European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on DATE.

Revision of the Code

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

Preamble

CPR Asset Management (CPRAM), as a subsidiary of Amundi, a pioneer in responsible finance (launch of an ethical fund in 1989 and signature in 2006 of the Principles for Responsible Investment – PRI through its mother company, Amundi), is a responsible and committed player. Socially Responsible Investment (SRI) in France entails strong responsibilities in terms of transparency and for CPRAM, taking into account the criteria of sustainable development and social utility in its investment policies is one of the four founding pillars of its strategy.

Thanks to a well-argued rating of issuers (companies and governments) on Environmental, Social and Governance (ESG) issues, CPRAM offers socially responsible savings solutions adapted to the requirements of all its clients. We want to inform reader of this document that it done by CPRAM as an asset manager by delegation of the fund Amundi CPR Climate Action whose investment manager is Amundi Austria. This transparency code is available on Amundi Austria website.

CPRAM is in favour of clarifying the various SRI terminologies and methodologies for the greatest number of people in order to give credibility and promote the development of this market.

Reading guide

Our responses to the Transparency Code are intended to provide our clients with clear and precise information on all our ESG management and in particular for the fund, Amundi CPR Climate Action, where CPRAM is investment manager by delegation and Amundi Austria is the investment manager.

All acronyms or financial terms in italics are defined in a glossary on the last page.

CPR Asset Management is solely responsible for the answers to the questions in this document.

Declaration of commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of CPRAM. We have been involved in SRI/ESG since 2006 and welcome the European Transparency Code.

This is our third statement of commitment and covers the period 01 November 2022 to 31 October 2023. Our full response to the European SRI Transparency Code can be accessed below and will be available with the annual report of the fund on the Amundi Austria website https://www.amundi.at/privatkunden/Unser-Know-how/Nachhaltiges-Investieren

Compliance with the Transparency Code

The management company CPR Asset Management is committed to being transparent as asset manager by delegation of the fund Amundi CPR Climate Action and we consider that we are as transparent as possible given the regulatory and competitive environment in the State in which we operate.
The fund complies with the recommendations of the Code.
October 5th, 2023

Eurosif classification of Sustainable and Responsible Investment[1] strategies

Sustainability Themed Investment: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.
Best-in-Class Investment Selection: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

Norms-Based Screening: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

Exclusion of Holdings from Investment Universe: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This approach systematically excludes companies, sectors or countries from the permissible investment universe if they are involved in certain activities based on specific criteria. Common criteria include weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

1 Sustainable and responsible investment (”SRI”) is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016

Integration of ESG Factors into Financial Analysis: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Engagement and Voting on Sustainability Matters: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

Impact Investing: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances[2]. Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French *fonds solidaires*.

Contents

[2] Global Impact Investing Network (GIIN), "What is Impact Investing?", http://www.thegiin.org/cgi-bin/iowa/investing/index.html, 2012

1. *List of funds covered by the Code*

Name of the fund(s): Amundi CPR Climate Action

Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	**Asset class**	**Exclusions standards and norms**	**Fund capital as at 31 December**	**Other labels**	**Links to relevant documents**
☐Best-in-Class Investment section ☐ Engagement & Voting ☐ ESG Integration ☒ Exclusions ☐ Impact Investing ☒ Norms-Based Screening ✓ Leading to exclusions ✓ Leading to risk management analysis/engagement ☐ Sustainability Themed	**Passively managed** ☐Passive investing – core benchmark: specify the index tracking ☐Passive investing – ESG/SRI benchmark: specify the index tracking **Actively managed** ☒ Shares in a euro area country ☒ Shares in an EU country ☒ International shares ☐Bonds and other debt securities denominated in euro ☐ International bonds and other debt securities ☒ Monetary assets ☒ Short-term monetary assets ☐ Structured funds	☒Contro-versial weapons ☒ Alcohol ☒ Tobacco ☒ Arms ☒Nuclear power ☒Human rights ☒Labor rights ☒ Gambling ☒Porno-graphy ☐Animal testing ☐Conflict minerals ☐ Biodiversity ☒ Deforestation ☒CO2 intensive (including coal) ☒Genetic engineering ☐Other (please specify) ☒Global Compact ☐OECD Guidelines for MNCs ☒ILO Conventions ☒ Other (please specify) Animal Testing	To be filled out with a number of AuM EUR 119.37M	☐ French SRI label ☐ French TEEC label ☐ French CIES label ☐ Luxflag Label ☐ FNG Label ☒ Austrian Ecolabel ☐ Other (please specify)	- KID PRIIPs - Prospectus -Management report -Financial and non-financial reporting -Corporate presentations - Other (please specify) Amundi CPR Climate Action documents

		for Non-medical purposes (0%) Production or sale of fur products (5%)			

2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

Management company: Amundi Austria GmbH
Contact: Johann Koeck, Deputy Head of Marketing & Products, Investment Strategist
Address: Schwarzenbergplatz 3 / 1010 Vienna - Austria
Email: johann.koeck@amundi.com
Tel.: + 43 331 73 3020

Management company by delegation: CPR Asset Management
Contact: Vanessa COTTET
Address: 91-93 boulevard Pasteur – 75015 Paris – France
Email: vanessa.cottet@cpram.com
Tel.: +33 1 76 33 72 38

Founded in 1989 by Banque CPR, CPRAM joined Crédit Agricole Group in 2001 and became part of Amundi in 2010 at the time of its creation. Focusing on investment professionals (institutional investors, corporate, wealth managers and distributors), CPRAM started to provide expertise on every main asset classes (equities, fixed income, multi-asset portfolios) in order to offer the widest range of opportunities to its clients through dedicated and open-ended funds.

Please find hereafter a brief history of CPRAM:

DATE	STRUCTURE / ORGANIZATION	EXPERTISE/DEVELOPMENTS
1989	Banque CPR creates CPR AM, specialized in asset management on behalf of professional investors	All the asset classes are covered – first segregated accounts
2001	CPR AM joins Crédit Agricole Group	Strengthened operational resources, increased strength of the company
2009	Creation of a Chief Investment Officer position	Creation of specialized management departments, strengthened interactions between management and research
2010	CPR AM becomes part of Amundi	Greater visibility of the company's expertise, especially abroad
2012	CPR AM reorganizes support activities Evolution of the Quantitative Equity process	Extended IT, middle-office, reporting, vote and credit analysis resources A dynamic multi-factor approach
2014	Certification SRI commitment by AFNOR Launch of CPR Invest in Luxembourg	Complete and transparent SRI offer range A Luxembourg vehicle UCITS compliant to support the International development of CPR AM
2015	Creation of the Thematic Equity department	A wide range of long-term investment solutions based on various thematic
2016	Strengthening of an international division within the sales team	Promotion of CPR product lines to the Group's international networks though Amundi local entities
2017	Development of a risk-based ESG approach	Collaboration with a French Institutional on a quantitative integration of ESG criteria

2018	Implementation of the risk-based ESG approach on all asset classes Launch of new sustainable thematics: Education, Climate, Smart Beta Credit	Production of a White Paper "ESG 2.0, new generation" in partnership with the consultant Indefi CPR AM, 1st asset manager to submit 5 of its funds to Climetrics rating
2019	Launch of new sustainable thematic: Medical Technologies, Inequalities, Urbanisation	Labelling process of ESG strategies: LuxFlag, Febelfin, FNG
2020	Improvement of our ESG approach and our controversy monitoring methodology Launch of Carbon Compensation strategies	Expansion of our labellisation process with the Label ISR Partnership with EcoAct, the European leader in carbon compensation and a worldwide actor in low carbon projects development
2021	Improvement of our climate approach Launch of a new sustainable theme for the climate: Hydrogen	Launch of a Euro denominated climate bond and a Euro zone equity solutions Partnership with Solactive to launch a climate index (PAB)
2022	Strengthening of CPRAM sustainable taskforce with the creation of an ESG department and hiring of 4 financial and sustainable analysts	Improvement of our thematic range of product with two new sustainable themes explored: blue and circular economy

**Environmental, Social & Governance extra-financial criteria*

Offering tailor-made investment solutions for 30 years, CPRAM supports management broad range of institutions and distributors in meeting their investment goals.

CPR Asset Management, a whole subsidiary of Amundi

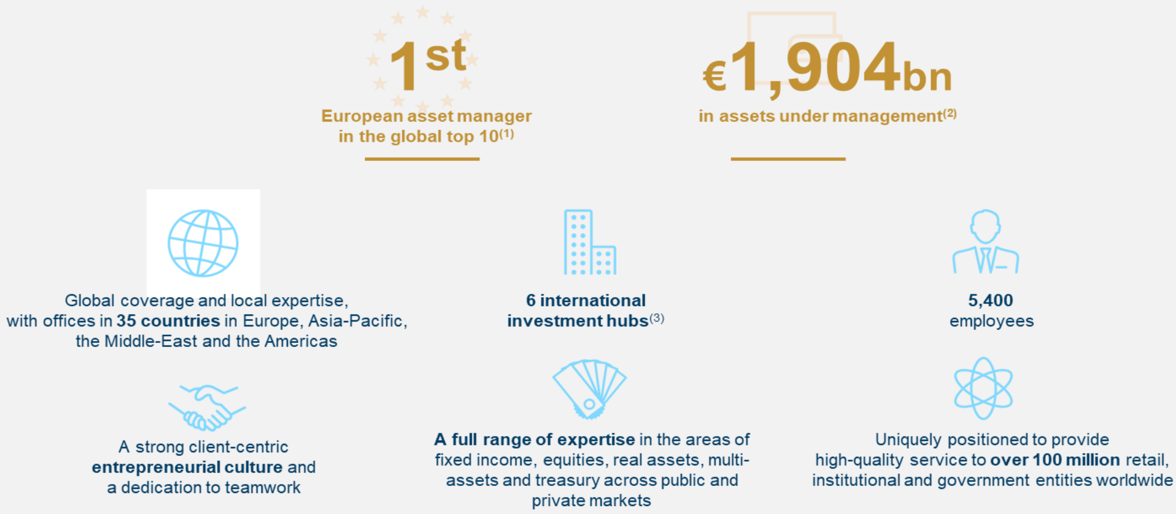
CPRAM is 100% owned by Amundi since 2010.

Amundi, the leading European asset manager, ranking among the top 10 global players[3,] offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets.

With its six international investment hubs[4,] financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 5,400 employees in more than 35 countries. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages approximately €1.9 trillion of assets[5].

[3] *Source: IPE "Top 500 Asset Managers" published in June 2022, based on assets under management as at 31/12/2021*
[4] *Boston, Dublin, London, Milan, Paris and Tokyo*
[5] *Amundi data as of 31/12/2022*



(1) Source IPE "Top 500 Asset Managers" published in June 2022 and based on AuM as at 31/12/2021
(2) Amundi data as at 31/12/2022
(3) Boston, Dublin, London, Milan, Paris and Tokyo

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

In line with the definition drawn up by the AFG and FIR, CPRAM considers *Socially Responsible Investment (SRI)* to be an investment "that aims to reconcile economic performance with social and environmental impact by financing companies and public entities that contribute to sustainable development, whatever their sector of activity. By influencing governance and behaviour, SRI promotes a responsible economy".

CPRAM is convinced that the inclusion of Environmental, Social and Governance (ESG) criteria when investing in the financial markets is a means of establishing better practices on the part of both public and private players. Selecting investments on the basis of criteria that go beyond the purely financial, and take into account risk factors and ESG impact measures, thus contributes to the promotion of more sustainable development.

With this aim in mind, CPRAM has developed its ESG risk-based approach, in line with Amundi's policy. This is based both on the shared resources of the Amundi group in terms of ESG analysis and commitment, and on an integration specific to our investment philosophies, our management processes and our customers' expectations.

2.3. How does the company formalise its sustainable investment process?

CPRAM's responsible investment approach is in line with that of the Amundi group, which has made responsible investment one of its founding pillars since its creation in 2010. A pioneer in this field, the group was one of the founding signatories of the Principles for Responsible Investment (PRI) in 2006. This choice is based on two convictions. The first is a clear awareness of investors' responsibility to allocate savings in a way that goes beyond financial criteria to consider their impact on society in general. The second is the conviction that taking Environmental, Social and Governance (ESG) criteria into account in investment policies has a positive impact on financial performance.

CPRAM has formalized its Responsible Investment policy in a document that explains the governance, the policy and the strategy of integrating ESG criteria in the investment policy.

This policy is updated annually and published on the CPRAM website, subsection “Documentation”: https://cpram.com/lux/en/individual/responsible-investment/esg-documentation

Amundi’s responsible investment strategy focuses on several key areas:

- **Integrating ESG into management**

  All managers have access to the ESG ratings produced by the ESG Analysis team, which includes > 18,000 issuers worldwide.

- **A targeted exclusion policy**

  Amundi applies targeted exclusion rules in all its active management strategies that concern companies that do not comply with its ESG policy, nor with international and national conventions and frameworks.

  In addition, Amundi implements sector-specific exclusions, specific to the coal, tobacco and unconventional hydrocarbons industries.

- **Engagement with issuers**

  A major pillar of our vision as a responsible investor, engagement is exercised during analysts' exchanges with companies throughout the year, and through engagement on major sustainable development issues, through individual or collaborative actions.

- **ESG voting policy**

  Amundi's voting policy is in line with its vision as a responsible investor and with its desire to help companies progress towards more sustainable objectives.

- **Responsible investment solutions**

  Amundi offers solutions adapted to the various ESG issues and approaches: best-in-class funds, labelled funds, thematic funds, ETFs ESG, impact funds, Ambition Net Zero, …

- **Innovative partnerships**

  Last but not least, Amundi is developing solutions to finance the energy transition through innovative partnerships with major public investor. We favour initiatives that stimulate both supply and demand and help build a dynamic market for responsible investment instruments.

CPRAM's Responsible Investment solutions are based on a proprietary methodology: an ESG Risk-based approach.

Our conviction at CPRAM is that each step of the rating process (criteria, components, overall rating) conveys important information and that ESG risk prevention constitutes an essential materiality lever for the sustainability of portfolios.

The overall ESG rating provides a synthetic view of an issuer's ESG profile, like the rating of Agencies, which provides a synthetic view of credit quality. It is rare for the E, S or G components to contradict the overall ESG rating; on the other hand, at the level of the criteria, compensation situations may exist between well-rated criteria and poorly rated criteria, information which is subsequently lost at the level of the overall rating. The specific analysis at the criteria level makes it possible to identify and finely compare the strengths and weaknesses of issuers.

For example, an issuer can perform well on the greenhouse gas emissions criterion, but not have an audit and internal control structure of sufficient quality to detect any problems related to the production process (example of the Diesel Gate).

For this reason, we have developed the ESG risk-based approach. This solution based on financial materiality, relies on both the overall ESG rating and a selection of specific relevant E, S & G criteria ("weak signals"), permitting us to define an ESG investment universe for the implementation of financial management.

The criteria and their materiality are at the heart of our approach to combine financial and extra-financial performance. Our holistic approach is designed to apply to all asset classes.

The materiality of these criteria is established by analysing their historical information ratios, and by comparing the universe after exclusion of the lowest-rated issuers on the criterion in question with the unfiltered universe. Attention is also paid to criteria coverage and exclusion rates.

An exclusion filter is therefore applied to the worst ESG ratings, at 2 different levels:

- On the overall ESG rating: issuers who seriously breach the criteria for responsible investment or who present an overall high level of extra-financial risk;
- On the most relevant specific criteria by sector of activity (the most weighted criteria in the overall rating) or according to the theme of the fund: issuers with a high level of risk on one of the material criteria identified by CPRAM.

CPRAM's risk-based approach therefore minimizes the risk to investors.

2.4. <u>How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?[6]</u>

- The environmental, social and governance issues facing companies have a major impact on society. They also have financial consequences for companies, both in terms of risks and opportunities. Amundi aims to understand these issues as well as possible to assume its role as a corporate citizen and integrate these risks and opportunities into its management decisions.
- Amundi's ESG analysis aims to raise awareness and encourage companies to adopt a sustainable development approach by giving them an ESG rating (Environment, Social, Governance) based on a set of criteria. This analysis makes it possible to integrate the intangible risks associated with the company's activity and is therefore likely to reduce the level of risk for the investor. The implementation of ESG analysis therefore lies in the ability to select companies that respond positively to the challenges of sustainable development, based on a benchmark of ESG criteria.
- Amundi is also convinced that asset management companies and investors can no longer ignore the risks posed by climate change. We have a key role to play in financing the transition

[6] Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

to a low-carbon economy and the management of climate related risks and opportunities should be aligned with long-term goals. Our responsibility as an investment management company is to ensure that investors take into account the long-term risks as well as the opportunities that emerge from this transition. To do this, we promote positive impact investments and encourage responsible practices within the companies in which we invest.

- The challenges linked to the energy transition are at the heart of Amundi's responsible investment strategy, and it continued its commitment to a low-carbon economy.
- With its 3-year action plan (Ambition ESG 2025), the Group aims to enhance its "Ambition net Zero" offering and expand its impact investment solutions, making a positive contribution to environmental and social issues.
- These commitments are in line with the Crédit Agricole Group's climate strategy and the governance set up for this purpose.
- The asset management industry is facing financial risks related to climate change. For Amundi, these risks are not specific, being covered by the ESG approach that Amundi has placed at the heart of its raison d'être as a responsible investor. The ESG approach implemented since Amundi's creation, and expanded since 2018, relies in particular on the integration of extra-financial (ESG) criteria in the management processes, on a targeted exclusion policy, and through specific initiatives on the energy transition and the decarbonization of portfolios.
- ESG risks and opportunities related to climate change are taken into account in the environmental dimension of our ESG analysis for all our investments. In order to better respond to the specificity of the analysis of transition and physical risks, Amundi has organized itself to strengthen its climate data capabilities so that it has climate measures available to assess its investments in a comprehensive manner.
- **Comprehensive transition risk assessment:** We assess the company's level of commitment to reducing its footprint in order to adjust the level of transition risk exposure. To do this, Amundi uses a combination of metrics: Carbon Emissions, Carbon Intensity, Green and Brown Activities and Targets. In addition, Amundi uses a comprehensive rating to assess both a company's exposure and performance with respect to the energy and ecological transition, the TEE (Transition Énergétique et Écologique) Rating. This rating is calculated using the same scale and sources as our ESG rating. In addition to traditional data providers, Amundi also relies on open-source data to conduct its comprehensive transition risk assessment (e.g., the Science Based Target Initiative database).
- **Physical risk assessment:** On the physical risk side, Amundi's strategies use the Physical Risk Exposure Score developed by Trucost, which measures an issuer's exposure to seven extreme weather events, both chronic and acute (extreme cold, heatwaves, water insecurity, floods, tsunamis, wildfires and hurricanes) using asset-level data. This measure assesses the location of a company's operations to determine if they are exposed to chronic and/or acute climate risks. In addition, portfolio managers also take into account internal ratings that include consideration of an issuer's climate performance.
- **Temperature, -2°C alignment:** This approach consists of comparing a company's carbon emissions trajectory with sectoral carbon footprints. These carbon footprints aim to be consistent with limiting global warming to 2°C or below. As this approach is not yet stabilized and several data providers are still developing their products, we are closely following the ongoing developments. The temperature rating means that the emissions attributable to the fund are in line with this global temperature increase, based on the emissions reduction targets of the companies in which the fund invests.
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- As part of its ESG research toolkit, CDP temperature ratings are used to enhance Amundi's forward-looking
- assessment capabilities to identify priorities and the degree of action required, including engaging companies in the investment universe to set more ambitious, science-based emissions reduction targets.
- CDP's temperature ratings are based on a forthcoming protocol developed by CDP and WWF to translate
- companies' emissions targets into temperatures. The ratings reflect the global warming that would occur if global GHG emissions were reduced at the same rate as the selected company's emissions, based on the
- ambitious target it has set.

- To assess temperatures, the dataset uses emissions and target data from the CDP - the global disclosure platform and the world's largest environmental dataset.

2.5. <u>How many employees are directly involved in the company's sustainable investment activity?</u>

- **Specialized resources pooled at Amundi Group level**

The Responsible Investment business line defines and implements Amundi's sustainable finance strategy in all its dimensions, serving the various asset management activities: company analysis and rating, engagement and voting, integration of ESG factors and design of sustainable investment solutions, key portfolio sustainability indicators, ESG promotion, and participation in market work and initiatives.

At the end of December 2022, the business line had 60 employees. It is organized into four different teams:

- **ESG Analysis, Engagement and Voting:** This international team is situated in Paris, Dublin, London and Tokyo. ESG analysts meet, engage and maintain dialogue with companies to improve their ESG practices, with responsibility for rating these companies and defining exclusion rules. ESG analysts work alongside a team of specialists dedicated to voting policy and pre-meeting dialogue. Based in Paris, they define the voting policy for the General Meetings of companies in which Amundi invests on behalf of its clients.
- **ESG Methods and Solutions:** This team of quantitative analysts and financial solution engineers is in charge of maintaining and developing Amundi's proprietary ESG scoring system, ESG data management systems (including the selection of external data providers to generate proprietary ESG scores). They help analysts and portfolio managers to integrate ESG considerations into their investment decisions, as well as business development teams to create innovative solutions by integrating sustainability-related data into financial products (ESG ratings, climate data, impact measures, controversies etc.). They oversee the development and integration of ESG analysis tools into Amundi's portfolio management and client reporting systems and are also responsible for implementing client-specific ESG exclusion rules.
- **ESG Business Development & Advocacy:** This team is responsible for supporting and developing an ESG offering and solutions that meet the needs and challenges of investors, providing ESG advice and services to all Amundi clients, managing ESG advocacy to and collaborations with responsible finance initiatives, as well as developing training programs for our clients.
- **COO Office:** This team is responsible for coordinating the department with the group's support functions, producing activity monitoring dashboards (Business, Budget, IT, Audit, projects), and supervising major cross-functional projects.

Governance dedicated to ESG policy of the Amundi Group

With the support of these teams, Amundi leads four committees that are regularly monitored by Amundi's CEO:

— **ESG strategic committee**

Chaired by Amundi's Chief Executive Officer, the ESG Strategic Committee meets every two months to

define Amundi's ESG policy and its key orientations for France and internationally. It validates the policy and the themes of engagement

— **ESG rating committee**

The ESG Rating Committee meets every month. It defines and validates the ESG rating, decides on exclusion policies and on investment strategies that integrate ESG ratings.

— **ESG voting committee**

The ESG Voting Committee meets annually to validate the voting policy but can be convened as needed. Its role is to examine and validate Amundi's commitments and the exercise of its voting rights, and to ensure that they are consistent with the key ESG commitments.

Numerous teams involved in CPRAM's Responsible Investment program

Within CPRAM, the Head of ESG, under the responsibility of the Chief Investment Officer (CIO), embodies CPRAM's sustainable investment philosophy, in particular through a role as spokesperson, and actively contributes to the company's communication on all sustainable and impact finance issues.

Supported by a team of two people, the main missions of the Head of ESG are:

- Contributing to the strategic selection of ESG business issues arising from:
  - customer requests or regulatory requirements;
  - priorities for the development of new ESG and/or Impact products or services;
  - the development of existing solutions and associated strategies.
- Coordinating relations with regulatory authorities and professional bodies on all ESG issues, including the structuring of company databases;
- Maintaining a regulatory and competitive watch on all ESG issues;
- Ensuring the label of CPRAM's funds or their renewal by French and European authorities, and coordinate relations between CPRAM's auditors and stakeholders;
- Ensuring ESG Governance within CPRAM (ESG Committee, Sustainability Committee (with the Research Team), Responsible Investing and CSR Policy).

In addition, all of CPRAM's departments are involved in responsible investment. The financial engineers of the Research team are particularly involved in all topics related to Responsible Investment and ESG. In particular, they participate in the development of our ESG, impact investing and climate strategies across all asset classes, in the review of our ESG risk-based approach and in the integration of ESG criteria into management processes in compliance with labels.

The research team relies on the Amundi group's ESG rating framework and works in close collaboration with the management teams.

- Three internal governance bodies dedicated to ESG at CPRAM

- **ESG Management Committee**

Chaired by CPRAM's Chief Investment Officer and attended by all members of the Management Committee and the Chief Responsible Officer, the ESG Management Committee meets every month. Its main objectives are:

- To validate ESG, Climate, Impact and CSR strategic orientations of the Company
- To monitor and prioritize the different ESG and Impact projects
- To define labelling campaigns
- To monitor regulatory calendars and the implications for teams
- To monitor ESG advocacy actions

- **ESG Committee**

The ESG Committee is responsible for monitoring the development of CPRAM's ESG and Impact projects. Chaired by the Head of ESG and attended by members of the Management Committee in charge of Investments, Business Development, Marketing and Products, this committee brings together every month ESG project representatives from the management, research, marketing and communication, sales, compliance and risk control teams.

The Committee's objectives are as follows:

- Review decisions taken at the last committee meeting,
- Monitor the launch or transformation of ESG/ Impact products (criteria selected, planning, follow-up, etc.),
- Monitor the labelling schedule for the product range,
- Monitor the updating of tools and information available to portfolio managers and research,
- Monitor ESG/Impact training for employees,
- Analyse customer requests and communicate on the latest tenders,
- Provide updates on CSR, marketing and communication projects.

- **Sustainability Committee**

The Sustainability Committee is in charge of reviewing and monitoring the investment universes of our ESG and Impact strategies. Co-chaired by the Director of Investments and the head of ESG, this committee brings together on a monthly basis the portfolio managers in charge of ESG/Impact funds, research engineers, product specialists and risk managers.

Their missions are as follows:

- Review and evolution of decisions made during the last committee
- Monitoring of companies eligible to the investable universe specific to each ESG fund and possibility of occasionally granting an exemption
- Analysis of the current portfolios and review of any breach regarding ESG issues
- Identification of risky stocks (investable stocks but close to the thresholds defined for the various ESG criteria)
- Monitoring of the evolution of the portfolio and the various ESG ratings on a stock-by-stock basis compared to the previous month
- List of all companies excluded from the universe and split by sectors/data providers
- Monitoring of impact indicators

When an issuer is considered to be excluded, the risk manager indicates his decision to the fund manager and his top management. The manager must then follow the following guidelines:

- When managing money market funds, the manager decides whether to sell or hold the issue in the portfolio until maturity. Thus, a security downgraded to F may be held in the portfolio until maturity. On the other hand, a security downgraded to G will be sold immediately;
- For non-money market funds, the manager has 45 calendar days to sell the security in the portfolio.

In exceptional circumstances, the Chief Investment Officer may grant a derogation for the exclusion of a security on the basis of its ESG rating or controversy. It must be documented by the Research and Management teams. This derogation is granted for a maximum of 6 months and is subject to monthly review by the Sustainability Committee. The Sustainability Committee then ratifies the decision at its next meeting.

In the event that the manager wishes to invest in an issuer outside its current universe (IPO, merger-acquisition, evolution of activities, evolution of market capitalization...), a strict management process has been defined in order to adjust the ESG comparison universe accordingly and respect the selectivity ratio:

1. Investment by the manager after verification of compliance with the sustainable filters;
2. The manager informs the members of the Sustainability Committee of his investment outside the universe;
3. At the next monthly Sustainability Committee meeting, validation of the issue's inclusion in the universe, or rejection and sale of the security;
4. After approval by the Sustainability Committee, the issuer is added to the universe, so that compliance with the selectivity rate can be monitored by the manager and the Risk Control team.

As of December 31, 2022, all CPRAM managers are considered SRI/ESG managers, and are supported and advised by Amundi experts dedicated to ESG analysis, ESG rating methodology and pre-meeting voting and dialogue. In 2022, CPRAM strengthened its team of analysts, which now comprises 6 financial & extra-financial analysts. They can draw on the Group's tools and resources, and contribute to the implementation of Amundi's commitment policy while addressing the specific challenges of our thematic funds.

2.6. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
☐ ECCR – Ecumenical Council for Corporate Responsibility ☐ EFAMA RI WG ☐ European Commission's High-Level Expert Group on Sustainable Finance ☐ ICCR – Interfaith Center on Corporate Responsibility ☐ National Asset Manager Association (RI Group) ☒ PRI - Principles For Responsible Investment ☐ SIFs - Sustainable Investment Forum ☒ Other (please specify) Finance for Tomorrow IFC Operating Principles for Impact Management Efama and AFG	☒ CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) ☒ Climate Bond Initiative ☒ Green Bond Principles ☒ IIGCC – Institutional Investors Group on Climate Change ☒ Montreal Carbon pledge ☐ Paris Pledge for Action ☒ Portfolio Decarbonization Coalition ☒ Other (please specify) AIGCC – Asia Investor Group on Climate Action Water Disclosure Project PDC – Portfolio Decarbonization Coalition TCFD – Task Force on Climate-related Financial Disclosures The Japan TCFD Consortium OPSWF – One Planet Sovereign Wealth Fund FAIRR – Farm Animal Investment Risk and Return	☒ Access to Medicine Foundation ☒ Access to Nutrition Foundation ☐ Accord on Fire and Building Safety in Bangladesh ☒ Other (please specify) Clinical Trials Transparency Human Rights Reporting and Assurance Frameworks Initiative WDI – Workforce Disclosure Initiative Finansol The Platform Living Wage Financials (PLWF)	☒ ICGN – International Corporate Governance Network ☒ Other (please specify) CII: Council of Institutional Investors

2.7. What is the total number of SRI assets under the company's management?

As of December 31, 2022, CPRAM managed nearly 48 billion euros in Responsible Investing assets, of which more than 40 billion euros were SRI.

3. General information about the SRI fund(s) that come under the scope of the Code

3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

With this fund, CPRAM endeavours to support the United Nations Sustainable Development Goals (SDGs).

Our thematic equity fund is based on the 13th Sustainable Development Goal and in compliance with the Paris Agreement of keeping a global temperature rise below 2°C above pre-industrial levels. Our mission is to incentivize businesses to take into account global warming caused by Greenhouse Gases (GHGs) emission influenced by the corporate sector; which helps in keeping the global warming in check and thus helps ensure the quality of environment and life is of high standard.

We believe it is our responsibility to provide efficient financial performance by taking into account extra-financial risks that will reveal financially material (e.g. climate change), while ensuring good environmental performance also. So, for our methodology specific for this fund, we apply a multi-level of sustainable filters to ensure both the financial relevance and the sustainability of our funds. We also produce impact report for out Luxembourg product based on specific metrics linked to climate.

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

First of all, regarding the ESG rating of companies invested in all active managed portfolios, CPRAM relies on the **Amundi independent business unit dedicated to Responsible Investment gathering as end of June 2022 around 60 people** among which more than 30 are involved in ESG analysis, ESG scoring/rating methodology, Engagement & Voting (including one PH-D student who is working on specific sectors).

As a complement to the Chief Responsible Investment Officer, it also includes a COO team and a team of ESG Investment specialists and ESG external relations, in charge of ESG business development and advisory services.

Within the Responsible Investment business line, more than 30 people are involved in ESG analysis, ESG scoring/rating methodology, Engagement & Voting.

- 7 people (including head) are in charge of rating methodology and providers' selection and handle the following missions:
  - Select external date providers to generate internal ESG scores/ratings, ESG controversies analysis, and processed data to serve clients' specific exclusion or impact report requirements.
  - Configurate the ESG rating system
  - Assign and maintain companies' ESG ratings
- 21 people (including head) are in charge of ESG research and analyse, dialogue with companies, and engagement. They handle the following missions:
  - Monitoring trends (macro-economic, regulatory, etc.) of each business sector and establishing weighting based on performance-driver methodology
  - Maintain dialogue with issuers, as part of the engagement policy, in particular with the most controversial businesses
  - Stay abreast of new and developing ESG topics, as well as regulation that may arise and assess possible impact on their covered industries and issuers

  - Monitor controversies and proactively assess their impact on issuers
- 7 people (including head) are in charge of voting and pre-meeting dialogue and handle the following missions:
  - Analyse and exercise of voting rights
  - Define the voting policy
  - Engage in dialogue with companies before the annual general meetings

ESG experts are entirely focused on research, engagement and voting. The team's activities are structured in a way that ensures breadth and depth of coverage, with expertise spanning ESG issues.

The profiles of the ESG analysts are diverse and Amundi holds on maintaining a balanced diversity and complementarity of profiles within the team. We believe this is one of the key features that contributes to the quality of our ESG research that not only focuses on single names and sector analysis but also on cross-sector thematic analysis. As such, team members' backgrounds comprise finance, sustainable development, law, science, economics, sociology, business management and IT science.

Our ESG expert research team leverages off data provided by external providers. The information received covers ESG scores, ESG controversies, and other ESG-related information. Our ESG Analysis draws on this data to generate internal ESG scores/ ratings, ESG controversies analysis, and processes the data to serve clients' specific exclusion requirements. Some external research providers have also been chosen for their climate-related data with regards to climate risk management and CO2 data.

We source inputs from market-leading sources globally. We recognise that each of the leading research providers has its own methodology and inbuilt biases, but by taking inputs from a range of sources and applying our own proprietary analysis and approach we believe that we can gain a fuller understanding of companies and provide our investment teams with unique and valuable insights.

Comparing the data, we receive is crucial for us in order to assess the quality of the underlying information that we deploy in our strategies. We seek to identify any significant discrepancies in terms of the outputs from different ESG or climate-related data providers, and (in addition to our standard ESG analysis) conduct a deeper analysis ourselves. ESG data is verified internally to assure its consistency.

As well as this ability to cross-refer, the use of multiple data providers has several additional benefits:

- It allows for a greater overall coverage of issuers by combining different footprints (some providers have better coverage of particular regions/ sectors/asset classes).
- It allows us to have multiple perspectives on the analysis of an issuer on a specific criterion. As data providers take different approaches to analysing a particular criterion, the use of multiple data providers' information gives the ESG analysis team a 360° view on critical ESG topics and relevant issuer behaviour.
- It gives Amundi access to more frequent analysis updates, as each data provider updates their analyses according to different schedules.

We source our data from 15 main data providers:

Provider	Type of data
Vigeo-Eiris	ESG Scores / Controversial Activities
ISS-ESG	ESG Scores
MSCI	ESG Scores / Controversies / Climate-related data / Controversial Activities
Sustainalytics	ESG Scores / Controversies / Controversial Activities
Ethifinance	ESG analysis European Small and Midcaps
Refinitiv	ESG Scores / Controversies / ESG raw data
Humpact	ESG analysis
RepRisk	Controversies
LGX (Luxembourg Green Exchange)	Green Bonds data
Verisk Maplecroft	Sovereign
FTSE-Russell	Climate-related data
Trucost	Carbon emissions / Physical Risk / Climate-related data / SDGs
CDP	Climate-related data
CBI	Climate-related data
Iceberg Data Lab	Climate-related data

Source: Amundi, December 2022

We use these data sources to inform our proprietary ESG analysis and rating methodology. We continually monitor the market for developments and to ensure access to quality information. This ensures we are aware of increases in coverage and scope of the ESG data that is available, including making sure we have access to innovative products, including raw data and forward-looking assessments. We constantly monitor ongoing development projects at important and innovative ESG data providers.

In order to successfully monitor ESG data suppliers and select the appropriate data, the ESG Rating & Methodologies team and the ESG analysts carry out the following actions, producing annual reports on each for consideration by the ESG Ratings Committee:

- Complete annual review of each major ESG supplier and production of a detailed assessment;
- Summary table of supplier offers in relevant ESG categories, updated regularly and including an assessment of services;
- Monitoring table of regular supplier meetings and discussions, including the main points covered; and
- Annual supplier assessment report updated by the ESG Analysis team, integrating the views of different analysts on all ESG data suppliers.

In addition, the analysts have access to information from other sources, such as NGOS, sell-side research from investment banks, company public documents and direct dialogue with companies.

Amundi monitors the quality of its ESG research and data from external sources. This monitoring includes quality check in an automated manner as well as a qualitative check from ESG analysts who are specialists of their sectors.

Amundi is in close contact with all its ESG data providers in order to ensure access to quality information (including consistency check) but also to make sure Amundi has access to innovative products, including raw-data and forward-looking assessment. Amundi constantly monitors on-going developments of important and innovative ESG data providers.

All these information feed our internal IT tool (ALTO) in order to enable active ESG management from Portfolio Managers.

These sources of information form an essential component in the ESG analysis process. They allow ESG analysts to cross-check information and data on specific topics, as quality and reliability of information is essential.

In order to achieve its objectives in terms of ESG rating and investment management, Amundi has developed the following internal tools:

Internal tools and systems	Data	Access	Extracted information
SRI tool	ESG rating actual and historical, per issuer	ESG analysts, Credit, Equity Analysts, PMs and Investment Specialists.	Per issuer
ALTO extra-financial analysis module	Average ESG rating of the portfolio ESG ratings, final and criteria ratings, per issuers Breakdown by rating category and non-rated category	ESG analysts, Credit, Equity Analysts, PMs and Investment Specialists.	Per portfolio
ALTO Investment Research	Dynamic consultation platform on financial, ESG and climate metrics for a company or issuer.	All collaborators	Per issuer
Research Center (Amundi Corporate Website)	ESG Thematic research	Public information	Per topic, date, type of document
Iportal	ESG qualitative analysis per company Sector-wide and topic-specific research	ESG analysts, Credit, Equity Analysts, PMs and Investment Specialists.	Per author, date, company name, sector

Source: Amundi

All ESG data, either external or internally processed, are centralised by the ESG Analysis team, which is responsible for controlling the quality of the inputs and processed outputs.

SRI tool

A calculation, validation, and dissemination ESG rating module called SRI module (Stock Rating Integrator module) was developed in 2009 by Amundi's ESG Analysis and IT teams. The SRI module:

- ensures the collection, quality check and processing of ESG scores from suppliers;
- calculates the ESG ratings of issuers according to Amundi proprietary methodology, with a mechanism that disseminates the rating of an issuer to all its majority held companies;
- controls the quality of the rating quality post-calculation;
- displays the ESG ratings in a transparent and user-friendly manner: display of the issuer’s ESG rating together with the criteria and the weighs of each criteria;
- stores 10 years of ESG scores and ratings that allows for quantitative back-testing and research.

The SRI tool is connected to the management, risk control, and reporting tools in order to ensure the consistency of information at all times, using a process called STP (Straight Through Processing). The issuers' ESG ratings are therefore circulated in real-time to all of the management teams. At all times, a manager knows the financial and ESG ratings of the securities held in her or his portfolio, and its benchmark index(es), if any.

ALTO "Extra-Financial-Analysis" module

All ESG data-sets used in Investment Management are uploaded in ALTO* to make ESG integration easy.

ESG data sets uploaded in ALTO* are:

- ESG ratings: final rating and component ratings (ratings of E, S and G pillars);
- TEE ratings: Energy Transition ratings;
- Carbon data: CO_2 scope 1, 2, 3, CO_2 reserves, coal shares, etc.
- All data and information complying to clients' specific exclusion lists or exclusions criteria: ex. alcohol, civil arms, fur producers…

The Alto "Extra-Financial-Analysis" module is an asset allocation module that displays not only the data for each security held in a portfolio but also calculates the average ESG rating of a portfolio and compares it to the one of the benchmark or universe of reference, among other ratios and information. This Alto module is accessible real time all Amundi's Credit and Equity Analysts, PMs and Investment Specialists.

Investment universe definition

In the particular case of the Amundi CPR Climate Action, CPRAM applies cumulative levels of filters on the initial universe and relies on internal and external providers to do it:

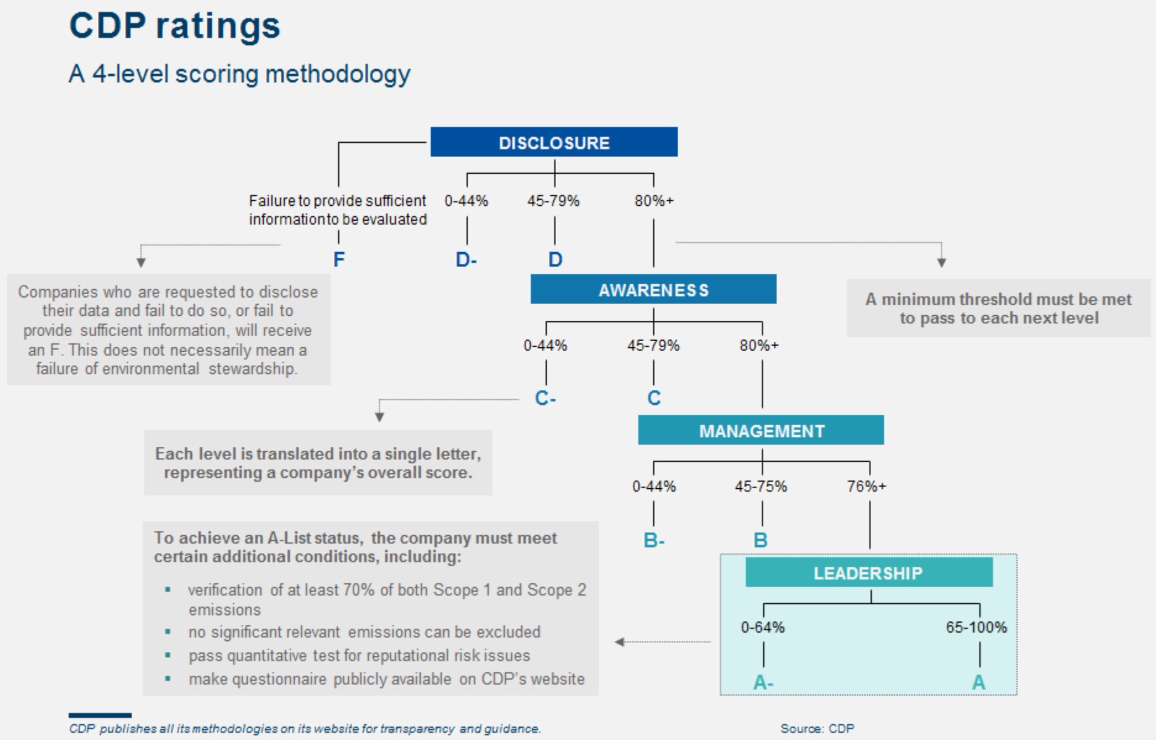
- CDP, a worldwide-reaching NGO, pioneer in carbon disclosure (https://www.cdp.net/fr)
- SBT (Science-based targets)
- Amundi ESG analysis team the ESG ratings including specific criteria to the thematic
- RepRisk, Sustainalytics and MSCI for the controversies.

Moreover, an annual impact report is provided for the Luxembourg product, based on specific metrics linked to the thematic of Climate, such as the carbon footprint.

Filter 1: CDP rating & SBT

CDP (formerly Climate Disclosure Project) is an NGO with a global reach and the pioneer of carbon disclosure. CDP provides us with a way to assess how companies deal with climate change related risks and opportunities. CDP is the only global environmental disclosure system that is compliant with the TCFD (Task force on Climate - related Financial Disclosures).

The CDP Score highlights a company's environmental conduct and is graded on a range of A to D (A being leadership while D being disclosure). The overall methodology of CDP rating is as follows:



We also consider Science Based Targets (SBTs)[7]. Companies with SBT's are considered to invest significant resources in helping drive down global GHG emissions and to contribute for the reduction of global warming by creating new sources of value, creating disruptive technology and business models which are environmentally inclined.

So, after the implementation of the first filter and starting with all companies scored by CDP (A to D) that are listed on financial markets, the stocks that are rated A, B or C (only if they have a carbon reduction target validated by the SBT initiative) are included in our investment universe.

<u>Filter 2: Amundi ESG rating</u>

- Exclusion of the companies with low **overall ESG ratings** (F or G ratings on Amundi's rating scale) according to the earlier described ESG methodology.
- Exclusion of companies with low ratings on the environmental (E) and governance (G) **pillars** (F or G ratings on Amundi's rating scale).
- Exclusion of the companies with low ratings (F or G) on any of the individual environmental **criteria** (14 criteria out of the 38 criteria mentioned in the overall methodology)

[7] SBT's are a joint initiative between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide fund (WWF) for nature.

The environmental criteria are as follows:

Specific environmental criteria	
Emissions & energy	Green Investing & Financing
Clean Energy	Green Insuring
Green Car	Green Business
Green Chemistry	Water Management
Sustainable Construction	Biodiversity & Pollution
Responsible Forest Management	Packaging
Paper Recycling	Supply Chain - Environment

Filter 3: Exclusion criteria, based on the Austrian Eco-Label (Umweltzeichen)

Based on the resulting universe of stocks, we exclude all stocks that do not meet with the Austrian Eco-label requirements in matter of sector/activity and in compliance with Amundi Austria exclusion criteria:

- Alcohol Producer and distiller (0%)
- Animal Testing for Non-medical purposes (0%)
- Oil and Gas – Conventional and unconventional (0%)
- Oil sands - production or exploration (0%)
- Stem Cell Research & Genetic Engineering (0%)
- Tobacco Producers (0%)
- Tobacco revenues - Producer & Supplier (0%)
- Adult Entertainment (5%)
- Coal Extraction / Mining revenues (5%
- Coal - Total Coal revenues (5%)
- Energy Generation: Oil, Coal and Gas (5%)
- Fur - Production or sale of fur products (5%)
- Gambling revenues (5%)
- Nuclear - power activities, power generation, power utility (5%)
- Supply of nuclear components required for nuclear energy generation (5%)
- Thermal Coal - Power Generation (5%)
- Uranium Mining (5%)
- Weapons (5%)

Filter 4: Controversies exclusion

The evaluation of Controversies is done through 3 external providers: Reprisk, Sustainalytics and MSCI who screen media, stakeholders, and other public sources external to the company to quantify the reputational risk of a company related to ESG Issues. If a company is flagged as the subject of severe ESG controversy by at least 2 of these 3 data providers, it is excluded from the portfolio, according to the following analyses and thresholds:

- Sustainalytics: companies with a score of 4 or 5 (over a 1-5 range) are flagged
- RepRisk: companies with a score >= 50 (over a 0-100 range) are flagged
- MSCI: companies with a score of 0 (over 0 - to 10 range, where 10 represents the absence of incidents) are flagged.

3.3. What ESG criteria are taken into account by the fund(s)?

- **Amundi group exclusion policy**

Amundi and CPRAM apply targeted exclusion policies throughout their management, which form the basis of their fiduciary duty. These rules are applied to all Amundi's active investing strategies and exclude companies that do not comply with its ESG policy, international conventions, internationally recognized frameworks, and national regulations.

Amundi excludes the following issuers: Issuers involved in the production, sale, storage or services for and of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties; Issuers involved in the production, sale or storage of chemical, biological and depleted uranium weapons;

- Issuers that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact, without credible corrective action.

Since end of 2022, Amundi also excludes:

- Issuers involved in the production, sale, storage of nuclear weapons of States that are non-parties to the Treaty on the Non-Proliferation of Nuclear Weapons,
- Issuers that produce nuclear warheads and/or whole nuclear missiles, or that
- Issuers that derive over 5% of their total revenue from the production or sale of nuclear weapons.

In addition, Amundi implements specific sectoral exclusion policies on coal and tobacco. These sectoral exclusions apply to all actively managed strategies over which Amundi has full portfolio management discretion.

Thermal Coal Policy

Coal combustion is the single largest contributor to human-induced climate change. In 2016, Amundi implemented a dedicated sector policy on thermal coal, triggering the exclusion of certain companies and issuers.

Each year since then, Amundi has progressively reinforced the rules and thresholds of its thermal coal sector policy. (see Exclusion Policy).

Phasing out coal is paramount to achieve the decarbonisation of our economies. That is the reason why Amundi is committed to phase out thermal coal from its investments by 2030 in OECD countries and in 2040 in non-OECD countries. Consistent with the United Nations Sustainable Development Goals (SDGs) and the 2015 Paris Agreement, this strategy is based on the research and recommendations of the Crédit Agricole Scientific Committee, which takes into account scenarios designed by the International Energy Agency's (IEA) Sustainable Development Scenario, Climate Analytics Report and Science Based Targets.

Objective of the policy

"Achieving a state of net-zero emissions at the planetary level requires real world cuts in GHG emissions from companies' value chains, and not simply a reduction in exposure to emissions within portfolios"17. Science Based Targets initiative (SBTi).

In line with our 2030/2040 phase out timeline from thermal coal, the following rules and thresholds are the baseline for which companies are considered too exposed to be able to phase out from thermal coal at the right pace.

Scope of the policy

The policy is applicable to all investee companies, but predominately affects mining, utilities, and transport infrastructure companies. This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Using our role as investors to influence issuers to phase out thermal coal

Amundi engages with all companies having thermal coal exposure for which Amundi has requested the company to publish a public thermal coal phase out policy consistent with Amundi's 2030/2040 phase out timeline.

For companies that are:

- Excluded from Amundi's active investment universe according to our policy (see Exclusion Policy), and
- Have thermal coal policies Amundi considers lagging, Amundi policy consists in voting against the discharge of the board or management or the re-election of the Chairman and of some Directors.

Exclusions as a tool to deal with unsustainable exposures

Where applicable, Amundi excludes:

- Mining, utilities, and transport infrastructure companies that are developing coal projects that have permitted status and are in the construction phase as defined in the coal developers list of the Crédit Agricole Group.
- Companies with coal projects in earlier stages of development including announced, proposed, with pre-permitted status are monitored on a yearly basis.
- For companies considered too exposed to be able to phase out from thermal coal at the right pace, Amundi excludes:
- All companies with revenue in thermal coal mining extraction and thermal coal power generation >50% of their revenue without analysis,
- All coal power generation & coal mining extraction companies with a threshold between 20% and 50% with a poor transition path.

Concerning mining extraction, Amundi excludes:

- Companies generating >20% of their revenue from thermal coal mining extraction,
- Companies with annual thermal coal extraction of 70 MT or more without intention to reduce.

Implementation

Exclusions are integrated in our front office tools, preventing fund managers from investing in these issuers.

The Risk Business Line is in charge of carrying out second level controls.

To assess companies' carbon exposure, Amundi utilizes carbon metrics from data providers (Trucost and MSCI).

This allows us to have a large data coverage from a range of sources to integrate into our ESG analysis and rating methodology. This also allows us to gain a fuller understanding of companies' carbon emissions and provide our investment teams with unique and valuable insights on the topic. When both providers have carbon data for the same issuer, we apply a conservative approach, which consists in retaining the data with the highest coal exposure between the two providers. In case of large discrepancies between information provided by the data providers, Amundi also performs its own due diligence.

To assess the development of new thermal coal capacities, Amundi uses the official exclusion list from Crédit Agricole Group based on information from Trucost. Due diligence could also be performed to enrich or challenge the information received by the provider.

Tobacco policy

Tobacco not only has a negative impact on public health, but its value chain faces human rights abuses, has an impact on poverty, has environmental consequences, and bears substantial economic costs, believed to be more than USD 1 trillion a year globally, according to World Health Organisation estimates.

In May 2020, Amundi became a signatory of the Tobacco- Free Finance Pledge.

Objective of the policy

Amundi penalises issuers exposed to the tobacco value chain by capping their ESG score as well as setting an exclusion policy for companies producing cigarettes.

Scope of the policy

This policy is applicable to the tobacco sector in its entirety, including suppliers, cigarette manufacturers and retailers. This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Using our role as investors to influence issuers

For companies that are excluded from our active investment universe according to our policy, our policy consists of voting against the discharge of the board or management, or the re-election of the Chairman and certain Directors.

Penalising investments in companies exposed to tobacco

The ESG rating (ranging from A to G) of the tobacco sector is capped to E. This policy applies to companies involved in the production, the supply and retailing of tobacco (thresholds for application: revenues above 10%). This applies to active investments.

Exclusions as a tool to deal with unsustainable exposures

This policy is applicable across all actively managed strategies and passively managed ESG strategies over which Amundi has full discretion.

Amundi excludes companies that manufacture complete tobacco products (thresholds for application: revenues above 5%), including cigarette manufacturers, as no product could be deemed to be child labour free.

Implementation

Exclusions are integrated in our front office tools, preventing fund managers from investing in these issuers. The Risk Business Line is in charge of carrying out second level controls. To assess companies, Amundi uses MSCI as a data provider.

Unconventional Fossil Fuel Exclusion Policy

Since end of 2022, Amundi excludes companies whose activity is exposed to exploration and production of unconventional oil & gas extraction (covering “shale oil and gas” and “oil sands”) by over 30%.

- **Fund's criteria**

As the fund is domiciled in Austria and managed by Amundi Austria (sub-delegation to CPRAM), we also apply Amundi Austria exclusion criteria:

Exclusion criteria for companies

Business segments	Explanation	Percentage of sales
Hard liquor	Production of hard liquor	more than 5%
Nuclear Energy	Production of nuclear Energy, Uranium and components for nuclear power plants	more than 5%
Gaming	Production und Providing of controversial gaming and gaming products (e.g. casino, betting business, gaming machines). Not affected are providers of lotteries and competitions	more than 5%
Genetic engineering	Production, Farming and Marketing of genetically modified organisms and products and Red GMO stem cell research	more than 5%
Fur	Producers and processors of furs and skins	more than 5%
Pornography	Producers, Providers and Dealers of Pornography	more than 5%
Defence	Producers and Dealers of arms and defence equipment	more than 5%
Tobacco	Producers of tobacco products	more than 5%
Fossil Fuel	Production of coal, natural gas and crude oil, refining of coal and crude oil, energy generation from coal and crude oil.	more than 5%

Business Practice	Explanation
Child Labour	Violation against the ILO Declaration on Fundamental Principles and Rights at Work. Includes suppliers and subcontractors
Labour- and Human Rights	Violation against the principles of ILO Declaration on Fundamental Principles and Rights at Work (Freedom of assembly, forced labour, discrimination) as well as Violation against minimum standards like human rights, health, safety, and working hours. Includes suppliers and subcontractors
Animal Testing	Not legally binding activities with living animals in the cosmetic industry
Behaviour, harmful to the environment	Massive violations against environmental laws and ecological minimum laws. Includes suppliers and subcontractors
Inacceptable business practices	Massive Violations against generally accepted good conduct rules like corruption or accounting fraud

Countries (Government Bonds)

Criteria	Explanation
Nuclear power	Percentage of nuclear power > 10% and no nuclear phase-out projected
Nuclear weapons	Possession of nuclear weapons (pursuant to IAEA)
Authoritarian regime	As „not free“ classified countries
Climate protection	No ratification of the Paris Climate Agreement and the UN Convention on Biodiversity.
Corruption and money laundering	Strong violation or contempt of minimum requirements in these areas
Human rights	Strong violation like political despotism, torture, child- and forced labour, freedom of assembly and movement, religious liberty, etc.
Armament's policy	Armament spending > 4% of GDP
Death penalty	No suspension of death penalty

The ESG criteria taken into account by the fund are selected from the internal ESG specific criteria (refer to 3.2)

The ESG filter excludes stocks with the worst ESG behaviours, rated F and G at three levels:

- the overall ESG rating
- the Governance rating
- the rating on Environmental criteria

3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?[8]

Since June 2017, CPRAM has decided to exclude from all its portfolios any investment in shares or debts of the issuers most exposed to coal according to the following rule:
Exclusion of all companies extracting all types of coal (thermal or metallurgical coal) or producing electricity from coal-fired power plants under the following conditions:

- Mining, utilities, and transport infrastructure companies that are developing coal projects that have permitted status and are in the construction phase as defined in the coal developers list of the Crédit Agricole Group.
- Companies with coal projects in earlier stages of development including announced, proposed, with pre-permitted status are monitored on a yearly basis.
- For companies considered too exposed to be able to phase out from thermal coal at the right pace, Amundi excludes:
  - All companies with revenue in thermal coal mining extraction and thermal coal power generation >50% of their revenue without analysis,
  - All coal power generation & coal mining extraction companies with a threshold between 20% and 50% with a poor transition path.
- Concerning mining extraction, Amundi excludes:
  - Companies generating >20% of their revenue from thermal coal mining extraction,

[8] Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code):
https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697

- Companies with annual thermal coal extraction of 70 MT or more without intention to reduce.

For further details, please refer to the coal policy on page 24 of this document.

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

Amundi bases its ESG analysis of corporates on a Best-in-Class approach.

Each issuer is assessed with a quantitative score scaled around the average of their sector, enabling to distinguish best-practices from worst practices at sector level. Amundi's assessment relies on a combination of extra-financial data from third-party and qualitative analysis of associated sector and sustainability themes. The quantitative score is translated into a rating scale ranging from A for best practices to G, for the worst-ones, to be excluded from actively managed funds

Three dimensions for ESG analysis

Amundi's analysis process examines corporate behaviour in three fields: Environment, Social, Governance (ESG). Amundi assesses the companies' exposure to risks and opportunities including sustainability factors and sustainability risks, and the management of these challenges in each of their sectors. As far as issuers of listed securities are concerned, Amundi scores issuers regardless of the instrument type, equity or debt.

A. Environmental dimension

This analysis examines companies' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity. It also critics an issuer's contribution to building a positive ecology in the territories in which it operates.

B. Social dimension

The objective of this dimension is to examine how a company defines a strategy to develop its human capital, drawing on fundamental principles with a European and universal reach. The "S" in ESG has a dual meaning. It covers two distinct concepts: the social aspect linked to a company's human capital, and the one linked to human rights in general.

C. Governance dimension

This dimension is set to ensure that a company's management is able to organize a collaborative process between the different stakeholders to guarantee the fulfilment of long-term objectives (therefore guaranteeing the company's value over the long term). This dimension provides an analysis on how a company integrates all of its stakeholders into its development model. Not only its stakeholders, but also its employees, clients, suppliers, local communities and the environment.

CPRAM Risk-based approach

Having created its first responsible investment solution in 2006, CPRAM elevated the dynamic in 2016 with structuring research work on an ESG methodology based on risks co-developed with an institutional client. Since then, the risk-based approach has been the subject of continuous improvements.

Our conviction at CPRAM is that each step of the rating process (criteria, components, overall rating) conveys important information and that ESG risk prevention constitutes an essential materiality lever for the sustainability of portfolios.

The overall ESG rating provides a synthetic view of an issuer's ESG profile, like the rating of Agencies, which provides a synthetic view of credit quality. It is rare for the E, S or G components to contradict the overall ESG rating; on the other hand, at the level of the criteria, compensation situations may exist between well-rated criteria and poorly rated criteria, information which is subsequently lost at the level of the overall rating. The specific analysis at the criteria level makes it possible to identify and finely compare the strengths and weaknesses of issuers.

For example, an issuer can perform well on the greenhouse gas emissions criterion, but not have an audit and internal control structure of sufficient quality to detect any problems related to the production process (example of the Diesel Gate).

An exclusion filter is therefore applied to the worst ESG ratings, at 2 different levels:

- On the overall ESG rating: issuers who seriously breach the criteria for responsible investment or who present an overall high level of extra-financial risk;
- On the most relevant specific criteria by sector of activity (the most weighted criteria in the overall rating) or according to the theme of the fund: issuers with a high level of risk on one of the material criteria identified by CPRAM.

CPRAM's risk-based approach therefore minimizes the risk to investors.

In addition to the ESG analysis, issuers' news is continuously monitored through controversies. For illustration, in the thematic equities range, they are evaluated by 3 external service providers: RepRisk, Sustainalytics and MSCI, which quantify incidents, their level of severity and the reputational risk of companies related to ESG issues. If a company is flagged as the subject of severe ESG controversy by at least 2 of these 3 data providers, it is excluded from the portfolio, according to the following analyses and thresholds:

- RepRisk supplies its proprietary RRI, an indicator that dynamically captures and quantifies reputational risk exposure related to ESG issues for more than 165,000 public and private companies. It is made of an environmental, a social, and a governance component. The percentage of each component’s contribution to the RRI is based on the number of risk incidents related to E, S and G issues. The RRI ranges from 0 to 100. Companies with a RRI between 50 and 100 (“high to extremely high risk exposure”) are flagged;
- Sustainalytics monitors daily 20,000 news sources and reports incidents on various ESG topics such as Environmental Supply Chain Incidents, Employee Incidents, Business Ethics Incidents, etc. Incidents are then graded from 1 to 5 according to the estimated level of seriousness, 1 being “low” and 5 being “severe”. Whenever a company is related to an incident graded 4 or 5, it is flagged.
- MSCI monitors more than 12,500 issuers. For each issuer, relevant KPI are defined to cover the controversy and assessing its level of severity. Incidents are then graded from 0 to 10, 0 being the most severe and 10 represents the absence of incidents. Whenever a company is related to an incident graded 0, it is flagged.

Controversies are updated on a monthly basis.

1 - ESG Global approach

We have developed the ESG risk-based approach. This solution based on financial materiality, relies on both the overall ESG rating and a selection of specific relevant E, S & G criteria ("weak signals"), permitting us to define an ESG investment universe for the implementation of financial management.

The criterias and their materiality are at the heart of our approaches to combine financial and extra-financial performance. Our holistic approach is designed to apply to all asset classes.

Financial materiality at the heart of our methodology

Our approach differs from traditional portfolio construction techniques (Best-in-Class, Best-Effort and positive selection on the extra-financial rating) which are derived from an overall view of the ESG rating. We however, have defined the construction from the concept of "materiality" in the ESG criteria in order to avoid the compensation effect between criteria underlying the construction of the overall score.

This approach consists of evaluating the financial relevance (materiality) of the 16 common criteria in order to retain only the criteria that will positively impact the risk / return profile of a given universe. The selection of criteria is specific to each asset class and geographical area. As the financial materiality of the criteria is dynamic over time, the selection is reviewed annually.

Upstream of financial management, we define an eligible universe at two levels: exclusion of the worst issuers on the global ESG rating and the criteria currently considered the most material.

The risk-based approach of CPRAM thus minimizes the risk for investors. The application of the ESG filter does not alter the portfolio's exposure to the various factors, neither does it alter the risk/return trade off.

The integration of ESG into our quantitative equity range in 2018 is a testament to our ambition of becoming a major player in Responsible Investment.

2 - ESG Thematic approach

These solutions are based on strong equity thematic investment opportunities backed by megatrends with a demanding sustainable approach. Such an approach relies on both a selection of E, S & G criteria adapted to the material challenges of the theme, along with a strict monitoring of controversies and impact.

With the challenges being specific to each theme, we have designed a specific approach based on our philosophy: to seek materiality in the definition of our "investable" universe to create sustainable value.

An ESG approach adapted to each theme

After the construction of the universe according to the investment philosophy of the theme, the sustainable approach defines the "investable" universe.

In order to avoid the compensation effect between the criteria underlying the construction of the global ESG rating, we adopt a two-level approach: exclusion of the worst issuers on both the overall ESG rating, and the environmental, social and governance criteria selected for their relevance to the theme.

In addition to Amundi's ESG analysis, the management team examines the controversies that identify the companies that are subject to the worst ESG controversies.

The implementation of impact measures, another part of our responsible investment approach.

Subject to availability, indicators are used as decision-making tools in the management of the fund and / or provide transparency on the impact of investments.

For example, in managing the fund that seeks to meet the food challenge CPR Invest - Food For Generations, we aim to keep the water and carbon intensity of the portfolio below the levels of the investment universe. We are also tracking the portfolio's waste recycling rate, which we strive to maintain at a high level.

In addition to minimizing water and carbon intensities and maintaining the high rate of waste recycling, impact measures should encourage an increasing number of companies to publish such data and report annual developments.

As a reference actor on thematic equity management since 2009, CPRAM's ambition is to turn contemporary trends into long-term growth-enhancing investment themes.

The new themes launched since 2017, all incorporate a responsible approach to combine meaning and performance research.

■ Amundi's ESG Scoring methodology

ESG analysis is produced internally.

Amundi has developed a proprietary ESG rating system, with 10+ years of track record. This Rating system applies to all asset classes except for the real assets for which we have developed a specific rating methodology.

Amundi ESG Ratings measure the ESG performance of a company, e.g. the ability of a company to anticipate and manage the E, S and G risks and opportunities inherent to its industry and to its individual situation. It also assesses the ability of the management team to handle severe controversies.

Amundi ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating.

This rating is a relative rating, reflecting the ESG performance of a company compared to the average performance of its industry.

We have also developed a dedicated customized ESG scoring/rating system for a client, according to the client's ESG criteria and framework. This rating is applicable to all funds of the client managed by Amundi.

Amundi ESG Ratings measure the ability of a company to anticipate and manage the E, S and G risks and opportunities inherent to its industry and to its individual situation. It also assesses the capacity of the management team to handle severe controversies.

Amundi's ESG Rating system, its calculation, circulation and monitoring, is under the responsibility of the ESG Analysis team.

The ESG analysts track more than 18,000 issuers (listed and unlisted, worldwide), summarised through a decision tree. The analysts actively cover about 250 of them, providing qualitative analysis, notably through:

- Thematic or sector analysis
- Company ESG analysis notes
- Ongoing engagement or thematic engagement with the companies

These companies are selected based on Amundi's major exposures, portfolio managers' interest and in order to optimise coverage of in-house funds and frequently used security indices.

The pool of selected companies will typically include larger and smaller companies, those from DM and EM economies and from diverse geographies.

The table below shows the percentage of issuers being granted an ESG rating for widely used security indices and investment universe:

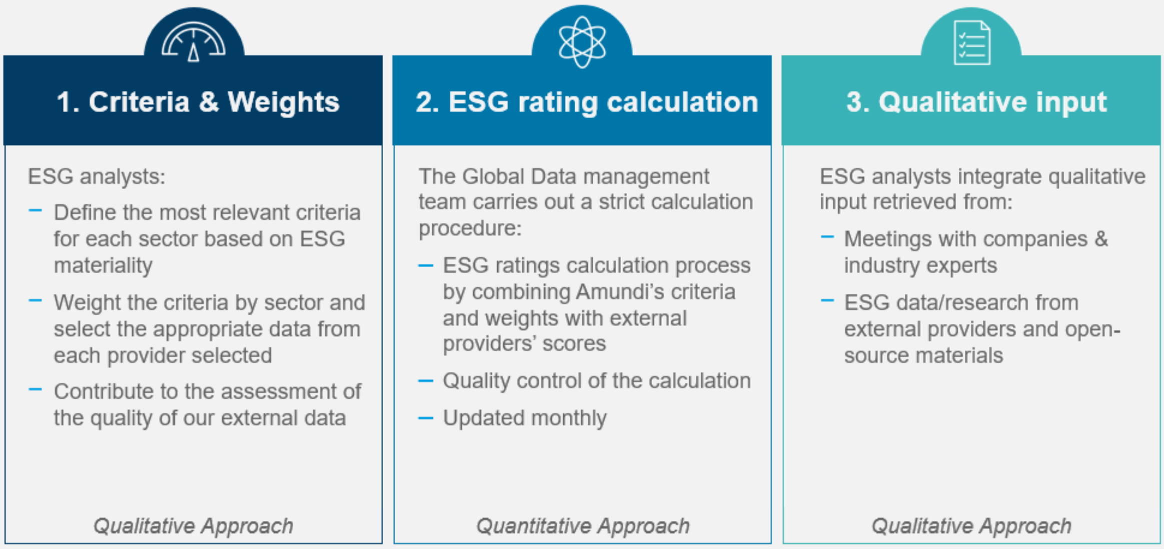
Investment universe	% of issuers being granted an ESG rating
Global equities	100% of MSCI World All Countries
Global credit	96% of Bloomberg Global Aggregate
Euro credit	99% of Bloomberg Euro Aggregate (E)
States	100% JPM GBI Global all Maturities

Source: Amundi, June 2022

Amundi ESG rating process

Amundi ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. Our rating is a relative rating, reflecting the ESG performance of a company compared to the average performance of its industry.

In order to assign an ESG rating to all the companies in its universe, Amundi has developed a proprietary ESG rating methodology combining a quantitative approach with a qualitative analysis as illustrated in the chart below:



Source – Amundi-September 2023

Amundi's set of criteria

Our ratings are based on insights from the range of data providers set out above under Resources. Once quality checked and with an overlay analysis from our sector specialist ESG analysts, these inform our 38 quantifiable and measurable criteria reflecting key challenges by sector. Of these, 17 are applied across all sectors and 21 are specific criteria only applied to one or more sectors (see table below).

The purpose is to identify the most relevant ESG key issues (in terms of risk /opportunity) by sector.

	ENVIRONMENT	SOCIAL	GOVERNANCE
GENERIC CRITERIA	Emissions & Energy Water Management Biodiversity & Pollution Supply Chain - Environment	Health & Safety Working Conditions Labour Relations Supply Chain - Social Product & Customer Responsibility Community Involvement & Human Rights	Board Structure Audit & Control Remuneration Shareholders' Rights Ethics Tax practices ESG Strategy
SECTOR-SPECIFIC CRITERIA	Clean Energy Green Car Green Chemistry Sustainable Construction Responsible Forest Management Paper Recycling Green Investing & Financing Green Insuring Green Business Packaging	Bioethics Responsible Marketing Healthy Product Tobacco Risk Vehicle Safety Passenger Safety Responsible Media Data Security & Privacy Digital Divide Access to Medicine Financial Inclusion	

Source: Amundi

Weightings

These criteria are weighted using performance drivers, and the weights assigned to each criterion translate its importance into the final ESG ratings.

A risk is considered material to an industry whenever companies could incur substantial costs as a result of exposure to that risk. To model the influence of those ESG criteria, ESG analysts assume that the impact of that criteria may be felt via three performance vectors.

- **Reputation**: this is related to the company's image among consumers and investors.
- **Operational efficiency**: this vector identifies the company's ability to improve technologies, processes, and behaviours in order to reduce the cost of production or services, particularly by more efficiently managing human or energy resources. This vector is also related to the company's ability to select, motivate, and retain qualified, competent staff, in order to ensure the company's long-term development and maintain its expertise.
- **Regulations**: this relates to activities that are or may be subject to a system of laws, regulatory obligations, and fines.

Thus, for a given sector and criterion, the ESG analyst must answer the following two questions:

- what is the likelihood (on a scale of 0 to 5) that an event related to a given criterion impacts a performance vector?
- what would be its impact (on a scale of 0 to 5) on the company's value?

The example below illustrates the environmental criterion "green vehicles", specific to the automotive sector.

The table below shows the score of the "Green Vehicle" criterion along the three performance vectors for the automotive sector.

Criteria	Likelihood from 1 to 5	Vector	Impact	Score
Green Vehicles	4	Reputation (1)	5	20
Green Vehicles	1	Operational efficiency	5	5
Green Vehicles	5	Regulation (2)	5	25
				50

(1) Reputation vector

Public opinion is increasingly sensitive to issues of climate change and rises in the cost of fuel. The non-financial analyst assigns a likelihood of 5 and an impact of 5.

(2) Regulation vector

European directives require automakers to continually adopt stricter CO2 emissions standards. After discussing with the companies in the industry and the financial analyst in question, the ESG analyst decided that the likelihood of regulation in the green vehicles criterion is 5, and that the potential impact on the company's value is 5.

By performing this exercise for all criteria, a score for each criterion is obtained. For example, in the automotive sector, the scores of all criteria related to Environment are as follows:

Criteria - Environment	Score
Green Vehicles	*50*
Biodiversity, pollution, and waste	*19*
Power consumption and greenhouse gas emissions	*6*
Water	*2*
	77

This process is applied to all the criteria assigned to the sector. In the specific case of the automotive sector, “S” totalises 77 points, while G totalises 54 points. The sum of all the scores accounts for 208. These scores are then used to define the weights of each criteria.

The table below shows, how the environmental criteria are weighted within the automotive sector[9]:

Criteria - Environment	Score
Green vehicles	*24.6%*
Biodiversity, pollution, and waste	*8.4%*
Power consumption and greenhouse gas emissions	*3.0%*
Water	*1.0%*
	37%

The table below provides examples of weights for the aggregated E, S, and G criteria or E, S, and G pillars, in three different sectors:

	E	S	G
Automotive	37%	37%	26%
Banking	24%	29%	47%
Pharmaceuticals	17%	40%	43%

Source: Amundi

Calculation

A calculation, validation, and dissemination ESG rating module called SRI Tool (Stock Rating Integrator) was developed in 2009 by Amundi's ESG Analysis and IT teams. This tool:

- ensures the collection, quality check and processing of ESG scores from suppliers
- calculates the ESG ratings of issuers according to Amundi proprietary methodology, with a mechanism that disseminates the rating of an issuer to all its majority held companies
- controls the quality of the rating quality post-calculation

9 The weight of E, S, and G: this is the ratio of the sum of criteria scores for one of the three aspects compared to the sum of the scores for all criteria.

— updates ESG ratings once a month
— displays the ESG ratings in a transparent and user-friendly manner: display of the issuer’s ESG rating together with the criteria and the weighs of each criteria
— stores 10+ years of ESG scores and ratings that allows for quantitative back-testing and research.

At each stage of the process calculation, the scores are normalised by converting into Z-scores (difference between the company’s score and the average score in the sector, as a quantity of standard deviations).

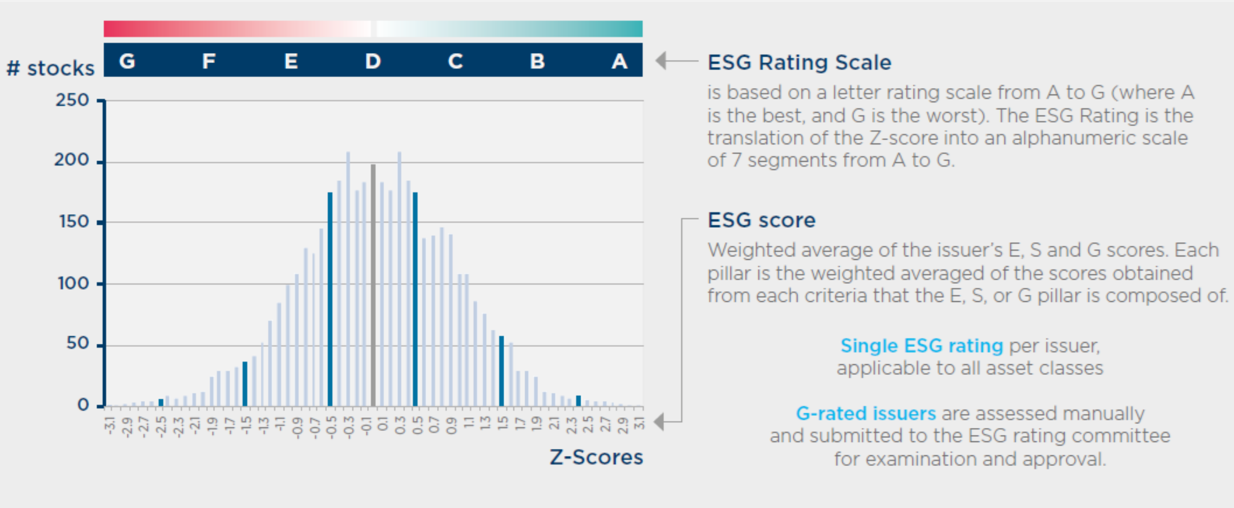
A function related to the company's market capitalisation is applied in order to be more demanding of large companies, which generally have better means of communication.

In the end, every company therefore has:
— an ESG score (approximately between -3 and +3)
— an ESG rating, based on the ESG score determined as follows

The ESG scores are therefore centred on 0, both overall and within each sector. Therefore, a Z-score of 2 is far better than the average which is zero.

The ESG Rating is the translation of the Z-score into a 7-level scale from A to G. Each segment measures a unit of the standard deviation of the global universe.

The distribution of ESG ratings is shown below:



*Calculation methodology which transforms ESG criteria into Z-scores (deviation in the security’s score compared with the average score for the sector, by number of standard deviations).

Source: Amundi

Issuers are monitored on an ongoing basis and any news on controversies is factored in the ESG analysis. Controversy analysis may or may not lead to a change of rating at the concerned criteria level or at the final ESG rating level.

The SRI tool also enables total transparency. At any time, the rating assigned to a given company can be justified using a flower graph based on the company's scores on the various criteria. The tool also enables to identify the contributions of different providers to the overall rating and may give a quick idea of the consensus between various suppliers.

Example of an ESG rating of a company displayed in the SRI tool:

Our rating methodology enables an exhaustive, standardized, systematic analysis of all companies, regardless of their asset class (equities, bonds, money market).

Qualitative input

In addition to the calculation of ratings by the Stock Rating Integrator (SRI tool), an active and in-depth analysis is carried out on issuers selected by the ESG Analysts. The coverage of a company is triggered by:

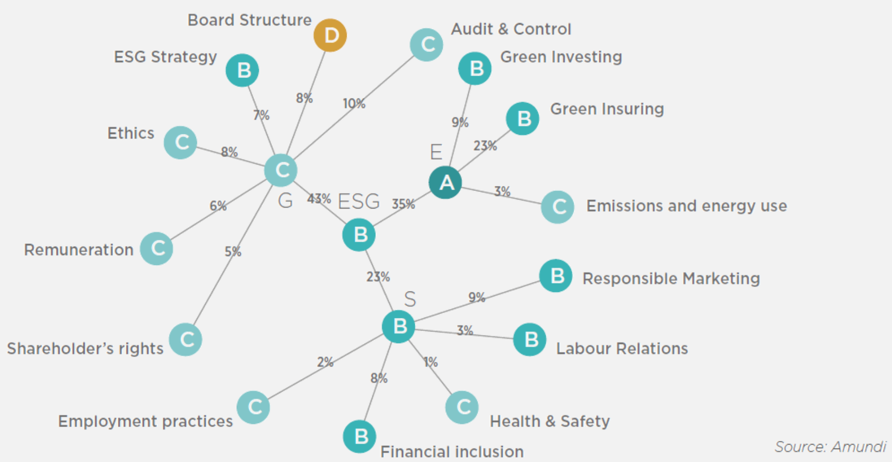
- The requests of portfolio managers to cover non-rated issuers
- The level of exposure of Amundi to the investee companies
- The annual Engagement campaign
- The issuers with a particularly weak ESG rating for a given criterion
- The quarterly controversies screening

Hence the post-calculation analysis stage enhances the Pre-Analysis stage by reinforcing the accuracy of the criteria and weights by sector.

Our ESG analysts also annually review the application and weightings of the 37 criteria to each sector. This enables us to maintain quality and ensure that we continuously seek to improve our analysis by considering the materiality of the criteria and their weights.

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

ESG financial analysts update the ESG ratings once a month. They also follow the rating on a day-to-day basis thanks to the alerts of the providers.



Controversies analysis

At Amundi, issuers are monitored on an ongoing basis and any news on controversies is factored in the ESG analysis. Controversy analysis may or not lead to a change of rating at the concerned criteria level or at the final ESG rating level.

The ESG analysis team has set up a dedicated tool for identifying, analysing, and tracking controversies. This tool makes it possible:

- To ensure exhaustive coverage of all companies in the Amundi investment universe

- To detect new trends and identify rising controversies (in industries, topics, geographical areas, etc.)
- To identify the most controversial companies in order to initiate a dialogue with them or to exclude them from portfolios, as a last resort
- To adopt a proactive approach in handling controversies so as not to be caught off-guard
- To protect clients from reputational risk (associated with companies held in their portfolio)

The model put in place is a hybrid assessment model that combines supplier indices and internal analysis, which makes it possible to assess the level of controversy as objectively as possible:

- The analysis is based on screening four data suppliers
- It is supplemented by a deep analysis performed by specialists in each sector:
- Expertise to specifically track major controversies
- Periodically updated dynamic analysis (identifying variations, new additions or removals, etc.)
- Periodical review of the 100 most controversial issuers (the largest controversies and/or the risk of controversy is growing the most)
- Qualitative and quantitative assessment of each controversy:
- Number of controversies
- Size and scope of the controversies
- Potential impact on the company
- Potential impact on stakeholders
- Source (Quality and Visibility)
- Duration/effect of the controversy

Controversy screening tool

A tool combining the controversy alerts of RepRisk, Sustainalytics and MSCI enables ESG analysts to monitor severe controversies, integrate them when relevant to the single name ESG ratings and to the sectorial ESG factors. This screening is done quarterly and is accessible to all ESG Analysts.

If a controversy is found, PMs have 45 days to sell the title.

4. Investment process

4.1. How are the results of the ESG research integrated into portfolio construction?

The starting point is the CDP listed Universe with more than 2,000 issuers scored from A to D.

We apply to this universe 4 filters: CDP scores, ESG ratings, Exclusion criteria (Umweltzeichen) and controversies:

- CDP scores exclude 573 issuers
- ESG ratings exclude 208 issuers
- Exclusion criteria (Umweltzeichen) excludes 139 issuers
- Controversies scores exclude 4 issuers

In total, 924 issuers are excluded to build our investment universe and the investable universe includes 1,318 stocks for the year 2023.

Regarding the updates surrounding our eligible universe, CDP ratings are annually reviewed. ESG filter is updated monthly and the controversies filter is weekly updated within CPRAM management tools. Moreover, the monthly Sustainable Committee is in charge of monitoring the companies eligible to investable universe (exclusion/inclusion) as well as the movements required in the portfolio to comply with the sustainable policy.

4.2. How are the criteria specific to climate change integrated into portfolio construction?

As the fund is domiciled in Austria and managed by Amundi Austria (sub-delegation to CPRAM), we also apply Amundi Austria exclusion criteria strongly correlated to the Umweltzeichen Ecolabel guidelines:

- **Exclusion criteria for companies**

Investment policy and selection criteria as well as the survey, evaluation and selection process of sustainable investment products fund must be designed in a way excluding companies and /or projects with the following business segments from an investment:

Business segments	Explanation
Nuclear Energy	Construction and operation of nuclear power stations and supply of nuclear components required for nuclear energy generation, uranium production and energy generation.
Armaments	Production of conventional and/or controversial arms as well as the trade with them.
Fossil fuels	Production[10] of coal, natural gas and crude oil, energy generation from coal and crude oil.
Genetic engineering	Growing and marketing of genetically modified organisms and products (green genetic engineering) as well as gene therapy in germs line cells, cloning techniques with humans and embryo research in humans.

[10] From conventional or non-conventional production

Business Practice
Systematic, severe and permanent violations of human rights and labour law[11] (in particular in connection with high-risk sectors, activities and areas).
No commitment of the entrepreneurial policy to the minimum standards of the International Labour Organisation (ILO) with respect to child labour, freedom of association, and discrimination or evidently systematic violations of them.

Exclusion criteria for government bonds/public issuers

Investment policy, selection criteria and survey, evaluation and selection processes of the sustainable investment products must be designed in a way excluding issuers, to which at least one of the following points applies, from an investment:

Criteria	Explanation
Political and social standards	– States violating fundamental rights concerning democracy and human rights[12] – States where the death penalty is applied[13] – States with particularly high military budgets[14]
Environmental standards	– States without objectives and measures aiming at the reduction of greenhouse gases and at species protection[15] – States with expansive policy concerning the further development of nuclear energy[16]

Regarding enterprises, the following fields of topics are to be assessed:

Corporate governance, company policy and management	
Environment and climate	– Biodiversity, species protection, animal welfare, landscape conservation and environmental protection – Climate change mitigation, adaptation to climate change – Air and water pollution, waste (introduction of hazardous substances) – Material efficiency; resource consumption, dealing with finite resources, recycling, circular economy
Stakeholder groups	– Employees – Suppliers – Customers – Investors – Society/public

4.3. <u>How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?</u>

All the issuers present in the portfolio must be subject to ESG analysis. If an issuer is not subject to Amundi's internal ESG rating, it must be evaluated according to the CDP rating (on climate) or according to Reprisk, Sustainalytics or MSCI rating (on controversies).

[11] In ESG rating: "serious and very serious violations" or similar results
[12] Severe, permanent and systematic violations
[13] Application of the death penalty within the past 10 years
[14] More than 4% of the GDP
[15] No ratification of the Paris Climate Agreement and the UN Convention on Biodiversity
16 Nuclear power stations under construction and /or planned

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

No particular change since last year. The investment process has not changed, the fund has been launched in November 2019.

4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

N/A

4.6. Does (do) the fund(s) engage in securities lending activities?

There is no securities lending on this portfolio.

4.7. Does (do) the fund(s) use derivative instruments?

Derivatives can be used mainly for marginal adjustments through futures to cope with subscriptions and redemptions flows.

4.8. Does (do) the fund(s) invest in mutual funds?

The fund mainly invests in equity; at most 10% can be invested in mutual funds.
Cash is invested in direct.

5. *ESG controls*

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?[17]

In order to ensure compliance of the portfolio with the ESG rules on managing the fund CPRAM established two internal control mechanisms:

Sustainability Committee

The Sustainability Committee is in charge of reviewing and monitoring the investment universes of our ESG strategies. Co-chaired by the CIO and the Chief Responsible Officer, this committee brings together on a monthly basis the Chief Responsible Investments Officer, portfolio managers in charge of ESG funds, research engineers, product specialists, the Head of ESG Projects and risk managers.

Their missions are as follows:

- Review and evolution of decisions made during the last committee
- Monitoring of companies eligible to the investable universe specific to each ESG fund and possibility of occasionally granting an exemption
- Analysis of the current portfolios and review of any breach regarding ESG issues
- Identification of risky stocks (investable stocks but close to the thresholds defined for the various ESG criteria)
- Evolution of each portfolio and the various ESG ratings on a stock-by-stock basis compared to the previous month
- Change of the investment universe and the various ESG ratings on a stock-by-stock basis compared to the previous month (exclusion/inclusion)
- List of all companies excluded from the universe and split by sectors/data providers
- Monitoring of impact indicators;
- Analysis and monitoring of impact indicators, “beat the benchmark” constraints, regulations and labels.

When an issuer is considered to be excluded, the risk manager indicates his decision to the fund manager and his top management. The fund manager has then 45 calendar days to remove the stock from the portfolio. The Sustainable Committee ratifies the decision during the subsequent meeting.

Constraint’s inventory

For each portfolio, a “risk process” is defined prior to the implementation of the management, in collaboration with the management teams. It identifies the risks to which the portfolio is exposed. Corresponding exposure limits and the list of associated risk indicators, depending on the asset class, the management process, the investor’s specifications or the fund are applied. This analysis makes it possible to verify that the risk control process is consistent with the envisaged management process. The indicators thus defined make it possible to comprehensively cover the monitored financial risks.

The second internal control is done through ALTO Investment Compliance, an internal management tool. Each week the list of excluded issuers is implemented in the system and portfolio managers review this list to ensure the compliance of the funds.

[17] Reference to Article 173 of the French TECV Act

5.2. Are post-trade controls for the regulatory, clients and internal guidelines in place (Y)? Are they automated (Y)? How are they monitored?

Yes

Post-trade control (D+1)

The controls are carried out by the Risk Management department from the assets in position in the portfolios the night before and revaluated during the night following the course update. All constraints are subject to a daily and automated control by the ARMONI tool and all detected anomalies are reported via automatic alerts. All the indicators, directly parameterized in the tools, are thus updated and monitored daily, making it possible to monitor both the overall risk of each portfolio, the risks of exposure, liquidity, concentration and counterparty.

The overruns or irregularities noted in post-trade are systematically the subject of an analysis by the risk control, then of a possible request for regularization with the management teams.

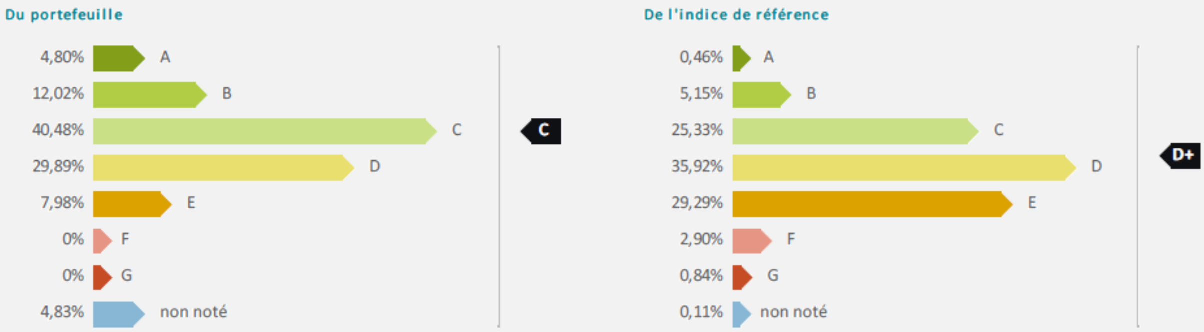
This daily control is supplemented by quarterly portfolio reviews with the management teams, the results of which are intended for the General Management of CPRAM and the group’s business line. It covers in particular the following fields: performance, key risk indicators, liquidity, compliance with internal and customer risk constraints, valuation, analysis of positions (exposures, allocation choices, concentration, derivatives, etc.). It makes it possible to check the adequacy of risk taking with the objectives of the portfolio and to define areas for improvement (relevance of the indicators, limits, etc.).

6. *Impact measures and ESG reporting*

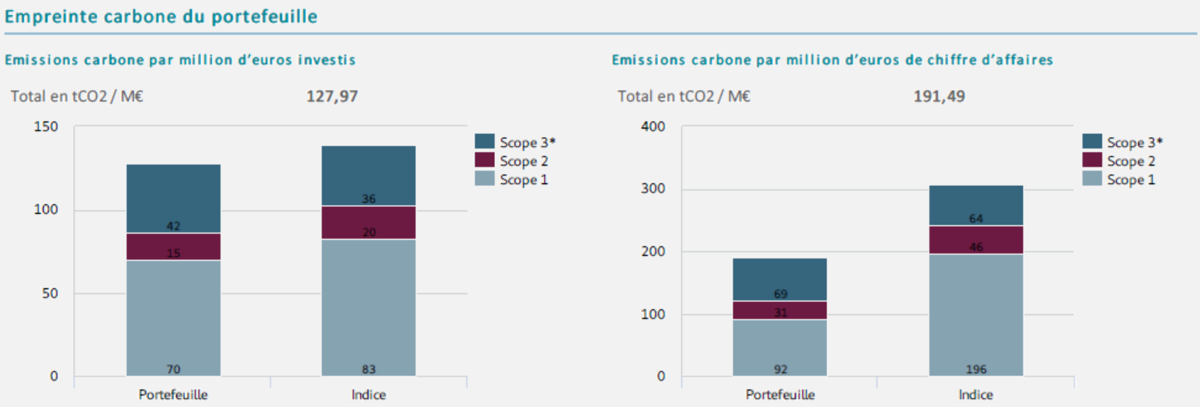
6.1. How is the ESG quality of the fund(s) assessed?

The ESG quality of the fund is assessed through the reporting of the fund.
Each month:

- the average grade of the portfolio is break down and compared to its benchmark



- The carbon footprint of the portfolio is calculated and compared to the fund's index



- The logic of the portfolio's construction is assessed and the exclusion universe is breaking down.

6.2. What ESG indicators are used by the fund(s)?[18]

The fund has to be compliant with the article 173 of the energy transition law https://www.legifrance.gouv.fr/affichTexteArticle.do?idArticle=JORFARTI000031045547&cidTexte=LEGITEXT000031047847&categorieLien=id

ESG indicators used for the fund are: carbon footprint, sectorial exposure and geographical exposure to carbon emission and coal exposure.

[18] Reference to Article 173 of the French TECV Act

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

In addition to legal documentation (prospectus, KID, PCD, etc.), the SRI Transparency Code and extra-financial report, CPRAM provides investors with a large range of documentation on its Responsible Investing approach, through the regular publication of research papers, sector analyses, impact reports, podcasts and more. This documentation is available on CPRAM's website.

The table below summarizes the available documentation:

Document Name	Contents	Frequency	Method of transmission
Responsible Investment Policy	CPRAM's philosophy, approach and range of Responsible Investment solutions	Annually	All documents are available on the CPRAM website, on the "Documentation" subsection: https://www.cpr-am.lu/Responsible-Investment
Engagement report	Details of Amundi's engagement process, results of our dialogue and engagement with companies on issues related to environmental, social and governance risks	Annually	
Voting Policy	Analytical framework of Amundi's voting policy	Annually	
Report on voting rights and dialogue with shareholders	Implementation of Amundi's voting policy	Annually	
ESG Report	Tracking of ESG assessments of funds in n and n-1, voting and commitment statistics	Annually	

6.4. Does the fund management company publish the results of its voting and engagement policies?[19]

Yes

Voting report

The voting report is available on CPRAM website:
https://cpram.com/lux/en/professional/responsible-investment/esg-documentation

[19] Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE