

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment

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

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



Sustainability indicators

are used to verify whether the financial product conforms to the environmental or social characteristics promoted by the financial product.

Product name:

AMUNDI ENHANCED ULTRA SHORT TERM BOND SRI

Legal entity identifier:

9695005FHC97C7PP9552

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%

☐ 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 20% of sustainable investments.

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

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

☐ with a social objective

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

What environmental and/or social characteristics are promoted by this financial product?

The management team incorporates sustainability factors into its investment process by taking into account the ESG rating of issuers in the portfolio composition.

The ESG analysis of issuers seeks to assess their ability to manage the potential adverse impact of their activities on sustainability factors. The aim of the analysis is to evaluate their ESG performance by assigning them an ESG rating ranging from A (best rating) to G (worst rating), so that a broader risk assessment may be carried out.

This analysis includes a set of generic criteria applicable to all issuers as well as criteria specific to each sector, based on a "best-in-class" approach.

The upstream ESG analysis methodology and the consideration of the overall ESG rating in the portfolio composition (by excluding the worst-rated issuers and focusing on those with the best ratings) ensures that these three aspects (environmental, social and governance) remain in the spotlight.

What sustainability indicators are used to measure the attainment of each 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 worst-rated issuers).

Amundi has developed its own internal ESG rating process based on the "best-in-class" approach. Ratings are adapted to each sector in order to assess the dynamics in which the companies operate.

Amundi's seven ESG ratings used to determine the ESG score range from A (the best score in the investment universe) to G (the worst score). On the Amundi ESG rating scale, securities on the exclusion list are rated G. For corporate issuers, ESG performance is broadly assessed according to the relevant criteria by comparison with the average performance for their business sector, by combining the three ESG aspects:

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

The ESG rating methodology applied by Amundi is based on 38 criteria that are either generic (common to all companies regardless of their line of business) or sector specific, weighted by sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. Amundi's ESG ratings may be expressed globally based on the three E, S and G aspects or individually based on any of the environmental or social factors.

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

Sustainable investments seek to invest in companies that meet two criteria:

- 1) they follow best environmental and social practices; and
- 2) they do not generate products and services that are harmful to the environment and society.

The definition of a "best-performer" company is based on Amundi's proprietary methodology aiming to measure a company's ESG performance. To be considered a "best-performer", a company must be scored the highest among the top three ratings (A, B or C, on a rating scale from A to G) in its sector on a least one major environmental or social factor. Some major environmental and social factors are identified at the sector level. These factors are identified through Amundi's ESG analysis framework which combines non-financial data and qualitative analysis of related sector and sustainability themes. Factors identified as material account for more than 10% of 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 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.

https://www.amundi.fr/fr_part/Local-content/Footer/Quicklinks/Informations-reglementaires/Amundi-Asset-Management

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

● ***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 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. the 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

and anti-bribery matters.

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 ascertain whether a company has 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.

https://www.amundi.fr/fr_part/Local-content/Footer/Quicklinks/Informations-reglementaires/Amundi-Asset-Management

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

As explained above, the adverse impact factors are taken into account in the first DNSH (Do No Significant Harm) filter: this is based on the monitoring of the mandatory indicators of the Principal Adverse Impacts in Annex 1, Table 1 of the RTS where reliable data are available through the 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? Details:

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated 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.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives. It is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



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

X 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.
- 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



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 investment strategy followed by this product?

The investment strategy is to outperform the composite benchmark index (80% capitalised €STR + 20% ICE BofA 1-3Year Euro Corporate Index) by integrating ESG criteria into the Fund's securities analysis and selection process.

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 UCI first applies Amundi's 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 exclusions on coal and tobacco; (details of this policy can be found in the Amundi Responsible Investment Policy available at www.amundi.fr).

The UCI also applies the following rules:

- exclusion of issuers rated F and 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 investment universe of the UCI after eliminating the 20% lowest-rated issuers;
- the coverage rate is 90% (in accordance with AMF regulations).

What is the minimum proportion of the financial product's investment scope that it is committed to reducing before applying this investment strategy?

There is no committed minimum rate to reduce the scope of these investments.

● ***What is the policy to assess 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.

Each corporate security (shares, bonds, single-issuer derivatives, ESG shares and bond ETFs) included in the investment portfolios has been assessed for good governance practices by applying a filter for compliance with United Nations Global Compact (UNGC) principles to the issuer in question. This assessment is performed on an ongoing basis. Every month, Amundi's ESG Rating Committee reviews the lists of companies in breach of the UNGC and therefore downgraded to a G rating. Investment is systematically withdrawn from G-rated securities within 90 days.

This approach is supplemented by Amundi's stewardship policy on engagement and voting.



Asset allocation

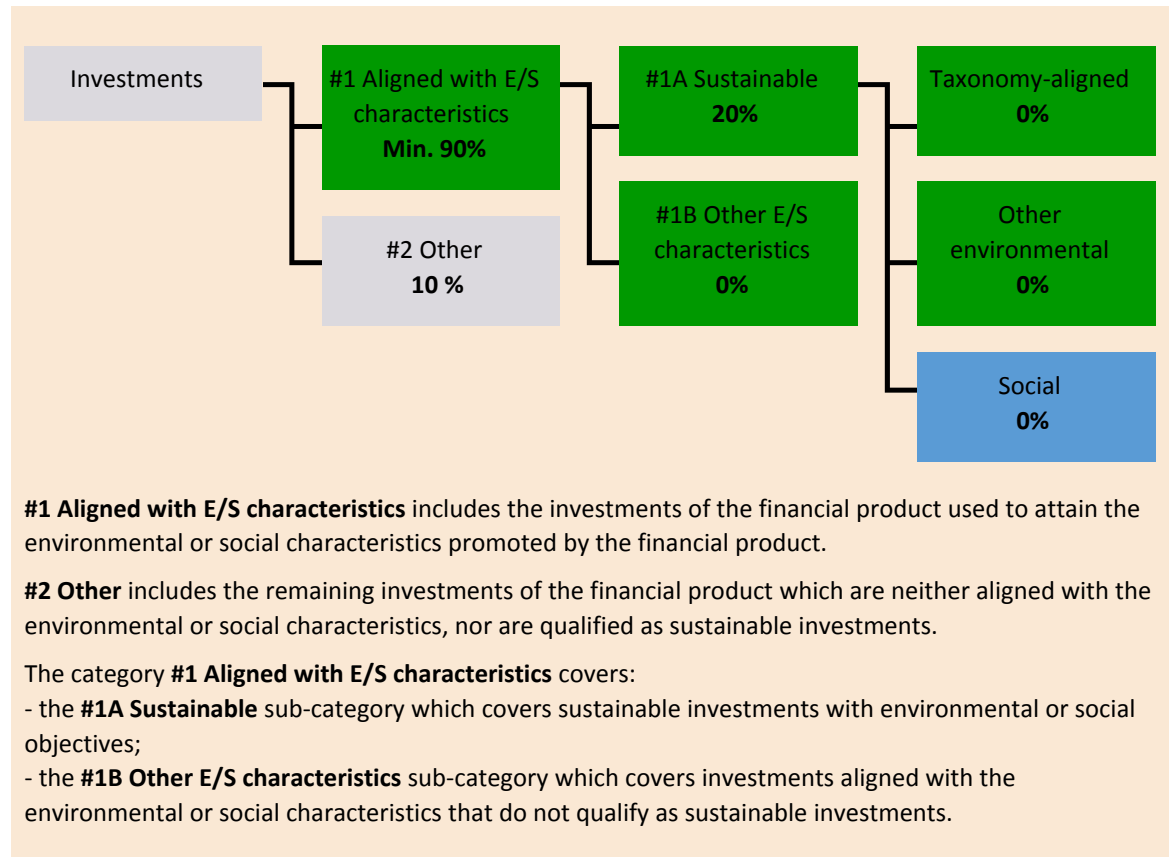
describes the proportion of investments in specific assets.

Taxonomy-aligned activities are expressed as a % of:

- **turnover** reflecting the proportion of revenue from green activities of companies in which the financial product is invested;
- **capital expenditure** (CapEx) showing the green investments made by companies in which the financial product is invested, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of companies in which the financial product is invested.

What is the asset allocation planned for this financial product?

At least 90% of the UCI's securities and instruments undergo ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in line with the binding elements of the investment strategy. In addition, the UCI undertakes that sustainable investments will account for at least 20% of net assets, as indicated in the table below.



How does the use of derivatives allow the environmental or social characteristics promoted by the financial product to be attained?

Derivatives are not used to attain the ESG objective of the UCI.

In order to comply with the EU Taxonomy, the criteria for **natural gas** include emission limits and switching to renewable electricity or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.



What is the minimum proportion of sustainable investments with an environmental objective that are aligned with the EU Taxonomy?

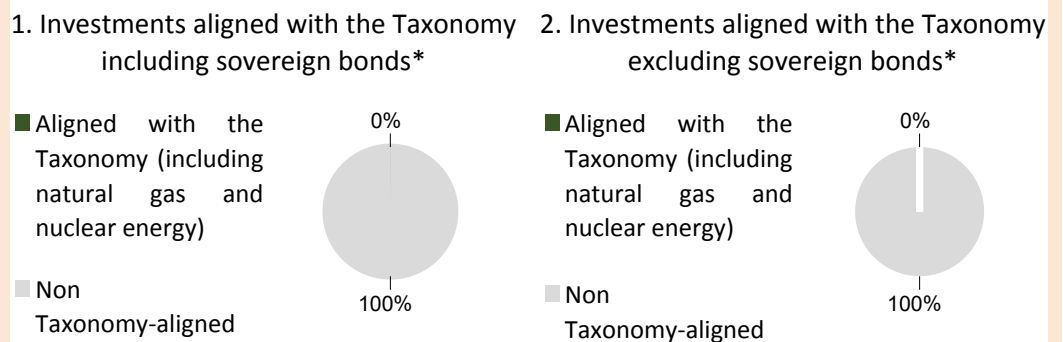
The UCI does not currently have any minimum commitment to sustainable investments with an environmental objective aligned with the EU taxonomy.

The UCI does not commit to making Taxonomy-compliant investments in activities related to fossil gas and/or nuclear energy, as illustrated below. However, as part of its investment strategy, it may invest in companies that are also active in these sectors. Such investments may or may not be aligned with the Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁽¹⁾?

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

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 proportion of investments in transitional and enabling activities?

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

¹ Activities linked to natural gas and/or nuclear energy only comply with the EU Taxonomy when they contribute to limiting climate change ("climate change mitigation") and when they do not significantly harm the EU Taxonomy objectives — see explanatory note in the left margin. The comprehensive criteria for economic activities linked to natural gas and nuclear energy that comply with the EU Taxonomy are established in Regulation (EU) 2022/1214.



The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** applicable to environmentally sustainable economic activities under the EU taxonomy.



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

The UCI does not currently have any minimum commitment to sustainable investments with an environmental objective not aligned with the EU taxonomy.



What is the minimum proportion of socially sustainable investments?

The UCI 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 what are the minimum environmental or social safeguards that apply to them?

The "#2 Other" category includes cash and the instruments not covered by an ESG analysis (which may include securities for which data needed to measure the attainment of environmental or social characteristics may not be available).



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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The reference benchmark does not evaluate or include its components according to these environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted in the portfolio.

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

N/A

● ***How is the alignment of the investment strategy with the methodology of the index ensured at all times?***

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?

www.amundi.com