) thus makes it possible to promote the 3 dimensions (environmental, social and governance).

## **D. The Investment Strategy**

### **What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?**

The investment objective of the Fund is to provide a total return (income and capital growth) over a minimum twelve-month investment period in excess of its benchmark (composed of 80% Euro Short-Term Rate (€STR) and 20% ICE BofA 1-3 Year Euro Corporate Index).

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Fund first applies the Amundi exclusion policy including the following rules:

- legal exclusions on controversial weaponry (anti-personnel mines, cluster bombs, chemical weapons, biological weapons and depleted uranium weapons...);
- Companies that repeatedly and seriously violate one or more of the 10 Global Compact principles without credible corrective action;
- Amundi's sector exclusions on Coal and Tobacco (details of this policy are available in Amundi's Responsible Investment Policy available on [www.amundi.fr](http://www.amundi.fr)).
- In addition to the exclusions of the Investment Manager, the Manager's exclusion list which is based on the Manager's exclusion policy and compiled by the Manager will apply. Exclusion categories considered in the exclusion policy are United Nations Global Compact Principles, Controversial Weapons, Tobacco, Climate Change and Forced Labour. See the Manager's website for more detail on the application of the exclusion policy.

The Fund also applies the following rules:

- Exclusion of issuers rated F and G for purchase ;
- The "rating enhancement" approach: the weighted average ESG rating of the portfolio must be higher than the weighted average ESG rating of the fund's investment universe after eliminating 20% of the lowest rated issuers; the coverage rate is 90%.
- The Fund follows 4 indicators on the E, S, G and human rights dimensions:
  - Environment (Carbon Footprint): Carbon intensity (tCO<sub>2</sub>e) per million euros of turnover (Scope 1, 2 and 3) for a selected company compared to a group of comparable companies.
  - Respect for human rights: Decent work and freedom of association: Decent working conditions and freedom of association (percentage of companies with policies that exclude forced or compulsory child labour or that guarantee freedom of association, universally applied regardless of local laws)
  - Social: Gender mix of managers, percentage of female managers in companies.
  - Governance: Board independence (percentage of directors who meet the board independence criterion).

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

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

Amundi Group ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. G-rated companies are excluded from our investment universe.

### **Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (Including an indication of the rate)**

Not applicable.

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

Yes

No

Amundi takes into account the mandatory and applicable additional Key Negative Impact Indicators in accordance with Appendix 1, Table 1 of the RTS applicable to the Fund's strategy and relies on a combination of exclusion policies (normative and sectoral), integration of ESG rating in the investment process, engagement and voting approaches:

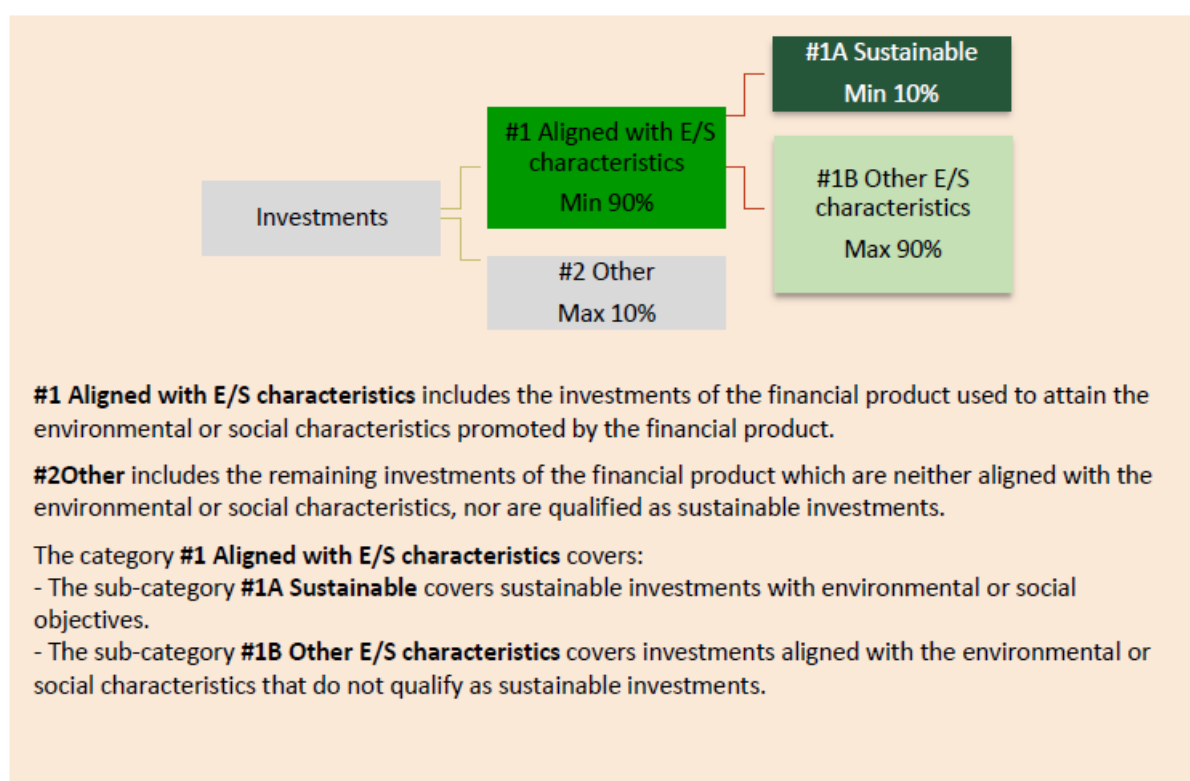
- Exclusion: Amundi has defined normative exclusion rules, by activity and by sector, covering some of the main sustainability indicators listed in the SFDR.
- ESG integration: Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G-rated issuers and best weighted average ESG score above the applicable benchmark). The 38 criteria used in Amundi's ESG rating approach have also been designed to take into account key impacts on sustainability factors, as well as the quality of mitigation.
- Engagement: Engagement is an ongoing and targeted process to influence the activities or behaviour of companies. The purpose of engagement can be divided into two categories: to engage an issuer to improve the way it integrates the environmental and social dimension, and to engage an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues important to society and the global economy.
- Voting: Amundi's voting policy responds to a holistic analysis of all long-term issues that can influence value creation, including significant ESG issues (Amundi's voting policy is available on its website).
- Controversy monitoring: Amundi has developed a controversy monitoring system that relies on three external data providers to systematically track controversies and their level of severity. This quantitative approach is then enriched by an in-depth assessment of each severe controversy,

conducted by ESG analysts, and the periodic review of its evolution. This approach is applied to all Amundi funds.

## E. Proportion of Investments

### What is the planned asset allocation for this financial product?

90% of the investments of the Fund will be used to meet the environmental or social characteristics promoted by the Fund in accordance with the binding elements of the investment strategy. The Fund commits to have a minimum of 10% of sustainable investments and the remaining proportion of the investments will be invested in assets with environmental and social characteristics.



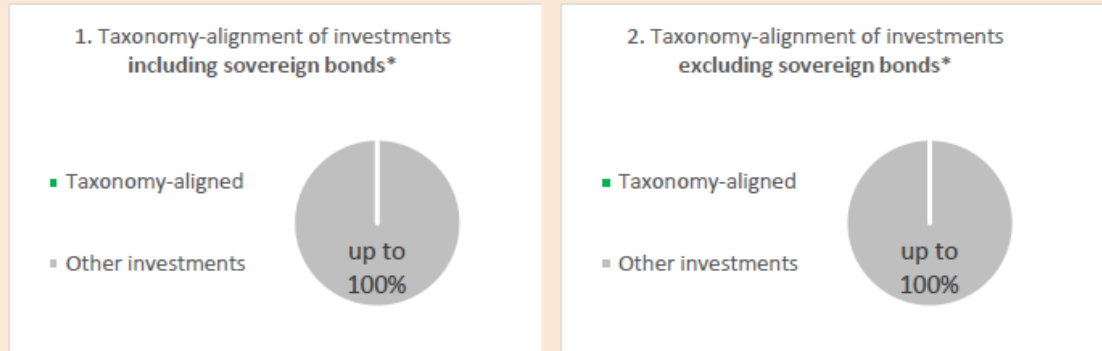
### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by this Fund.

### What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)

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

**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 socially sustainable investments?**

The Fund does not have a minimum share of sustainable investments with a social objective.

**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

Included in the "#2 Other" category are cash and unrated instruments (which may include securities for which the data needed to measure the achievement of environmental or social characteristics is not available).

## **F. Monitoring of environmental or social characteristics**

**What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator is the average ESG rating of the portfolio, which must be higher than the ESG rating of the investment universe (the average rating of the investment universe being calculated after eliminating at least 20% of the lowest rated issuers).

Amundi has developed its own internal ESG rating process based on the "Best-in-class" approach. Ratings adapted to each sector of activity aim to assess the dynamics in which companies evolve.



The Amundi ESG rating used to determine the ESG score is a quantitative ESG score translated into seven grades, ranging from A (the best scores in the universe) to G (the worst). In Amundi's ESG rating scale, securities belonging to the exclusion list correspond to a score of G. For corporate issuers, ESG performance is assessed globally and according to relevant criteria by comparison with the average performance of its sector of activity, through the combination of the three ESG dimensions:

- the environmental dimension: this examines the capacity of issuers to control their direct and indirect impact on the environment, by limiting their energy consumption, reducing their greenhouse gas emissions, combating resource depletion and protecting biodiversity.
- the social dimension: this measures how an issuer operates on two distinct concepts: the issuer's strategy to develop its human capital and respect for human rights in general:
- the governance dimension: this assesses the issuer's ability to provide the basis for an effective corporate governance framework and to generate value over the long term.

**How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?**

All ESG data, either externally or internally processed, is centralised by the Responsible Investment Business line, which is responsible for controlling the quality of the inputs and processed ESG outputs. This monitoring includes an automated quality check as well as a qualitative check from ESG analysts who are specialists of their sectors. ESG scores are updated on a monthly basis within Amundi's proprietary tool Stock Rating Integrator (SRI) module.

Sustainability indicators used within Amundi rely on proprietary methodologies. These indicators are continuously made available in the portfolio management system allowing the portfolio managers to assess the impact of their investment decisions. Moreover, these indicators are embedded within Amundi's control framework, with responsibilities spread between the first level of controls performed by the Investment teams themselves and the second level of controls performed by the Risk teams, who monitor compliance with environmental or social characteristics promoted by the fund on an ongoing basis.

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## **G. Methodologies**

**What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?**

The Amundi ESG rating used to determine the ESG score is an ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). In the Amundi ESG Rating scale, the securities belonging to the exclusion list correspond to a G. For corporate issuers, ESG performance is assessed globally and at relevant criteria level by comparison with the average performance of its industry, through the combination of the three ESG dimensions:

- Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity;

-Social dimension: these measures how an issuer operates on two distinct concepts: the issuer's strategy to develop its human capital and the respect of the human rights in general;

- Governance dimension: This assesses capability of the issuer to ensure the basis for an effective corporate governance framework and generate value over the long-term.

The methodology applied by Amundi ESG rating uses 38 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. Amundi ESG ratings are likely to be expressed globally on the three E, S and G dimensions or individually on any environmental or social factor.

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## **H. Data Sourcing and processing**

**What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?**

Amundi's ESG scores are built using Amundi's ESG analysis framework and scoring methodology. We source data from the following sources for ESG scores: Moody, ISS-Oekom, MSCI, and Sustainalytics.

Data quality controls of external data providers are managed by the Global Data Management unit. Controls are deployed at different steps of the value chain, from pre-integration controls, post integration ones, to post calculation ones like controls on proprietary scores for instance.

External data are collected and controlled by the Global Data Management team and are plugged into the SRI module.

The SRI module is a proprietary tool that ensures the collection, quality check and processing of ESG data from external data providers. It also calculates the ESG ratings of issuers according to Amundi proprietary methodology. The ESG ratings in particular are displayed in the SRI module to portfolio managers, risk, reporting and the ESG teams in a transparent and user-friendly manner (issuer's ESG rating together with the criteria and the weights of each criterion).

For ESG ratings, at each stage of the calculation process, the scores are normalised and converted into Z-scores (difference between the company's score and the average score in the sector, as a number of standard deviations). Hence each issuer is assessed with a score scaled around the average of their sector, enabling to distinguish best-practices from worst practices at sector level (Best-in-Class approach). At the end of the process, each issuer is assigned an ESG score (approximately between -3 and +3) and the equivalent on a letter scale from A to G, where A is the best, and G the worst.

Data is then disseminated via Alto front office to portfolio managers and is monitored by the risk team.

ESG scores utilize data derived from external data providers, internal ESG assessment/research conducted by Amundi, or through a regulated third party recognised for the provision of professional ESG scoring and assessment. Without mandatory ESG reporting at company level, estimations are a core component of data providers' methodology.

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## **I. Limitations to methodologies and data**

**What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)**

Amundi limitations are by construction linked to use of ESG data. The ESG data landscape is currently being standardised which can impact data quality; data coverage also is a limitation. Current and future regulation will improve standardized reporting and corporate disclosures on which ESG data rely.

Amundi is aware of these limitations which it mitigates by a combination of approaches: the monitoring of controversies, the use of several data providers, a structured qualitative assessment by its ESG research team of the ESG scores, the implementation of a strong governance.

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## **J. Due Diligence**

**What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?**

Each month, the ESG scores are recalculated according Amundi quantitative methodology. The result of this calculation is then reviewed by the ESG analysts who perform a qualitative "sampling control" on its sector based on various checks that may include (but are not limited to): the main significant variations of the ESG score, the list of the new names with a bad score, the main divergence of score between 2 providers. After this review the analyst can override a score from the calculated score which is validated by the management of the team and is documented by a note stored in Amundi database iPortal. This can also be subject to a validation of the ESG Rating Committee.

The investment management team is responsible for defining the investment process of the product, including the design of the appropriate risk framework in collaboration with the investment risk teams. In this context, Amundi has an investment guideline management procedure as well as a breach management procedure applying across all operations. Both procedures reiterate strict compliance with regulations and contractual guidelines. Risk managers are in charge of monitoring breaches on a day-to-day basis, alerting fund managers and requiring that portfolios are brought back into compliance as soon as possible and in the best interest of investors.

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## **K. Engagement Policies**

**Is engagement part of the environmental or social investment strategy?**

Yes

**If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)**

Amundi engages investee or potential investee companies at the issuer level regardless of the type of holdings held (equity and bonds). Issuers engaged are primarily chosen by the level of exposure to the subject of engagement, as the environmental, social, and governance issues that companies face have a major impact on society, both in terms of risk and opportunities.

**L. Reference Benchmark**

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**Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?**

Yes

No

**How is that index designated as a reference benchmark aligned with the environmental or social characteristics promoted by the financial product? (including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated)**

The benchmark does not assess or include its constituents in terms of environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted by the Fund.

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

This question is not applicable.

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

This question is not applicable.

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

This question is not applicable.