Amundi
Investment Solutions
Trust must be earned

Operating Principles for Impact Management

Amundi Disclosure Statement

July 2026

Contents

Introductory Statement

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

As of 31 December 2025, this Disclosure Statement applies to the following strategies, which align with the Operating Principles for Impact Management:

1. Green, Social and Sustainable Bond Impact strategies

- **Amundi Emerging Markets Green and Sustainable Bond strategies**
- **Amundi Green Bond strategies**
- **Amundi Social Bond strategy**

2. Real Assets Impact strategies

- **Amundi Private Equity strategies**
- **Amundi Private Debt strategies**
- **Amundi Natural Capital strategy**

3. Equity Impact strategies

- **KBI Natural Resources Equity strategies**

The total value of the strategies in alignment with the Operating Principles for Impact Management is USD 12.4 billion, as of 31 December 2025[1].

Elodie Laugel
Group Chief Responsible Investment Officer

1. The assets under management covers master and feeder funds managed accordingly to the strategies within the scope of this report. They have been converted from Euro denomination to United States Dollar denomination. The Euro/USD currency exchange rate was 1.1757 as of 31/12/2025.

Foreword

In a context of geopolitical disruption, pushing governments towards greater energy security and autonomy, strategic considerations around resilience are becoming increasingly prominent. The links between energy security and climate mitigation have become clear across most regions. At the same time, climate adaptation is emerging as a tangible imperative for investors as climate impacts intensify, requiring the integration of physical climate risks into financial assessment across the value chain and presenting financing opportunities at multiple levels. We are also seeing growing momentum behind nature-based investments - rising from $9bn in 2020 to $102bn in 2024, a 11-fold increase - as a means to mitigate and adapt. Together, these emerging themes are strengthening investor demand for solutions that deliver real-world positive impact for both the environment and society.

Consistent with its objective of delivering investment solutions that generate measurable positive outcomes while supporting investors' long-term financial objectives, Amundi offers a range of impact solutions which continue to gain traction in this evolving context.

As a founding signatory of the Operating Principles for Impact Management (OPIM), Amundi has remained steadfast in its ambition to democratize and scale impact investing while upholding the highest standards. Rooted in core principles of integrity, transparency and accountability, Amundi's commitment to continuously expand its range of impact-driven investment solutions translated into key achievements in 2025:

- Reaching and surpassing Amundi's ambition of €20 billion in impact AUM by end-2025, with assets rising to €21.8 billion - reflecting the continued strength and scalability of our impact investment solutions across asset classes.
- Continuing to broaden our impact strategies across key asset classes and themes, while maintaining a consistent, globally aligned approach to measuring and managing impact.

While direct investment in private assets has historically been particularly suited to generate impact - given investors' closer relationship with companies and projects and their longer-term horizon to drive change - Amundi has long championed a broader, yet focused, expansion of the impact investing landscape. This progress has been underpinned by Amundi's strong methodological, technical and innovative capabilities, together with continuous monitoring of pressing social and environmental issues to address. Today, impact themes embedded across our strategies and asset classes provide investors with a wide range of opportunities to mobilize capital toward achieving the Sustainable Development Goals.

Our unwavering support for the development of blended finance illustrates how we pursue meaningful scale in developing countries while making efficient use of public capital. In 2025, Amundi dedicated significant effort the launch of the Global Green Bond Initiative (GGBI), the largest European Union-backed blended finance vehicles for sustainable infrastructure projects in low and middle-income countries. As part of this major initiative of the EU "Global Gateway" strategy, the GGBI fund aims to raise up to 3 billion euros in capital and will be managed by Amundi.

Finally, to meet this growing investors' need for nature solutions, the Crédit Agricole Group announced in 2025 the launch of a new entity dedicated to natural capital, and Amundi announced the launch of two new strategies focused on biodiversity.

Timothée Jaulin
Head of Responsible Investment Development & Advocacy, Amundi

Principle 1

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

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

Amundi Planet Emerging Green One / Amundi Planet II Sustainable Emerging Economy Development Debt

Both strategies seeks to deepen the emerging market green/sustainable bond markets by stimulating both demand and supply. SEED goes one step further, focusing on underdeveloped segments of the sustainable bond market in EM, strengthening the asset class and driving greater resources towards priority areas such as climate mitigation and/or recovery from the economic and social impact of COVID-19.

On the demand side, the strategies are progressively investing in EM green/sustainable bonds issued by financial institutions in the case of EGO, Financial and non-financial institutions in the case of SEED. following phased-in targets throughout its investment life. This objective is guided by an ESG Charter[2] that was developed by Amundi and the IFC (International Finance Corporation), in collaboration with the EBRD (European Bank for Reconstruction and Development) and the EIB (European Investment Bank). The charter provides a robust ESG and green bond analysis framework to screen all issuers the strategy has invested in. As of the end of December 2025, the EGO strategy has completed its investment period and is fully invested in target green bonds and has invested a cumulative US$1.5 billion in green bonds since its inception. SEED is more than 70% invested in target sustainable bonds and has invested a cumulative US$436m in sustainable bonds since its inception.

On the supply side, the strategy is part of an initiative supporting the creation of a robust green bond market through tailored capacity-building activities. For EGO specifically, the IFC-managed Green Bond Technical Assistance Program (GB TAP) supports the creation of new markets for climate finance by developing green bond policies, providing training programs for bankers and facilitating the adoption of the International Capital Market Association's (ICMA) Green Bond Principles and international best practices in emerging markets. GB TAP alumni have issued 147 green, social and sustainability bonds, with a total value of more than US$18.5

2. The ESG charter can be found here.

billion across 80 emerging countries throughout the lifetime of the GB TAP, up to June 2025.

Amundi Emerging Markets Green Bond strategy

This strategy seeks to finance the energy transition as it is investing only in emerging market green and sustainability bonds from issuers across all sectors. The bonds are aligned with the ICMA's Green Bond Principles or Sustainability Bond Guidelines, and their issuers commit to measure and publish the impact of the projects financed by the bonds' proceeds.

Amundi has developed a proprietary Green, Social and Sustainability bond assessment process (the GSS+ bond analysis process), which is outlined in detail in the Appendix. The investment team uses this to screen all issuers that the strategy is invested in and incorporate this in the investment process.

Neither of the above two strategies' objectives consider the Sustainable Development Goals explicitly in their investment policy. However, as they invest in green bonds aligned with the ICMA's Green Bond Principles, the ICMA has provided a broad frame[3] of reference by which issuers, investors and bond market participants can evaluate the financing objectives of any given green bond program against the Sustainable Development Goals (SDGs). SDGs 7 (affordable and clean energy), 9 (industry, innovation and infrastructure) and 13 (climate action) are relevant to both strategies.

Amundi Green Bond strategies

The Green Bonds strategies seek to finance the energy transition by investing only in green bonds with a measurable and positive impact on climate change, alongside delivering attractive returns throughout the different economic cycles. The investment universe is global and based on aggregate bonds for the funds **Amundi Responsible Investing Impact Green Bond** and **Amundi Impact Ultra Short Term Green Bond**, and based on Eurozone corporates for the funds **Amundi Responsible Investing Impact Euro Corporate Green Bond** and **Amundi Funds Impact Euro Corporate Short Term Green Bond**.

One of the key goals of green bonds is to expose investors to a quantitative and measurable environmental impact. This environmental impact is assessed for each green bond based on the expected impact of the projects financed, i.e., the greenhouse gas (GHG) emissions that will be avoided, using the metric of tCO_2e avoided per €1 million invested per year.

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

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

All green bonds held into the portfolios are in line with the ICMA's Green Bond Principles (GBP) and validated by the dedicated GSS analysts before investment.

The projects financed by both funds are most closely aligned with eight SDGs, ranked by relevance: SDG 7, SDG 11, SDG 13, SDG 9, SDG 12 (responsible consumption and production), SDG 6 (clean water and sanitation), SDG 15 (life on land) and SDG 14 (life below water).

Amundi Social Bond strategy

This strategy seeks to reduce social inequalities by investing predominately in social bonds that finance projects with measurable and positive social outcomes. Among the eligible social project categories that are fully aligned with the Social Bond Principles (SBP) of the ICMA and the SDGs, the investment team does not have a preferred category, but aims to address global social issues and their related social impact.

The SBP provides high-level categories for eligible social projects in recognition of the diversity of current views and the ongoing development in the understanding of social issues and consequences. Social bonds can finance projects related to healthcare services, education or employment preservation, which benefit at-risk or underserved populations, for instance, young people, unemployed individuals or women.

3. The High-Level mapping of the goals can be found here.

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

- Favoring bonds with high-level standards of impact, selected via Amundi's internal GSS+ bond analysis process;
- Having a broad and inclusive vision of all societal issues when selecting projects; and
- Monitoring the impact reporting of issuers and interpreting this impact at the portfolio level.

Given the diversity of social issues tackled at fund level, the investment team has identified different recurrent key impact indicators for each category. Among the variety of indicators, the team has defined a unique impact indicator, which is the number of beneficiaries per €1 million invested.

All projects financed by **Amundi Impact Social Bond** are aligned with the Sustainable Development Goals (SDGs), in particular the following five SGDs: SDG 3 (good health and wellbeing), SDG 11, SDG 8 (decent work and economic growth), SDG 7 and SDG 1 (no poverty).

2. Real Assets Impact strategies

Amundi Private Equity strategies

Those strategies aims to invest in unlisted companies with a social and/or environmental mission, with a mission to positively impact both environmental and societal challenges. The funds primarily invest in private equity (more than 60% of the portfolio) or private debt, mainly in France, with some investments in other European or developing countries.

Finance et Solidarité strategy aims to finance the development of social and solidarity enterprises that address crucial societal challenges (reintegration through employment, housing, access to healthcare, etc.) while seeking positive returns. At least 50% of its assets are invested in unlisted securities of approved solidarity enterprises.

This strategy prioritizes an "impact first" objective, employing a dedicated impact analysis process for potential investments. Only companies scoring positively in this analysis are eligible for investment.

The strategy focuses on five major themes of the United Nations' 17 SDGs:

1. Access to decent housing (SDGs 9-11);
2. Access to meaningful jobs, promoting social inclusion (SDGs 8-10), including international initiatives such as microfinance (SDGs 2, 6 and 7);
3. Access to healthcare (SDG 3);
4. Access to education and training (SDG 4); and
5. Preservation of the environment and equal access to natural resources (SDGs 12, 13, 14 and 15).

Furthermore, the **Just Transition strategy**, which has obtained the environmental Greenfin label in 2024, focuses on major themes of the United Nations' 17 SDGs:

1. Preservation of the environment and equal access to natural resources (SDGs 12, 13 and 15);
2. Smart cities and sustainable building and construction (SDG 11)

The objective of this fund is to finance companies offering decarbonization solutions for the four main polluting sectors (described below), while achieving the most equitable and inclusive environmental transition possible for all those involved (affordability of the solutions developed for the greatest number of people and creation of decent and promising employment opportunities).

The four main sectors with the highest CO_2e emissions identified are:

- Agriculture and Food
- Buildings and Construction
- Transportation
- Industry

The impact objectives of our strategies are integrated at three different levels:

- The investment strategies will only invest in unlisted companies with social and/or an environmental missions that can be linked to the SDGs;
- The pre-investment impact analysis (impact scoring grid) and due diligence conducted systematically; and

- The systematic integration of shareholders' agreements or debt agreements that include incentive and reporting obligations linked to the impact objectives.

The fund's strategies ensure that the impact objectives and the investment strategy are always aligned and proportionate. In addition, both the financial and impact analysis of the companies present in the portfolio are updated on an annual basis.

Amundi Private Debt strategies

Those strategies focus on two observed issues in the senior private debt investment space. The first (**Amundi Senior Impact Debt IV strategy**) is that many mid-market issuers face obstacles when developing an ESG strategy, in particular in their transition to a low-carbon business model. A lack of knowledge on the subject, although improving year after year, and constraints in human resources, data and tools are examples of reasons why they lag in ESG best practices in comparison to other companies. The second is that when regulatory measures in Europe come into force, mid-market issuers are often not equipped with the capabilities to implement the sustainability disclosure requirements.

With a global urgency to meet carbon neutrality objectives, all stakeholders, including mid-market issuers, should aim to reach these objectives by revising their business models to take into account the transition to a low-carbon economy, as well as the impact of such a transition.

The **Amundi Senior Impact Debt IV strategy**'s impact thesis for the 2022-2025 investment period, the period relevant to the initial engagement with issuers, is to:

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

After this investment period (ending March 2026), no further investment will be made and, therefore, no pre-investment actions can be conducted with issuers.

These following eligibility criteria apply to mid-market issuers in the portfolio: ❶ 100% of issuers in the strategy must commit to having a carbon footprint assessment and an action plan to reduce carbon emissions; and ❷ a majority of issuers in the strategy must commit to defining and measuring sustainability indicators, in accordance with the identified key ESG challenges they face.

Furthermore, **Amundi Ambition Agri-Agro Direct Lending Europe** fund has been launched in 2024. This new impact strategy aims at financing companies in the entire value chain of the agri-agro sector (upstream, transformation, downstream, or in the service of the chain) to participate in their necessary environmental transition. 5 mains objectives have been identified:

- Contribute to the transition toward a low-carbon food;
- Preserve natural resources;
- Change our consumption modes;
- Produce through a circular economy;
- Promote the attractiveness of the farmers' profession.

As our other strategies, a majority of the deals will put in place sustainability KPIs, as sustainability linked-loans, linked with our main objectives.

Additionally, we require systematically a carbon footprint, a decarbonation trajectory, and a new mechanism compared to our former ESG & impact funds, an environmental analysis that takes into account the main impact and dependency to nature the company and its value chain can have, and link the sustainability KPIs to those impacts with a financial assistance from Amundi Private Debt and the technical assistance of an environmental provider. This analysis helps companies to reduce their biodiversity impact and dependency.

Amundi Natural Capital strategy

This strategy named **Amundi Investissement Forestier** aims to invest in forests with an environmental mission which is to address climate change. Forests are the planet's second largest carbon sink, are home to 80% of all terrestrial biodiversity and guarantee 75% of the world's fresh water.

The solution offered is to generate carbon credits which will allow to finance :

- Adaptation actions in plots exposed to climate risk: progressive planting of adapted species, selective clearance in natural regenerations in favor of the most resistant species.
- Actions to promote biodiversity, such as the creation of islands of senescence and the conservation of biodiversity reservoirs.
- Actions in favor of water storage in the forest, such as restoring wetlands: ponds, peat bogs, etc.

The impact objectives contribute to the following three SDGs : Climate Action (SDG 13), Life on hand (SDG 15) and Clean water and sanitation (SDG 6).

The impact strategy is implemented across the entire investment cycle.

The fund invests in forests for these reasons :

- forests selected in particular for the quality of their forest station (soils, climate, accessibility, etc.) making it possible to produce quality trees with opportunities in the wood industry. There is always a climate analysis conducted in due diligence
- with systematic recourse to a second opinion carried out by an expert external forester independent of the management company;
- in several geographic sectors, in France and also in Europe having concluded an agreement with France
- by varying the species and maturity of the stands;
- from a few dozen to a few hundred even thousands of hectares

3. Equity Impact strategies

KBI Natural Resources Equity strategies

The Natural Resource strategies comprise long-only equity strategies that invest in a specific impact theme or combinations of themes, including water, the energy transition, sustainable infrastructure and the circular economy. Investments are made in both developed and emerging markets. The impact objective of the Natural Resource strategies is to contribute to society’s environmental and social goals by directing capital to companies that provide solutions to the shortage of natural resources such as clean water, renewable energy and food. This can be by increasing the supply of and access to resources, and/or by reducing demand, including by reducing wastage, strengthening relevant sustainable infrastructure and advancing the circular economy.

It invests in a portfolio of companies which, in the opinion of the investment manager, on an aggregate portfolio basis, generates a substantial proportion of turnover from and operate on a sustainable basis in the relevant solutions sector. All investee companies must obtain a material portion of their turnover from activities related to that solutions sector.

It measures impact using the alignment of the strategy with the SDGs via the Revenue Alignment SDG Scores (RASS), which calculate the alignment of investee companies’ revenues with each of the 17 SDGs. This is very detailed process that it carried out annually, and which measures both positive and negative alignment of investee company revenues with each of the 17 SDGs.

The outcome of this impact measurement is incorporated directly into the investment process so that, even within the universe of natural resources stocks, companies with good impact performance are more likely to be included in the portfolio, or more likely to have a higher weight, than those with less impact.

Principle 2

Manage strategic impact on a portfolio basis

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

The Amundi Group takes into account ESG-related considerations in its compensation policies at several levels. Responsible Investment criteria and sustainability risk are integrated into investment management teams' annual evaluations and discretionary bonuses. Investment teams managing Amundi's impact strategies are also held to this standard. Moreover, Responsible investment as well a CSR criteria account for 20% of the KPIs supporting the performance share plan for more than 200 of Amundi's senior executives. In addition, adherence to Amundi responsible investment policy forms part of the controls conducted in relation to portfolio managers' behavior.

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

All three of the **Amundi Planet Emerging Green One (AP EGO), Amundi Planet II Sustainable Emerging Economy Development Debt (AP II SEED)** and the **Amundi Emerging Markets Green Bonds** strategies invest in emerging markets hard currency green bonds.

Amundi Planet Emerging Green One / Amundi Planet II Sustainable Emerging Economy Development Debt

The strategies' objective is to stimulate the issuance of green and sustainable bonds in emerging markets, by deepening local capital markets and expanding financing for climate investments. During the investment period (seven-year for AP EGO and five-year for AP II SEED), the strategies aim to transition entirely to green or sustainable bonds as the market for green and sustainable bonds in EM deepens.

To align with these objectives and select investable green or sustainable bonds, the investment team relies on issuer (Amundi ESG rating methodology) and issuance level analysis (Amundi GSS+ bond analysis) conducted by Amundi's ESG Research team. The selection of eligible green or sustainable bonds is based on a three-step assessment[4]: ❶ issuer-level ESG screening; ❷ issuance-level GSS+ analysis; and ❸ ongoing monitoring after investment.

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

- **Select only Green or Sustainable Bonds in compliance with the ICMA's Green or Social Bond Principles;**
- **Conduct additional environmental and social analysis to ensure that the proceeds:**

4. Details can be found in the Appendix.

a. Do not finance projects that are deemed not investable (i.e., fossil fuel projects);

b. Focus on projects with limited adverse environmental and social impacts, in line with relevant IFC performance standards; and

c. Select only green or sustainable bonds for which there is a commitment to implement an impact assessment of the use of proceeds.

Additionally, the strategies' green or sustainable bond holdings are subject to continuous monitoring, including good governance practices, to ensure compliance with all of the aforementioned aspects until maturity or divestment. In order to provide transparency on the alignment of these objectives, the strategies issue monthly and annual extra-financial reporting.
The impact at portfolio level is monitored through monthly reports focused on the share of green or sustainable bonds in the portfolio, highlighting the breakdown of green bond issuers. ESG ratings and the following impact metric are also presented in the strategy's monthly reporting: tCO_2e avoided per €1 million invested per year and in addition number of beneficiaries per million euros invested per year for AP II SEED.

Additionally, an annual comprehensive and dedicated impact report is produced, which in addition to the above, highlights the breakdown of the use of proceeds, first-time green or sustainable bond issuers, issuer and engagement case studies, the footprint of the Green Bond Technical Assistance Program (GB TAP) and alignment with SDGs, among other details.

Amundi Emerging Markets Green Bond strategy

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

The expected impact of the strategy's investments is assessed through the lens of the ESG profile of the issuer and the quality of a green bond's framework. The objectives are to: ❶ conduct an ESG screening at issuer level for all bonds; ❷ conduct a green bond assessment to ensure that the best practices set out by the ICMA's Green Bond Principles are met by the bonds; and ❸ retrieve additional information on the green bonds to supplement the investment team's assessment and carry out ex-post monitoring on the use of proceeds, with a focus on KPIs such as tCO_2e avoided per €1 million invested to ensure they generate positive environmental benefits.

Amundi Green Bond strategies

The green bond strategy's philosophy and process have remained consistent throughout the strategy's history: i.e., to finance the energy transition through green bonds with positive and measurable impacts on the environment, and to deliver attractive returns throughout the different economic cycles.

The indicator of tCO_2e avoided per €1 million invested has become a standard used by most green bond issuers to assess the environmental impact of the financed project. The strategies aim to maximize this indicator and a target is set every year. An annual comprehensive and dedicated report is produced.

The investment team monitors, analyses, engages and discloses the environmental impact of the green bonds held in the portfolios and thus, sets an annual impact target at the fund level. To set a transparent and attainable yet ambitious target it uses the following criteria:

- The average impact per project category;
- The need for investment per project category to reach the Paris Agreement and the current structure of the green bond market and its evolution; and
- The portfolio's investment policy.

The investment team uses the GSS+ bond analysis process to ensure that it appropriately assesses the relevance and the extent of impact of the projects financed by the proceeds of the green bonds selected. It also assesses the alignment of the issuer's ESG strategy with the green bond issuance.

Prior to any investment, portfolio managers need an assessment from the GSS+ bond analyst team. They thus request a green bond analysis that can be broken down into three key areas: initial screening, detailed green bond analysis and ongoing monitoring.

Post issuance, the main use of proceeds by projects are land use and marine resources, renewable energy and the green industry.

Amundi Social Bond strategy

This strategy integrates social considerations into its management to support the post-crisis social transition, offering a high allocation to social bond investments that allow investors to address the global social challenges of our time.

The investment team favors a broad and inclusive vision of all societal issues when selecting the social bonds for the portfolio's construction. Among the eligible social project categories – which are fully in line with the Social Bond Principles of the ICMA and the SDGs – the investment team does not have a preferred category but aims to address global social issues and their related social impact. The Social Bond Principles provide high-level categories for eligible social projects in recognition of the diversity of current views and the ongoing development in the understanding of social issues and consequences.

The team selects social bonds that have an ESG score above E on a scale ranging from A to G (A being the best rating and G the worst) based on Amundi's proprietary ESG ratings. It may also select sustainability bonds if the issuers clearly define the split between green and social projects and if the social projects represent most of the allocation (min. 75% towards social bonds).

For diversification, it may also invest in traditional bonds or sustainability-linked bonds (SLBs) that have high standards in terms of social practices (social score above D on a scale ranging from A to G). However, while the team used its leeway to diversify around the time of the launch of the fund, it has dramatically reduced this bucket as today it favors "use of proceeds" bonds. The main uses of proceeds by project categories are access to essential services, employment generation, socioeconomic advancement and employment. In terms of indicators of impact, the strategy reports on the number of beneficiaries, which is the most common social indicator.

2. Real Assets Impact strategies

Amundi Private Equity strategies

The impact and ESG analysis methodology of those strategies serves several objectives. First, it considers both qualitative and quantitative criteria to highlight the characteristics of an impact business: intentionality, support for beneficiaries, a sustainable economic model, provision of innovative solutions to social and environmental challenges, measurability of impact and management strategy, and integration of financial and impact criteria. It then analyses the ESG positioning of the target company before investment, specifically considering environmental, governance, diversity and employee training criteria.

The team also tracks the evolution of impact over time and, when applicable, measures the impact achieved annually by invested companies to compare with pre-investment extra-financial objectives. Finally, it integrates financial and extra-financial criteria to compute a single final score, illustrating the fund's positioning as an impact investor, focusing on sustainability, profitability, intentionality, additionality and the measurability of impact.

Rather than solely measuring the post-investment impact generated by portfolio companies, as outlined above, the approach of the management team is to conduct a thorough impact analysis before investment. This validates the investment thesis and the potential to achieve extra-financial objectives.

The funds adhere to the three key characteristics of an impact investing fund:

1. Intentionality – through a pre-investment impact analysis methodology, the funds ensure alignment with environmental and social impact objectives, selecting only companies and entrepreneurs aligned with the fund's investment thesis.
2. Additionality – the team supports portfolio companies in maximizing their environmental and social impact, systematically assisting them in implementing action plans to improve their practices, including reducing their carbon footprint.
3. Measurability – the pre-investment analysis allows for selection of companies for which annual reporting of social or environmental impacts can be provided, categorized by sectors of activity, such as tCO_2e avoided, cubic meters of water saved, tons of natural resources preserved, hectares of agricultural land preserved, tons of waste recycled, number of people accessing responsible products, number of sustainable jobs created and training of all employees and beneficiaries on environmental transition challenges.

For **Finance & Solidarité**, analyses are conducted based on five pillars:

- Social commitment: selected projects must align with the SDGs' themes, prioritize impact first and define key indicators to measure social impact;
- Societal performance: evidence of the quality of its model through quantitative social impact criteria;
- Transparency: ensuring transparency of information for all stakeholders;
- Sustainability: ensuring the durability and replicability of the proposed solution; and
- Specific criteria: evaluation of the most important criteria for the company.

For **Just Transition**, analyses are conducted based on three pillars:

- Environmental objectives (Transition): Tons of CO_2e avoided, Tons of natural resources not extracted, Hectares of agricultural land preserved, Number of cubic meters of water saved, Tons of waste collected and recycled, maximization of the European environmental taxonomy
- Social objectives (Just): Number of sustainable jobs created, Affordability of the solution, Number of people benefiting from low-carbon products and services
- ESG criteria: Compliance with the action plan aimed at improving its Carbon Footprint, % of the company's employees having received training on environmental transition issues, Diversity within governance bodies and employees, Implementation of an employee savings plan

During the due diligence process, the investment team collaborates with the investee company to identify the impact KPIs it intends to measure and report on. A impact business plan is systematically created for each company of the Just Transition strategy.

For example, one easily implementable KPI used for Finance & Solidarité by the investment team is the impact ratio, which measures the number of beneficiaries impacted per €10,000 invested by the company. The impact performance of the strategy is calculated in proportion to the strategy's investment in each company and then aggregated for the entire portfolio. This annual reassessment enables the investment team to monitor and analyze the impact achieved by the portfolio. Another example, for Transition Juste, is the avoided carbon emissions in amount, and also in number of French people annual carbon emissions (based on ADEME's calculation).

Additionally, for the Finance & Solidarité strategy, the investment team calculates the number of beneficiaries impacted by the portfolio's investments by theme. Semi-annually, the team calculates the strategy's contribution versus the estimated number of beneficiaries required at the country level to address key issues such as lack of access to decent housing, unemployment and limited access to healthcare. Quantified targets are identified for each challenge, and the team compares actual annual measurements to these targets. The strategy's investments aim to contribute to alleviating these challenges.

The analysis applies to both equity and debt investments.

Amundi Private Debt strategies

The monitoring of impact for those strategies is carried out according to three principles: ❶ define an ESG roadmap with issuers based on ESG KPIs to follow during the credit lifetime; ❷ monitor and support issuers in achieving their ESG KPIs; and ❸ report on issuers' ESG progress on an annual basis. In more details:

1. Define sustainability indicators with issuers
Conducting ESG due diligence on issuers allows the team to identify relevant KPIs that serve as a basis for areas to improve once the investment is made. The commitment to perform a carbon footprint assessment (Scope 1, 2 and 3) and action to reduce carbon emissions, which can be referred to as the carbon indicator, are systematically implemented into each investment. Concerning Amundi Ambition Agri-Agro, the relevant KPIs are defined after the realization of the environmental analysis by our environmental provider. Therefore, the KPIs are material relatively to both our funds' objectives and the impact and dependency of the company analyzed.

2. Monitoring issuers during the implementation of their sustainability indicators
When indicators are included in the legal credit documentation, audited compliance certificates on sustainability indicators are received, generally annually, with the achievement of the indicators stated. In addition, a review, at least on an annual basis, is carried out with each issuer through a detailed questionnaire that allows the team to reassess the ESG rating defined at investment and discuss the ESG performance and challenges with issuers.

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

3. Reporting on annual progress
An annual ESG and impact report is produced for Amundi Senior Impact Debt IV strategy, starting from 2023 (on the results as of the end of 2022)[5], and one for Amundi Ambition Agri-Agro is produced for the first time in 2025[6]. The strategies report on the concrete progress made by each issuer in the portfolio in key ESG areas identified during investment. Indicators such as carbon footprint and carbon emissions reduction, among other ESG indicators, are published.

Amundi Natural Capital strategy

The main impact indicator that will be featured in the periodic factsheet will be : Estimated carbon stored (Teq CO_2) annually by the portfolio. The indicators will be calculated by the forest managers.

In addition the fund will disclose in the annual report the following ESG indicators :

- % of forest areas that have implemented targeted management actions following the identification of issues by biodiversity-related inventories,

5. The first financing of the fund was in 2022.
6. The first financing of the fund was in 2024.

- % of estates having implemented appropriate management of riparian zones and pond margins,
- % of forest areas of more than 2 ha that have carried out pedological analyses to select species adapted to soil conditions and climate change,
- % of forest areas covered by a surface eligible for an existing method (LBC, LBF or other) having implemented actions that guarantee a significant carbon gain,
- % of forest areas that have carried out a simple generic communication (circular letter with possible telephone exchange) with their main local stakeholder,
- % of high-stake forest areas that have carried out at least one anticipated and targeted communication campaign,
- % of forest areas with a certification (PEFC and/or equivalent).

All the investments decisions take into considerations all other ESG indicators so that the asset have the potential to meet and improve the performance of ESG indicators.

The ESG and impact indicators also enable all stakeholders to be involved in achieving our objectives:

- Local, such as mayors, are aware of the issues and can therefore help operators to implement their actions more easily,
- Operators (technical forest management team) have specific objectives to meet directly improve the management of biodiversity, soils water and carbon and fight against climate change,
- Signature of all operators of the charter.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

The objectives of the KBI Natural Resources Equity strategies are to strengthen the provision of vital natural resources such as water, food and clean energy, as well as strengthen sustainable infrastructure in these areas and advance the circular economy. These objectives are achieved by investing in portfolios of companies which, in the opinion of the investment manager, on an aggregate portfolio basis, generate a substantial proportion of their turnover from and operate on a sustainable basis in these sectors.

These objectives are reflected in the funds' portfolio strategy, which is to invest only in companies involved in the provision of those natural resources, or (as applicable for the particular strategy) the provision of sustainable infrastructure or the advancement of the circular economy.

Within the investment process, material weight is given to intentionality, additionality and commitment to solutions in this category. Portfolio managers must have regard for the real-world impact on the environment of the company's products and services, taking into account the market(s) served and the severity of the problem being addressed. Thus, for example, addressing shortages of water or sanitation services in developing and emerging countries would score highly, while supplying components used for routine industrial infrastructure maintenance in developed countries would score less highly. Furthermore, companies are only eligible for the investment universe if the portfolio manager can demonstrate to the satisfaction of the responsible investing committee of the firm that the company obtains more than a specific proportion of its revenues from the relevant theme.

Allocating capital to companies that provide vital natural resources or develop the circular economy is aligned with several of the SDGs. We measure that impact directly using the RASS, which involves a very granular analysis of the revenue of portfolio companies, and determining which (if any) business activities of each portfolio company contribute positively or negatively to the achievement of each SDG.

Because this analysis is extremely detailed and based on the in-depth knowledge that the portfolio managers have of the investee companies, it is not possible to calculate the same analysis for a broad equity benchmark for the purposes of comparison. However, the investment team believes that the SDG alignment of this portfolio is very significantly higher than that of a broad equity index.

Principle 3

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

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

The objective of the **Amundi Planet Strategies** is to deepen the green bond market (for **Emerging Green One strategy**) and sustainable bond market (for **Sustainable Emerging Economy Development Debt strategy**) in emerging economies by encouraging private capital deployment to those markets. The investment team contributes to the achievement of these objectives by managing a blended finance solution that attracts commercial capital through its waterfall structure and credit-enhancing mechanism. The investment team then deploys the capital to emerging market green or sustainable bonds following strict criteria for use-of-proceed bond selection, while also seeking to provide financial returns to investors.

Furthermore, while producing impact reporting is a commitment that green or sustainable bond issuers should comply with to be aligned with the Green and Social Bond Principles, the investment team understands that green or sustainable bond impact reporting for EM issuers still lags behind developed market issuers. Notably, the level of granularity and detail of reporting differs widely, particularly the methodology used to assess the environmental or social impact of funded projects and the GHG emissions avoided or number of beneficiaries. As such, and to counterbalance this relative weakness, an impact report[7] is published on an annual basis and details information and indicators of the impact of investments and general engagement activities supportive of emerging market green or sustainable bond issuances. Engagement areas include fast-tracking the implementation of international standards, such as the Green and Social Bond Principles, issuers' alignment to climate policies, international best practices for impact reporting and others.

The **Amundi Emerging Markets Green Bond strategy**'s aim, as with the Amundi Planet Emerging Green One Strategy, is to enhance the opportunities for green bonds in emerging markets by creating an open-ended solution (no limited lifetime) that offers liquidity and lower subscription limits to make these also available to retail investors. The strategy and investment team seek to make a positive impact by investing in green bonds that are using their proceeds for projects with a positive impact on the environment. The contribution of the investment manager and the financial channel on the achievement of impact is embedded in the entire investment process for capital deployment, which includes the Amundi green bond assessment process. This process enables the investment team to select green bonds where the relevance and the extent of impact of the projects financed by the proceeds of the green bonds have been

7. The annual impact reports for the strategy can be accessed here.

appropriately assessed. The alignment of the issuer's ESG strategy with its green bond issuance is also assessed.

For this strategy, an annual impact report[8] is published, which typically details: ❶ avoided CO_2 emissions; ❷ a use of proceeds breakdown by project category; ❸ a use of proceeds breakdown by geography; ❹ a use of proceeds breakdown by sector; ❺ an ESG ratings breakdown; ❻ case studies; and ❼ second-party opinion breakdowns. In addition, the investment team actively engages with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate.

On the non-financial channel impact that is achieved, the three strategies educate emerging market issuers on green or sustainable bonds and assist them in embedding best practices.

Amundi Green Bond strategies

These strategies only invest in green bonds with a positive and measurable impact on the environment. The investment teams places high importance on transparency concerning the use of proceeds, the selection process of the projects to be financed and regular reporting on the financed projects. Issuers have to be aligned with the Green Bond Principles and have to be committed to publishing an impact and allocation report on the use of proceeds, to be renewed annually until full allocation. The annual report should include a list of the projects to which green bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated and their expected impact. Amundi actively engages with issuers to harmonize methodologies for impact measurement, which contributes to the strengthening of the green bond market.

To provide transparency, the strategy issues monthly and annual extra-financial reporting. The impact at portfolio level is monitored through:

- Monthly reporting focused on the share of green bonds in the portfolio, highlighting issuer as well as green project breakdowns, ESG ratings and tCO_2e avoided per €1 million invested; and
- Annual comprehensive and dedicated impact reports, highlighting, in addition to the above, the breakdown of the use of proceeds, impact analysis, issuer and engagement case studies and alignment with SDGs, among other details.

Amundi Social Bond strategy

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

The process leverages on some structuring inputs, such as engagement. At Amundi, engagement is aimed at influencing the activities or behavior of investee companies in order to preserve long-term economic capital as part of Amundi's search to create long-term value for its clients' portfolios. It therefore must be results-driven, proactive and integrated in its global ESG process. Amundi engages issuers around different themes, for example, human capital and human rights and minimum standards in terms of clients' protection and societal safeguards, which are naturally aligned with the strategy.

Amundi wants its engagement activities to be impactful and additive to the global efforts of the financial community. Amundi engages at instrument level (particularly for the strategies with impact investing in green, social and sustainable bonds) to promote better practices and transparency.

8. The annual impact report for the strategy can be accessed here.

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

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

2. Real Assets Impact strategies

Amundi Private Equity strategies

The objective of the strategies is to seek impact, above all else. The investment team is positioned as a long-term partner that supports the impact and economic development generated by each company in the portfolio. The strategies provide consistent capital for a long-term investment period. The strategies mainly invest in companies that do not have access to regular financing organizations, typically because they serve at-risk or underserved populations or finance environmental solutions and generate limited financial returns.

The contribution of the manager to achieving the desired impact is embedded throughout the entire investment process. In more detail:

1. During the due diligence phase, the investment team and the company identify internal impact KPIs that will be tracked over the investment period;
2. A dedicated impact investing committee assesses the impact thesis and the financial sustainability of the project;
3. The investment team is represented on the board of each company to monitor the achievement of the impact targets;
4. The investment team brings its expertise to the companies to enhance their impact strategies and processes;
5. The impact ratio enables the investment team to compare the potential and realized achievement across all investee companies;
6. The impact reporting of the strategy exhibits the number of beneficiaries impacted by the investments in the portfolio and also demonstrates how the strategy contributes to one or more SDGs; and
7. A dedicated website for the strategy serves as a communication tool for clients to better identify the impact of their investments and is a great platform to communicate about social enterprises and their contribution to furthering impact.

Amundi Private Debt strategies

The investment team supports companies, mainly small and medium-sized enterprises with limited resources (e.g., those that lack a CSR team, those with a lack of maturity on the importance and the benefits of understanding the key ESG topics, those that are not subject to any reporting regulations, such as CSRD, etc.), to transition to a more sustainable economy. The team helps them transition through the financing of senior debts, and helps them define their carbon footprint objectives and other sustainability indicators (for example, impact contribution systems and sustainability-linked loans, or environmental analysis).

In relation to their carbon footprint objectives, the investment and ESG team supports portfolio companies through the provision of insights on the selection of carbon assessment experts and assists with defining an action plan. In particular, it has met with different carbon footprint experts (Carbon 4, EcoAct, Sweep, Carbometrix, most notably) able to act on different geographies and sectors and has therefore been able to advise issuers on the right experts for their needs (different subsidiaries in different countries, for example). There is systematic discussion between the ESG expert and the relevant person or team at the company (CSR team, but also finance director when CSR person is non-existent) to point them towards what is needed in terms of their carbon footprint, their carbon reduction trajectories and their environmental analysis (Amundi Ambition Agri-Agro) and the team then follows the work of the expert (spanning several months) together with the company.

The fund Amundi Senior Impact Debt IV can provide financial support (up to €5,000) to portfolio companies that are conducting their first carbon assessment, and adjust the margin ratchet in order to help the financing of the environmental analysis (Amundi Ambition Agri-Agro).

In terms of sustainability indicators, two mechanisms are put in place to support portfolio companies achieve their defined sustainability indicators (one of which can be the carbon footprint and reduction of carbon emissions) throughout the credit life cycle. These are:

- An impact contribution system from the strategy (Amundi Senior Impact Debt IV fund), subject to the investment team's consultation. The impact contribution is a maximum 10bps fee (on the fund's share of the debt) distributed to associations for companies not benefiting from sustainability-linked (ESG ratchets) financings and which have reached and exceeded their sustainability indicators over the past year. It identifies companies that surpass their sustainability objectives. The impact contribution is discussed during the annual impact committee meeting with the investor, with Amundi taking the final decision.
- Sustainability-linked (ESG ratchets) financings, which are financings for which the interest rate of the debt may vary up or down, according to the achievements of their sustainability objectives. In contrast with the impact contribution, this applies to the whole financing (shared with other lenders), and its variance down or up is detailed in the legal credit documentation and applied automatically every year. These sustainability-linked financings make up the majority of the existing portfolio and support the trend seen in the private debt markets. The Amundi private debt and ESG teams have initiated and contributed to a working group under the France Invest umbrella, which publishing in the first quarter of 2023 a guide to good practice on sustainability-linked financing[9].

An annual ESG and impact report was published for the Debt Senior strategy in 2024 and 2025, detailing the starting situation. The 2026 impact report will show the progress made. Agri-Agro had its first ESG and impact report published in 2025.

Amundi Natural Capital strategy

The objective of this strategy is to contribute to take action against climate change and in forests that have a positive impact on biodiversity, soil management, water management, social awareness, resilience and governance .Therefore the investment team invests in forests for these reasons :

- forests selected in particular for the quality of their forest station (soils, climate, accessibility, etc.) making it possible to produce quality trees with opportunities in the wood industry;
- with systematic recourse to a second opinion carried out by an expert external forester independent of the management company;
- in several geographic sectors, in France and also in Europe having concluded an agreement with France
- by varying the species and maturity of the stands;
- from a few dozen to a few hundred even thousands of hectares

The fund invests only in forests that are or will be shortly certified after investment (PEFC label or equivalent). Investing in the fund means investing in a PEFC*-labelled responsible solution, with both an ecological impact (tackling CO_2 emissions and the greenhouse effect) and a social impact (the timber industry employs over 425,000 people in France).

All the stage of investments take into account the sustainable objectives of the fund.

An annual ESG and impact report is published for the first time in 2026 detailing the starting situation. The 2026 impact report will show the progress made.

9. The guide is available via this link.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

The KBI Natural Resources Equity strategies invest in companies that help create solutions to the global shortages of clean water, energy and food, and that develop sustainable infrastructure and aid the transition to a circular economy. The impact of such investment is clearly positive, however rather than having an anecdotal sense that investments in these strategies contribute to achieving the SDGs, KBI quantifies this impact using a replicable and transparent methodology.

KBI measures the impact of these equity strategies by calculating the alignment of investee companies' revenues with each of the 17 SDG.

This is done by carrying out a detailed analysis of the business activities of each investee company on an annual basis.

The responsible investing (RI) committee and portfolio managers start the annual review by discussing the business activities of the companies held in the portfolio.

The portfolio managers present the full list of business activities carried out by investee companies and suggest how these should be categorized. In other words, they say with which SDG, if any, a business activity is aligned, and assess whether that activity contributes positively or negatively to that SDG.

KBI's RI committee then evaluates the recommendations of the portfolio managers, and may make amendments in some cases. In practice, the majority of business activities are straightforward to classify. Healthcare is clearly positive for SDG 3, good health and wellbeing, for example, while coal-powered electricity generation is obviously negative for SDG 13, climate action. Some activities are less obvious, however, and need to be researched and debated before the committee makes a final decision. In addition, new business activities (which were not in the portfolio in previous years) get particular consideration.

The team collates the results across the full portfolio and reports on the percentage (positive and negative) aligned to each SDG. The full results for each strategy are published annually by the investment manager and typically show alignment of 75% or more.

Principle 4

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

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

For the three Emerging Markets Green and Sustainable Bond strategies, the intended positive impact is captured through the projects financed by the proceeds of the green or sustainable bonds each strategy has invested in. The GSS bond team only considers green or sustainable bonds that are aligned with the ICMA's Principles.

With the **Amundi Planet strategies**, to ensure the quality of the selected issuers and green, sustainable bonds, a thorough selection process is applied, as per the ESG Charter of the strategies[10]. Furthermore, only green, social and sustainable bonds that provide sufficient information on their positive environmental or social impact and commit to impact reporting are chosen for investment. Whenever feasible, and in line with the joint international financial institutions' publication (to which the EBRD, EIB and IFC contributed) entitled, Green Bonds: Working Towards a Harmonized Framework for Impact Reporting, the strategies will strongly encourage quantitative impact reporting, using metrics consistent with market best practices.

At the green bond level, the impact assessment includes metrics based on generic and sector-specific indicators relevant to the financed project. The strategy reports on annual GHG emissions reduced/avoided in tCO_2e per €1 million invested.

At the sustainable bond level, the impact assessment includes metrics based on generic and sector-specific indicators relevant to the financed project. The strategy reports on annual GHG emissions reduced/avoided in tCO_2e per €1 million invested as well as the number of beneficiaries. The social impact assessment is based on an aggregate indicator which is the number of beneficiaries per million euros invested. This indicator is constructed from a set of underlying indicators collected within the issuers' reports: namely, without this list being exhaustive, job creation, education, health and care, affordable

10. The ESG Charter can be found here.

housing, etc. The number of beneficiaries was chosen because it represents the most common indicator of all the categories of indicators covered by Social Bonds. The impact on the portfolio is then calculated by category, i.e. weighted by the weight of the bond in the portfolio.

The internal green and sustainable bond selection process is continuously being developed to align with market best practices. For example, the team has enhanced our latest impact reporting by including two additional KPIs, specifically "installed renewable energy capacity" and "annual renewable energy generation".

The **Amundi Emerging Markets Green Bond strategy** also follows a thorough selection process. Prior to any investment, portfolio managers ensure that the green bonds have undergone the GSS+ bond analysis process[11] developed by Amundi to appropriately assess the relevance and the extent of the impact of the projects financed. An internal green bond database is maintained to gather impact data for communication at fund level. All bonds are reviewed at least once a year to update the data. Controversies are actively monitored through the flow of information received by the ESG Research team and using external data providers.

Monthly impact reporting includes metrics such as avoided CO_2 emissions and breakdowns of use of proceeds by project category, geography, ESG ratings and Morningstar Sustainability Level Globes. Amundi seeks to improve its reporting by integrating new data with the assistance of the Amundi ESG team. An annual report is also published, with additional elements such as case studies and second-party opinion breakdowns.

The data for impact reporting comes from the green bond issuers' own reports, including aggregated impact information per eligible category. CO_2 emissions avoided is a commonly reported indicator used to summarize the impact of eligible projects. However, the data quality on impact reporting can be challenging due to differences in transparency standards, methodologies, granularity and timing across green bond issuers.

To address these challenges, the ESG Research team actively engages with green bond issuers on best reporting practices, funding rationale, the transition towards a low-carbon economy, ensuring a just transition and governance practices. Engagement is also conducted with issuers that do not report or have discrepancies in their impact data. The aim is to encourage adherence to international market standards and improve transparency and data quality.

Overall, **Amundi's Emerging Markets Green and sustainable Bond** strategies focus on investing in green or sustainable bonds aligned with sustainable principles and promote transparency, impact reporting and engagement with issuers to drive positive environmental or social outcomes.

Amundi Green Bond strategies

Although global investments in the energy transition have increased significantly in recent years, these still only represent a small percentage of the average investment needed each year to achieve the goals by 2050. At the same time, there is an important divergence between countries in terms of the investment levels needed to match the average annual investment needs by 2030, to align with net zero. A large amount of funding is required to achieve net zero by 2050 and Amundi is convinced that asset managers can – and must – play a key role by promoting financing solutions that fight climate change.

The investment team aims to ensure that issuers consider environmental criteria when they assess the benefits of a project. The team considers the allocation to project categories when selecting bonds as it understands that some categories (e.g., renewable energies) have a more time-sensitive impact than other categories (clean transportation), but it also needs to consider other factors, as all categories require massive investments to reach the carbon neutrality goals. The investment team would like issuers to be able to select the best solution or technology, based not only on financial criteria, but also on positive environmental impact. To ensure this, the investment team selects only green bonds that have undergone the stringent Amundi GSS+ bond analysis process.

Furthermore, the investment team favors new financing rather than refinancing to maximize the positive environmental impact at the project level. This means that impact is the key criteria for the investment team in deciding whether a green bond is an eligible investment. To this end, the investment team assesses the environmental aspects of projects

11. Details in the Appendix.

that are being financed by green bonds, considering the impact estimates retrieved from issuers' green bond frameworks. These estimates are based on the amounts of greenhouse gas emissions that will be avoided, using the tCO_2e measure.

Amundi Social Bond strategy

As with the green transition, Amundi is convinced that asset managers have a key role to play in promoting financing solutions that develop social projects. This is intertwined with its commitment to fighting climate change. Climate impacts are indeed mounting, but are concentrated on some population groups and geographies: low-income groups and low-income countries, as well as women and children in developing countries.

The continued growth of the social bonds market after the needs generated by the Covid crisis makes it a bigger universe than the Euro HY universe, enabling the investment team to be more demanding with regards to allocation and the impact metrics provided by issuers.

Given the importance of ensuring high standards of transparency in social bonds and the need to capture all of the ESG characteristics, the investment team utilizes the Amundi GSS+ bond analysis process to select social bonds for investments. During the analysis, it pays particular attention to the assessment of the social features of project categories financed by the social bonds. From this exercise, Amundi has identified that a key challenge lies in the variety of impact indicators in the social project category.

The investment team has found that the number of beneficiaries is the most common indicator across all categories covered by social bonds and it is also the most convenient indicator to convert the other reported impact indicators, which are interesting and valid, e.g., the number of students and families. However, even though they are relevant, the investment team has chosen the number of beneficiaries by €1 million invested as the single indicator that is aggregated at the portfolio level for reporting.

Once the team invests in a social bond, it regularly reviews the allocation and impact report, any issuer controversies and the issuer's overall sustainability strategy. Amundi sees social bonds as an opportunity to engage, not only on the transparency of the assets financed by the proceeds, but also on the alignment of the wider issuer strategy with the sustainable goals pursued by their sustainable financing framework.

2. Real Assets Impact strategies

Amundi Private Equity strategies

The investment team has developed an internal impact analysis method with the aim of calculating a unified impact rating incorporating the economic, financial and social data of the company.

The analysis process for Finance & Solidarité and Just Transition relies on five pillars:

- An analysis of social or environmental engagement – a qualitative assessment of the company's mission with respect to the SDGs, covering: ❶ what is the intended impact; and ❷ who are the targeted beneficiaries of the intended impact;
- An analysis of impact performance – a quantitative assessment of the impacts generated by the company in terms of the number of beneficiaries, the improvement of the quality of life and of the environment over a given period and the magnitude of the intended impact. Just Transition also analyses the eligibility to Greenfin label & European environmental taxonomy;
- The sustainability of the economic model and the consistency of the performed societal and environmental impact;
- The transparency of the management, the quality of available information and the capacity to measure and report its impact; and
- Other specific criteria – by identifying the main peculiarities of the invested company, the team can support its economic and impactful objectives and its achievements.

The entire pre-investment process, especially the impact analysis, aims to assess and quantify the intended positive impact of each investment. The investment team has incorporated the impact management project (IMP) method's five dimensions of impact into its impact analysis methodology: the what and who dimensions are covered by the pillar "Analysis of social engagement" or "Environmental performance", while the how much and contribution dimensions are covered by the pillars, "Analysis of impact performance" and "Specific criteria". Finally, the risks are covered by the two pillars "Sustainability of the economic model" and "Transparency".

The portfolio manager can assess and quantify the significance of impacts depending on sectorial and geographical contexts on two levels. The first level consists of referring to the societal and environmental performance of the fund's impact scoring methodology. The second level consists of the impact ratio (number of beneficiaries impacted per €10,000 invested in the company, tons of CO_2 avoided…), so the portfolio manager can assess and quantify the societal or environmental performance of the impact scoring methodology.

These impact metrics are measured, assessed and reported for each investment on a yearly basis[12]. The impact metrics reported on relate back to the number of beneficiaries or impact generated across the themes with a description of each invested company and the geolocation of projects.

Amundi Private Debt strategies

The common objective set for all investments in both strategies is to reduce greenhouse gas emissions in order to be in line with the Paris agreement (limiting the temperature increase to 1.5°C, or at least well below 2°C) scenario by 2100. Furthermore, a specific objective and actions to reduce the environmental pressure have been added to the strategy Amundi Ambition Agri-Agro, which therefore complete the climate action.

This objective is applied to all of the investments in the strategy in two steps for ASID IV and two additional ones for Amundi Ambition Agri-Agro:

1. First step (for both strategies): the completion of a carbon footprint assessment for companies that have never conducted this assessment before; and
2. In addition for Amundi Ambition Agri-Agro: the completion of an environmental analysis, determining the main impacts and dependencies the company and its value chain have on nature; and
3. Second step (for both strategies): the definition of a carbon reduction plan that is in line with the objectives of the Paris Agreement. The objective is to have all companies with reduction of carbon emissions targets aligned with the Paris Agreement within 12 months after investment; and
4. In addition for Amundi Ambition Agri-Agro: the definition of an action plan to reduce (may be specific KPIs) the companies' main nature impacts and dependencies.

As a result, precise impact targets is measured[13] within the next 2-2.5 years after each investment (12 months to implement carbon footprint and reduction trajectories and 12-18 months of performance, including the time necessary to publish results, and few months to conduct the nature analysis) and the investment team is able to monitor the direct impact of the strategy's approach.

The overall portfolio trajectory is clearly defined, as are the trajectories for each of the investments, and is presented in the dedicated annual report. These trajectories are specific to each company, taking into account their sector of activity, their geographical location and the additional elements of importance in the Paris Agreement. In addition to this, the strategies also aim to incentivize companies to have their GHG reduction trajectories certified by the Science-Based Targets initiative (SBTi).

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

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

Amundi reports on the results each year in the ESG and Impact Reports.

12. The annual impact report for the strategy can be found on the following dedicated website here.
13. Targets will be defined with the investee companies, in line with their sector and individual situation specificities.

Amundi Natural Capital strategy

The common objective set for all investments is to invest in forests that have a positive impact on biodiversity, climate change, soil management, water management, social awareness, resilience and governance. Furthermore, the fund seeks to increase carbons storage.

This objective is applied to all of the investments in the strategy in 2 steps:

- ESG scoring in due diligence to assess the opportunities and risks of the forest
- SFDR objectives through the following KPIs :
  - ➜ % of forest areas that have implemented targeted management actions following the identification of issues by biodiversity-related inventories,
  - ➜ % of estates having implemented appropriate management of riparian zones and pond margins,
  - ➜ % of forest areas of more than 2 ha that have carried out pedological analyses to select species adapted to soil conditions and climate change,
  - ➜ % of forest areas covered by a surface eligible for an existing method (LBC, LBF or other) having implemented actions that guarantee a significant carbon gain,
  - ➜ % of forest areas that have carried out a simple generic communication (circular letter with possible telephone exchange) with their main local stakeholder,
  - ➜ % of high-stake forest areas that have carried out at least one anticipated and targeted communication campaign,
  - ➜ % of forest areas with a certification (PEFC and/or equivalent).

The overall portfolio strategy is clearly defined and is presented in the dedicated annual report. Each year, the ESG team check the progress of each KPIs.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

The ex-ante impact objective of the KBI Natural Resources strategies is to support the provision of vital natural resources such as water, food and clean energy. This is achieved by investing in a portfolio of companies that generate a substantial proportion of their turnover from and operate on a sustainable basis in the relevant solutions sector. Thus, the strategies invest only in companies involved in the provision of the relevant natural resources, which strengthen sustainable infrastructure or advance the circular economy, as applicable.

A quantitative ex-ante proportion of each strategy that must be positively aligned with the SDGs is not disclosed, but the ex-post alignment for each strategy is disclosed. While the proportion will vary somewhat by strategy and from year to year, the net positive alignment is generally high and in excess of 70%.

SDG 6 (clean water and sanitation), SDG 2 (zero hunger) and SDG 9 (industry innovation and infrastructure) are the SDGs that are, by their nature, most relevant to the various natural resources strategies. SDG 6 aims to ensure the availability and sustainable management of water and sanitation for all. SDG 9 seeks to build resilient infrastructure, promote sustainable industrialization and foster innovation. SDG 2 aims to end hunger, achieve food security and improve nutrition. These are all well aligned with the portfolios.

The investment process for these products also takes geographical impact into account. In particular, within the investment framework, material weight is given to intentionality, additionality and commitment to solutions. In this category, portfolio managers must have regard to the real-world impact on the environment of the company's products and services, taking into account the market(s) served and the severity of the problem being addressed. Thus, for example, addressing shortages of water or sanitation services in developing or emerging countries would score highly, while supplying the components used for routine industrial infrastructure maintenance in developed countries would score less highly.

The risks to the achievement of the impact goal are dealt with in the investment process via the monitoring of the impact (and broader ESG) performance of investee companies. The investment manager monitors a range of sustainability indicators to measure the impact characteristics of the product, including the percentage of revenues earned on an estimated basis by investee companies that are from the relevant solutions sector, the ESG ratings of investee companies and the weighted average carbon intensity of the portfolio.

Both indirect and systemic impacts are considered for these strategies. Indeed, as all investments are in listed companies, the impact of the strategies is entirely indirect. Systemic impact is considered mainly at portfolio design or creation, which is why these portfolios invest in areas such as clean water, climate change mitigation and adaptation and the circular economy and sustainable infrastructure, all of which are systemic challenges to society and/or the environment.

Principle 5

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

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

As part of the thorough green bond analysis that the investment process entails, as described earlier in this document, the ESG Research team seeks to assess a green bond issuer's overall strategy and understand how a green bond is linked to the issuer's ESG strategy and the issuer's key performance indicators (KPIs).

The ESG Charters of the **Amundi Planet Emerging Green One strategy** as well as **Amundi Planet II Sustainable Emerging Economy Development Debt** strategy, developed alongside the IFC with input from the EBRD, the EIB and Proparco, were established to reflect high-level characteristics, including:

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

These three pillars seek to enable the investment team to:

- Ensure the promotion of green bond best practices, as well as the maintenance and reinforcement of green bond market integrity for emerging markets green bonds;
- Focus whenever possible on green bonds supporting projects with the highest level of environmental benefits; and
- Mitigate any ESG risks that may present reputational risks at the issuer or green bond level.

More specifically, once the investment team has invested in a green bond, the Amundi GSS+ bond analyst team will regularly review the allocation and impact report of the green bond to see if the issuer is reporting as it intended to do at the inception of the green project, to take account of any controversies the issuer may be involved in and assess the issuer's environmental strategy. Controversies are monitored on a daily basis through the flow of information received by the ESG Research team. A systematic screening is done every quarter using external data providers to sort out the most controversial names in our investment universe.

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

1. An issuer's best practices on green bond reporting;
2. An issuer's green bond funding rationale;
3. An issuer's plans to transition toward a low-carbon economy;
4. Ensuring the issuer's transition is a just transition (that green projects follow the do no significant harm principle); and
5. Ensuring the issuer has strong governance practices on project selection.

Engagement is also carried out with issuers that do not report as committed at the issuance of the green bond, or when the impact data display discrepancies or seem inaccurate[14].

The **Amundi Emerging Markets Green Bond strategy**'s investment process includes a bottom-up screening of a green bond issuer and consists of three steps: initial screening, detailed analysis and ongoing monitoring. More details are available in the Appendix. On the ongoing monitoring front, once the investment team has invested in a green bond, the Amundi ESG Research team regularly reviews:

- The allocation and impact report of the green bond, to see if the issuer is reporting as it intended to at the inception of the green project;
- Any controversies the issuer is involved in; and
- The issuer's environmental strategy.

Any data on the above-mentioned actions are supported by Amundi's internal green bond database, as well as data retrieved from external data providers. On green bond monitoring and the issuer's environmental strategy, Amundi has developed an internal green bond database that gathers all impact data on the bonds Amundi is invested in. This allows portfolio managers to communicate on impact output at the strategy level. All bonds are reviewed once a year to update the data.

To qualify a particular bond as a green bond and avoid greenwashing or reputational risk, Amundi usually requires the issuer to provide a second-party opinion from one of the reputable providers, including but not limited to Sustainalytics, Cicero or Vigeo Eiris. This provides important insight into the internal green bond analysis.

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

On controversy monitoring, Amundi has set up a firm-wide controversy monitoring process.

Amundi Green Bond strategies

To identify ESG risks, the investment team has developed a comprehensive approach to assess the relevance of green bonds, ensure their high levels of transparency and capture all of their ESG characteristics. The analysis is based first on its own assessment of the issuer and the green issuance.

It uses the documentation provided by the issuer (framework, second-party opinion, CSR reports, any information on their website) and RepRisk for controversies screening. However, this analysis can be complemented by the external opinion from ESG agencies on the issuer when the ESG profile of the issuer is low and by the second-party opinion on the green bond for additional information. In any case, the team's internal analysis prevails over the external firms.

In addition, the Do No Significant Harm (DNSH) principle is integrated in the Amundi GSS+ bond analysis and implies an assessment of any additional impact of the green project on the environment, biodiversity, local communities or other social aspects.

Then, from a monitoring point of view and an issuer-level standpoint in the strategy, Amundi's proprietary ESG rating methodology aims to assign issuers an ESG rating, taking into account the specific risks related to the issuer's activities and how it manages these risks. Amundi therefore constantly monitors investee companies, across all ESG factors, including the monitoring of controversies. Taking into account the issuer's ESG rating, the portfolio management team aims to:

14. The detailed ESG Charter can be viewed in the prospectus for AP EGO here.

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

Issuers rated F or G by Amundi's proprietary ESG rating methodology are excluded from the portfolio.

Amundi Social Bond strategy

The fund's investment universe comprises two types of assets: social bonds and debt securities issued by companies, governments, organizations or agencies that demonstrate best social practices or innovative bonds issued by companies that demonstrate their commitment to implementing effective ESG policies.

Social bonds account for at least 75% of net assets, excluding cash, and are qualified as such by the issuer and defined according to certain criteria.

The fund's strategy is to select social bonds (or sustainability bonds) from all bond issues. From these social bonds qualified as such by the issuer, the fund then selects only those that meet the following criteria, as defined by the Social Bond Principles.

- The issuer must produce progress reports (at least annually) to monitor the implementation of these projects; and
- In addition, **more than 50% of the projects financed by sustainable bonds must be social projects.**

After analyzing the selected social bond issuers, the investment team excludes those that show weaknesses in their ESG practices. Only issuers with an ESG rating equal to or higher than E will be considered, with a limit of 5% in E-rated issuers whose ESG policy, and in particular their social policy (gender diversity, disability, training, flexibility, etc.), is in the process of being improved, as a prelude to a potential improvement in their overall ESG rating. Investment in E-rated issuers will be accompanied by a commitment policy designed to promote dialogue with the company, enabling it to identify areas for improvement and monitor their progress over time. The remainder of the fund's investments are in debt securities issued by companies, governments, organizations or agencies that demonstrate best social practices or innovative bonds (for example, SDGs or sustainability-linked bonds) issued by companies that demonstrate their commitment to implementing effective ESG policies, particularly with regard to the social (S) pillar (at least 25% of net assets, excluding cash).

The investment team carries out an extra-financial analysis of issuers, assigning them an ESG rating on a scale from A (best rating) to G (worst rating). It then selects issuers with the best social practices, i.e., those with an S rating from A to C (issuers with unfavorable social ratings are excluded from the investment universe, i.e., issuers rated D, E, F and G).

The sustainability-linked bonds selected are in line with the best practice guidelines defined by the Sustainability-linked Bond Principles of the ICMA.

During the analysis, the investment team emphasizes its assessment of the social feature of each project's categories, especially those that are not social in nature. In addition, the DNSH principle is integrated within the Amundi GSS+ bond analysis, for instance, any additional information on the negative impact on environment and biodiversity.

In addition, the team analyses the environmental (e.g., energy consumption or waste management), social (e.g., respect for human rights) and governance (e.g., the fight against corruption) criteria of the companies it invests in. Issuers that show weaknesses in their ESG practices are excluded.

The investment team constantly monitors its investee companies, across all ESG factors, including the monitoring of controversies.

2. Real Assets Impact strategies

Amundi Private Equity strategies

The portfolio manager and investment team have several safeguards to avoid potential negative impacts.

A first safeguard is investing mainly in companies with the "ESUS" agreement ("Entreprises solidaires d'utilité sociale") that are regulated actors of the social and solidarity economy (Finance & Solidarité strategy) or investing mainly in companies included in the authorized investments of the Greenfin Label, for which the companies should be linked to the environmental transition (Just Transition strategy). A second safeguard is that the portfolio manager sits on the board of each company in the portfolio, which allows them to mitigate and manage potential negative impacts through the company's governance structure. Finally, the investment team implements the EU taxonomy for sustainable activities guidelines, especially the DNSH criteria, in the ESG and impact analysis for companies coming from sectors listed in the taxonomy. Just Transition aims to invest in a minimum of 30% of taxonomy eligible companies, even though 100% of the portfolio is eligible and aligned in 2024.

The portfolio manager and investment team refer to the transparency pillar of the strategy's impact scoring methodology, as well as the PAI disclosed by the most mature companies, to assess and quantify the potential negative impacts.

The portfolio manager can monitor investees' ESG risk and performance continuously throughout the investment period by their position on the board of investee companies, where arising ESG risks can be tackled from within. By sitting on the board, the portfolio manager can also advise the investee to adapt its ESG practices or processes and implement an ESG action plan to support the improvement of the investee's practices. By adapting this analysis to the means and size of the social enterprise, the investment team can advise the company on how to improve the environmental footprint of the company (i.e., social housing built with the highest environmental standards), social (HR and training policies) and governance practices (the presence of independent board members and employee representatives).

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

Amundi Private Debt strategies

There are two main moments in the credit life cycle where ESG risks are identified, assessed and discussed.

The first is at the pre-investment stage. Here, ESG risks are identified through systematic ESG due diligence conducted by dedicated ESG experts. The ESG analysis is based on a questionnaire sent to the company and on discussions with them, which ensures that extra-financial issues are adequately explored. The ESG experts dedicated to private debt may participate in management calls or dedicated calls with the issuer's key CSR person(s) and present the results of the ESG due diligence and the key sustainability challenges to the investment committee. They also obtain an ESG rating, validated through the proprietary ESG ratings methodology developed with Deloitte Sustainability France.

The ESG team has a veto right at the investment committee. The investment committee is the governance entity at private debt level to validate investments on the basis of a detailed credit analysis, which must include ESG due diligence and the confirmation that the eligibility criteria of the fund (including ESG and impact criteria) are met.

At the post-investment stage, an ESG questionnaire is sent to a company each year to update the ESG data, enabling the team to update the ESG rating and its analysis. ESG risks are monitored during the credit lifetime though a review, done at least on an annual basis, the conclusion of which is presented to the investment committee with the update on the ESG rating.

Amundi Natural Capital strategy

The portfolio manager and investment team have several safeguards criteria to avoid potential negative impacts. These criteria are :

- forests selected in particular for the quality of their forest station (soils, climate, accessibility, etc.) making it possible to produce quality trees with opportunities in the wood industry;
- with systematic recourse to a second opinion carried out by an expert external forester independent of the management company;
- in several geographic sectors, in France and also in Europe having concluded an agreement with France
- by varying the species and maturity of the stands;
- from a few dozen to a few hundred even thousands of hectares
- forests that are or will be shortly certified after investment (PEFC label or equivalent).

The sustainable charter and ESG strategy signed by the operators prevents any environmental and social risks. The sustainable charter is aligned with the best practices to fight against climate change.

In addition, in due diligence the forests are evaluated through a ESG scoring method. The results determine financial and ESG risks of the forest, and therefore quality of the investment, as well as the actions needed to improve the forest.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

ESG factors are incorporated directly into the strategy's investment process so that even within the universe of its natural resources stocks, companies with negative impacts and/or poor ESG credentials are less likely to be included in the portfolio, or will have a lower weight, than those which do not, while companies with very poor ESG characteristics/scoring will not be included in the portfolio.

The ESG performance of each company is considered in detail and an ESG score is calculated for each company and used in the proprietary company valuation model used by KBI (which is not the same as that used by Amundi).

In doing so, the following are considered:

- Governance – the quality of the board is assessed (its structure and long-term thinking) and whether it is acting in the best interests of all shareholders, as evidenced by management decisions and responsiveness to shareholders; and
- Environmental and social – the extent to which the company's products and services are providing solutions to theme-relevant environmental or societal problems, and the impact of its products. The degree to which the company is committed to good ESG principles and performance in its operations (not least as this is very relevant to a company's social licence to operate) is also examined.

In addition, the alignment of a company's strategy with the SDGs is calculated. This is a very detailed process that the team carries out annually, and that measures both positive and negative alignment with each of the 17 SDGs.

There is regular direct and collaborative engagement with investee companies. KBI is a regular participant in collaborative engagements, with the level of involvement up to and including lead investor role. The firm is a member of a number of networks for this purpose.

Direct (bilateral) engagement commences with an approach to the company, outlining any concerns. The company is asked to respond and its response is considered. The engagement is then closed if a satisfactory response has been obtained or pursued further, as appropriate. The process continues until closed. Engagement can finish either because the team has obtained a satisfactory result or because it feels a satisfactory outcome is unlikely, in which case it will consider divestment, if it judges it to be in the best interests of its clients.

Principle 6

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

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

All three strategies **Amundi Planet Emerging Green One**, **Amundi Planet II Sustainable Emerging Economy Development Debt**, and the **Amundi Emerging Markets Green Bonds** invest in emerging markets hard currency green or sustainable bonds that are aligned with the ICMA's Green or Social Bond Principles. As part of the thorough green or sustainable bond analysis that the investment process entails, as described earlier in the document, once the investment team has invested in a green or sustainable bond, the GSS bond analyst team will regularly review the bond as follows:

- **One year after issuance –** assess the availability of the allocation and the impact report of the bond. If the GSS bond analyst is unable to find it, or there are discrepancies in the impact data, the GSS bond analyst will engage with the issuer;
- **On a regular basis –** review the issuer's environmental and/or social strategy to ensure that the overall ESG performance of the issuer is improving and is not lagging. If it is lagging, the analysis is updated accordingly to reflect those changes. The GSS bond analyst team notably uses Amundi's internal laggard list, which is updated once a year by the entire ESG Research team.
- **On a daily basis –** screen for existing or potential controversies that the issuer faces through different channels (external data providers, press, emails). The GSS bond analyst also uses Amundi's controversy screening tool.

Following the assessment, all related data is gathered into Amundi's internal GSS+ bond database, which allows Amundi to monitor the investable GSS+ bond universe. Impact data is collected from Amundi's dedicated green, social and sustainability (GSS) bond analysts from public sources (i.e., websites of issuers, impact reports, external providers), which then serves as an input for Amundi's internal database. All bonds are reviewed once a year to reflect changes in the data.

This internal database allows the team to feed issuer and issuance-level data at the fund level, which allows for a better understating of the allocation and impact of the fund. As a result, these items serve as a basis to engage with relevant GSS+ bond issuers. Engagement is a key component of the GSS+ bond assessment. The team engages with issuers on missing reports, discrepancies in impact data or on thematic issues.

The impact measurement frequency depends on the data available at issuer level. Each issuer will report on an annual basis on the projects financed (avoided emissions as a mandatory KPI, with additional non-mandatory KPIs). Once each issuer has reported the impact of their green or sustainable bonds, the portfolio manager then aggregates the KPIs at fund level per €1 million invested to communicate to clients. For both strategies, the investment team does not have a specific target in terms of CO_2 emissions avoided or number of beneficiaries, but rather a broad target focused on emission reduction.

Amundi Green Bond strategies

Once the strategy is invested in a green bond, the investment team, in conjunction with the Amundi GSS+ bond analyst team, carries out ongoing engagement with green bond issuers and regularly monitors the following elements: comparison of the expected project allocation and impact reports; controversies related to the issuer; and the issuer's environmental strategy. The annual impact report for the strategy details the environmental impact (tCO_2e avoided per €1 million invested), its contribution to the SDGs and its ESG footprint, as well as its climate-related footprint.

The team sets an impact target each year, taking into account the diversification of the supply and the quality of data from issuers on their targets to achieve carbon neutrality.

Throughout the year, the team engages with a select number of issuers to understand: ❶ the selection of impact indicators aligned with market practices such as the Harmonised Framework for Impact Reporting; and ❷ the level of comprehension they have on the adoption of the LCA. We support the adoption of the Harmonised Framework for Impact Reporting, which provides guidelines to issuers on how to estimate the environmental benefits of various projects. In addition, the LCA has emerged as a critical way to understand the complexity, interdependencies and impacts of business operations. Overall, Amundi believes that issuers have taken steps to align with the Harmonised Framework for Impact Reporting. On geographical differences, issuers in developed markets have shown greater adoption of the framework, as well as provided a wider scope and availability of data, compared with issuers in emerging markets.

Amundi Social Bond strategy

The investment team favors social bonds with high levels of transparency on impact measurement and considers the number of beneficiaries per €1 million invested in impact reporting across all social project categories. All projects financed by the fund are aligned with the SDGs. Among the eligible social project categories – fully in line with the Social Bond Principles and the SDGs – the investment team does not prioritize one social project category over another, but seeks to address global social issues and their related social impact.

Once the strategy invests in a social bond, the investment team, in conjunction with the Amundi GSS+ bond analyst team, carries out ongoing engagement with social bond issuers and regularly monitors the following elements: comparison of the expected project allocation and impact reports; any controversies related to the issuer; and the issuer's sustainability strategy. Amundi sees social bonds as an opportunity to engage, not only on the transparency of the assets financed by the proceeds, but also on the alignment of the issuer's wider strategy with the sustainable goals pursued by their sustainable financing framework.

To assess the entire portfolio's impact, the investment team goes through several steps to collect the project's impact data and assess the portfolio's aggregate impact via a single indicator, the number of beneficiaries by €1 million invested. This process is done on an annual basis, and entails reviewing the projects' allocation, the SDG contribution or the targeted population allocation, which is already monitored on a monthly basis[15].

15. For further details on the estimated impact calculation methodology for this strategy and the results, please refer to the annual impact report for the strategy here.

2. Real Assets Impact strategies

Amundi Private Equity strategies

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

- The investment team has a seat on each's company's board, which allows it to monitor closely and year-round their achieved impact; and
- The investment team holds regular meetings with the companies to enhance the impact possibilities.

To ensure that the impact data collection is carried out in a timely fashion, the investment team has established a data collection tool to automate this process. It also produces an annual impact report.

Amundi Private Debt strategies

Data collection is a key aspect of this strategy, with a detailed questionnaire sent every year to issuers to gather the extra-financial information that forms the basis of the ESG and impact reporting. The strategies support issuers to fill in the questionnaire with the help of a third party's platform and the team actively participates in marketplace working groups (France Invest, Institut de la Finance Durable) to harmonize questionnaires. Furthermore, the information undertakings in legal documentation are used as tools to help maximize data collection and quality. Currently, the questionnaire complies with the recommendations provided by France Invest and includes nearly 130 extra-financial indicators. The data retrieved from these questionnaires allows the team to ensure precise monitoring of investments, obtain an ESG score through the AARA (Amundi Alternative and Real Assets) ESG scoring tool and to report to clients on the extra-financial performance of investments made by this strategy on an annual basis. In addition, this data collection also enables the team to engage with the management of the financed companies to support them in improving their sustainability indicators.

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

Amundi Natural Capital strategy

To carry out the fund's impact measurement, the two operators report the results of each KPI annually by completing a reporting file prepared by the ESG team. This reporting file enables the Investment and ESG teams to monitor the strategy's investments and progress.

It tracks the following indicators:

1. Percentage of operators who have signed the fund's sustainable management charter
2. Percentage of forests that have obtained a forest certification (PEFC or equivalent)
3. Percentage of forests with at least a 10-year management plan
4. Percentage of forests that have carried out a full assessment of vulnerability to climate change
5. Percentage of forest at "high" risk requiring mitigation and adaptation measures (species selection, emergency procedures, etc.) to prevent natural hazards (wildfires, storms, etc.)
6. Percentage of forests at "high" risk that have implemented the necessary mitigation and adaptation measures (species selection, emergency procedures, etc.) to prevent natural hazards (wildfires, storms, etc.)

7. Percentage of forest covered by an annual total carbon flux estimate
8. Estimated carbon stored (Teq CO_2) annually by the portfolio (versus previously an overall net additional quantity of carbon sequestration by the portfolio)
9. Percentage of forest that have implemented actions ensuring a significant carbon gain using an existing method
10. Percentage of forest for which a biodiversity inventory has been carried out
11. Percentage of forest for which management actions have been implemented following the identification of key issues after biodiversity-related inventories
12. Percentage of forest that have implemented appropriate management of riparian zones and pond edges through targeted actions
13. ercentage of forest with reforestation projects larger than 2 ha that have undergone soil analysis (soil potential) to select tree species suited to soil conditions and climate change
14. Percentage of forest for which an annual communication (information circular) has been distributed to local municipalities
15. Percentage of forest considered to have high temporary social significance that have held in-person meetings and/or carried out specific communications

An annual impact report is also produced annually and disclosed to investors.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

Every year, a detailed analysis of the impact of the portfolio (using SDG alignment as a proxy) is conducted for each KBI Natural Resources equity strategy. The RASS measures the alignment of the portfolio (and of each holding) with the achievement of the SDGs. The portfolio managers examine the revenue of portfolio companies and determine whether those revenues come from business activities that are contributing positively or negatively to the achievement of each of the SDGs. The results are collated across the full portfolio and on the percentage (positive and negative) aligned to each SDG.

The firm measures and reports on the alignment of portfolio revenues with each of the 17 SDGs, and reports on both positive and negative alignment, as well as the balance (i.e., the “net” alignment). This exercise is run on an annual basis using end of December holdings.

The company-level data needed for the analysis is a split of the company’s revenue, by business activity. In the case of an electric utility, for example, the team would need to know how much of its revenue (sales) came from renewables, how much from natural gas, how much from coal, and/or how much from other sources and activities, including (if applicable) revenues from non-core activities.

In most cases, this data is available from a company’s annual accounts and financial statements, or from other investor relations material such as capital markets day presentations, or indeed press releases. But sometimes this data is not sufficiently granular, and so a variety of methods to establish the specific contributions of different activities are used. Below are some examples.

Where there have been mergers and acquisitions activity leading to a ‘new’ business activity within a company, the team may look not only at what information is provided by the acquiring company, but also at what data was previously reported by the previous owner for that business unit or activity.

The investee company may be contacted directly and asked for a more detailed breakdown of revenue than it usually provides (assuming that this is not price-sensitive data). If the company cannot provide the precise data, it may be asked for a range or broad guideline.

Where revenue data is not available or not relevant for that company (which is rare), an estimate may be made of the split of revenue based on some other financial data that is available, for example, the percentage of book value.

Where the results of this exercise indicate that the investee company is no longer expected to achieve its intended impacts, the portfolio managers and the firm's responsible investing team will investigate further, leading to direct engagement with the company and/or divestment from the company, depending on the circumstances.

Principle 7

Conduct exits considering the effect on sustained impact.

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

The **Amundi Planet Emerging Green One (APEGO) strategy** had a seven-year transition period (up to 2025) to a 100% green bond portfolio and is now fully invested in Green Bonds, while the Amundi Planet II Sustainable Emerging Economy Development Debt (AP II SEED) strategy has a five-year transition period (up to 2029) to a 100% sustainable bond portfolio. Both strategies are also aiming to guide the green or sustainable bond market in developing countries towards being aligned with international best practices.

The AP EGO strategy was initially invested in sovereign, quasi-sovereign and other bonds issued by financial institutions, as emerging market green bond issuances were limited at launch, while AP II SEED was initially invested in ESG-screened vanilla bonds issued by financial and non-financial institutions, as emerging market sustainable bond issuances were limited at launch. Since their launch, both strategies have started transitioning into a green or sustainable bond portfolio and will continue to do over the course of the investment period as the market for green and sustainable bonds in emerging markets develops. Throughout that period, the strategy will uphold best market standards and practices, in line with the Green and Social Bond Principles in emerging markets. Green and sustainable bonds are held to maturity and an exit would be considered only in case of a negative assessment of credit risk at issuer level or a breach of the strategy's ESG charter.

The **Amundi Emerging Markets Green Bond strategy** invests only in green and sustainability bonds. While an ESG controversy or impact results not being aligned with expectations may trigger the sale of a bond, the team does not have a sell discipline per se, insofar as no single position in itself has any meaning outside the overall risk/return context. In this respect, forecasts are based on qualitative and ESG views and not on target prices. A view is fed by a set of factors and established at a given horizon. It is translated into a position that takes into account risk allocation constraints. Should one factor change or its maturity expire, the position is immediately reviewed, i.e., closed or adjusted. In other words, positions are reviewed on an ongoing basis, and adjustments are made to consider new risk allocations, ESG or market changes, while maintaining the portfolio's overall risk consistency.

Amundi Green Bond strategies

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

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

Amundi Social Bond strategy

The team considers only social bonds and engages with issuers, not only on the transparency of the assets financed by the proceeds, but also on the alignment of the wider issuer strategy with the sustainable goals pursued by their financing framework. The goal of engagement is to have a better view of the intention of the issuer in terms of ESG strategy, and its willingness to improve its reporting practices. The investment team also explains to issuers what is expected from their allocation and impact report and why. Indeed, if the investment team asks for detailed and verified information, this is to ensure the team has reliable information on the impact of the bonds invested in.

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

2. Real Assets Impact strategies

Amundi Private Equity strategies

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

- The potential and agreed exit date (maturity for debt investment, exit appraisal period for equity investment); and
- Events that may trigger an earlier exit may also be included (changes of the strategy of the investee, which may diverge from the impact mission pre-agreed at investment).

A decision to exit is discussed and decided with the key managers of the company, and if possible, the largest number of stakeholders.

Amundi Private Debt strategies

The strategy is buy-and-hold on illiquid debt and the investments made are for a pre-defined period (generally seven years maturity). Engaging with companies to improve on their key ESG challenges and gain maturity on ESG topics is at the core of the strategy. The proximity and regular discussions with the management and CSR teams at company level allow the team to provide advice on corrective measures in case of a deterioration of the extra-financial performance or sustainability indicators. Financial covenants and undertakings may also be breached, triggering an event of default if not waived by the lenders through the decision of the investment committee: if extra-financial performance is (in whole or in part) responsible for the breach in undertakings, corrective measures can be imposed to the issuer in exchange for a waiver on the default.

In the event that the financial and/or extra-financial conditions deteriorate further during the course of the investment, the private debt investment committee studies the impact that an early exit could have on the company. A divestment could have consequences on the impact sought by the strategy as a whole and this is considered in the decision.

The exit procedure is described in the sustainable investment procedure of the private debt team.

Amundi Natural Capital strategy

The exit policy is set out in the information status agreement, and the conditions are defined in Articles R. 214-163 and R. 214-176-2 of the French Monetary and Financial Code.

However, the information status agreement clearly states that all sustainability factors are integrated into the investment process. Therefore, In the event that a forest is unlikely to achieve the objective despite all efforts, a decision to exit will be discussed with the key managers and operators and then a decision will be taken accordingly.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

Portfolio managers incorporate ESG and impact factors directly into the investment process so that even within the universe of natural resource stocks, companies with good ESG and impact credentials are more likely to be included in the portfolio, while companies with very poor ESG characteristics/ scoring will not be included in the portfolio.

Using KBI's proprietary valuation tool, an environment and social score is calculated, along with a governance score and a Revenue Aligned SDG Score (RASS) for each company invested in. The impact of the strategies is measured via RASS, which calculates the alignment of investee companies' revenues with the achievement of the SDGs.

The strategies may exit investee companies when the investment does not achieve the impact intended, and generally this is the result of a material change to the team's view of the ESG and/ or impact credentials of a company. Sometimes disinvestments are also made for non-impact reasons. The team is able to ensure that the impact of the portfolio as a whole is sustained after exits from a particular investment by monitoring the RASS score at portfolio level and ensuring it is at a high level.

Exits (and all portfolio changes) are subject to continuous review and challenge and are formally discussed at regular scheduled meetings of the full natural resources investment team (the meetings include the chief investment officer and the head of responsible investing). Portfolio managers and the responsible investing team can challenge, discuss and debate with each other the merits of stock decisions and related ESG or impact issues, on a formal or informal basis. There is a written record of the ESG/impact assessment on file, and all exit decisions and the reasons for these are circulated widely across the firm, including to the compliance team.

Principle 8

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

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

1. Green, Social and Sustainable Bond Impact strategies

Amundi Emerging Markets Green and Sustainable Bond strategies

The impact performance of each investment of all of the three strategies is updated and analyzed annually to monitor and improve decision-making. The ESG research team engages with issuers that do not report accurately or consistently on their green or sustainable bond impact data. Therefore, investment decisions and processes evolve as issuers progress with their engagements.

Additionally, a quarterly emerging markets green and sustainable bond committee has been set up between the investment and ESG Research teams to provide progress on the growing investment universe, discuss updates on green and sustainable bond issuers and engagements and discuss controversies, if any. This committee aims to foster an open dialogue, to identify areas for improvements in decisions and processes and to address different expectations on analysis and decisions.

Furthermore, for both the **Amundi Planet Emerging Green One, and the Amundi Planet II Sustainable Emerging Economy Development Debt strategy,** a scientific committee has been formed to advise the portfolio manager on translating the program's objectives into investment objectives, identifying new areas of development for climate development and social objectives, and to discuss other IFC development goals pursued by the strategy. The scientific committee is composed of experts in sustainable finance (including the fields of climate and development finance) and the energy transition and people with knowledge and experience in product development. The scientific committee provides guidance but does not have any control over the strategy's management or affairs, and its decisions are advisory only. Neither the board, the portfolio manager or any of their affiliates will be required or otherwise bound to act in accordance with any decision, action or comment of the scientific committee or any of its members.

Amundi Green Bond strategies

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

An impact report for the strategy is published on an annual basis, with the content divided between reporting on the impact of the strategy's investments and developments in the green bond market. It covers the environmental, social and governance profile of issuers in the portfolio, along with a deep dive into the strategy's green bond holdings and their respective environmental performance and GHG emissions avoided.

Amundi Social Bond strategy

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

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

2. Real Assets Impact strategies

Amundi Private Equity strategies

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

The impact analysis covers the following:

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

For each thematic investment, the investment team identifies the global targets that need to be reached to meet one or more of the SDGs' objectives. Each year the investment team reports, follows, reviews and documents the contribution of the strategy to this objective and observes the improvement regarding impact achievement.

Amundi Private Debt strategies

Each year from 2023 onwards, an impact and ESG report is published annually on the achievements of each issuer compared to set objectives. A presentation is made to the issuers at an annual event, gathering companies in private equity and private debt together to discuss the sharing of good practices. This enables the team to get feedback from issuers, in addition to their regular exchanges throughout the data collection process on challenges experienced and opportunities for improvement. The information gathered through events and general discussions with management is essential to help companies (as a reminder, mostly small and medium-sized enterprises) to transition to more sustainable business models. It should be noted that a key part of the discussion targets the ability to get quality and comparable information, which is still difficult. An impact committee for ASID IV is also organized once a year with investors in the fund to decide on a potential contribution impact, a 10bps contribution to associations on the debt of issuers improving their sustainability indicators, but not benefiting from an ESG ratchet through sustainability-linked financings. A Scientific Committee with external and internal members is organized once a year for Agri-Agro, in which is discussed diverse topics in order to discuss the market trends and the deepening of its impact on the financed companies.

Amundi Natural Capital strategy

The impact performance of each investment is reviewed and analyzed annually to help monitor and improve the investment team's decisions in relation to the strategy's objectives.

Starting in 2026, an annual impact and ESG report will be published to present the achievements of the impact strategy. In addition, the Investment and ESG teams regularly exchange with the two operators on the strategy's progress and results.

The ESG team will also conduct an annual review of the impact strategy, and more frequently if any major change occurs in the strategy. This process supports transparency, accountability, and continuous improvement across the portfolio.

3. Equity Impact strategies

KBI Natural Resources Equity strategies

The impact of each investment (measured by SDG alignment) in the KBI Natural Resources equity strategies is updated at least annually, based on a granular analysis of the revenues of each investee company, designating the revenues from each business activity as being positively, neutrally or negatively aligned with the achievement of one of the SDGs. This analysis is documented and stored on a database, and is used to calculate and report on the impact alignment of the portfolio as a whole.

The results of this impact measurement (conducted annually or when a new investment is added to the portfolio) are used within the investment process, so that the impact measurement for each investment helps to determine the size of the investment within each strategy, and/or influence any divestment decision.

In addition, the results are used to identify areas of impact where further work by the investment team is required, for example, to engage with an investee company to request it to change its behavior with regard to a particular negative impact, or to obtain more detailed information on an issue of concern.

Principle 9

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

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

Amundi has been disclosing a yearly statement in alignment with the Impact Principles since 2022. This report is the fifth of its kind and Amundi commits to annually disclosing alignment with the Impact Principles going forward.

The last independent verification was held in 2023 for the year 2022[16] (the conclusions were published in Amundi 2023 Impact Principles' report).

The independent verifier for the last verification was EY & Associés, their registered address is 1-2, place des Saisons - 92400 Courbevoie - Paris-La Défense 1. The independent verifier ❶ planned and performed their engagement to obtain limited assurance about whether the Policies are aligned with the Impact Principles; ❷ formed an independent conclusion based on the procedures they performed and the evidence they obtained; and ❸ reported their conclusions to Amundi.

The independent verifier complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (please refer to the verifier's independent assurance report).

Amundi will be completing external verification of its disclosure statement on a regular basis, expected every 3-5 years, and will publish the conclusion of the verifier's assessment.

16. The verifier statement can be found here.

Appendix

Amundi Green Social and Sustainability (GSS) Bond Framework.

Amundi has developed a proprietary Green, Social and Sustainability (GSS) Bond Framework to ensure that instruments are adequately assessed according to the quality and the impact of the underlying projects financed by the bonds.

This framework is based on a comprehensive 4-steps approach that combines analysis of the issuer and the issuance together with monitoring and engagement, with the aim of providing holistic and continuous analysis:

- **Initial screening: An initial screening is conducted based on normative and sectoral exclusions, activity exposure and alignment with industry standards.**
- **Detailed analysis: Detailed analysis across four dimensions, including the project's expected impact, the issuer's overall ESG strategy, the funding rationale, and transparency.**
- **Ongoing monitoring: this monitoring is a core component of our GSS bond framework, as it allows to obtain details on the types of projects funded by issuers and to assess their impact on the environment and/or on society.**
- **Engagement: Accompanying companies to promote better ESG practices in GSS bond framework and reporting, and improve transparency.**

1. Initial screening

The GSS bond framework leverages on Amundi's proprietary ESG scoring system. It is based on a seven letter scale, ranging from A to G, where A is the best and G the worst rating. Any issuer with a G-rating is excluded from all of Amundi's actively managed portfolios, as they do not comply with Amundi's Global Responsible Investment policy[17].

Before starting a full assessment, the GSS bond research team[18] checks that the issuer's ESG rating is consistent with the related fund's criteria. As mentioned above, issuers with a G rating on Amundi's ESG rating scale are not eligible for investment but some funds are even stricter and do not allow upper categories such as F rated issuers. Thanks to these Amundi's in-house ESG Ratings, the GSS bond team has an instant view on the issuer overall ESG profile and its three underlying pillars.

In addition to the issuer's internal ESG rating, the GSS Bonds team systematically ensures:

- Alignment with industry standards (e.g., ICMA's Principles[19], EU GBS[20] or local taxonomies);
- Presence of a second party opinion or other certification, (e.g., Climate Bond (CBI) certificates);
- The absence of severe ESG controversies faced by the issuer (the GSS bond team can leverage on Amundi's internal controversy database);
- The contribution of the projects to be financed to the issuer's overall ESG strategy.

If this initial screening is not satisfactory, the investment will be rejected

17. Amundi's Global Responsible Investment policy is publicly available on Amundi's website.
18. The GSS bond research team is part of Amundi's ESG Research, Engagement and Voting Department.
19. International Capital Market Association.
20. European green bond standard.

2. Detailed analysis

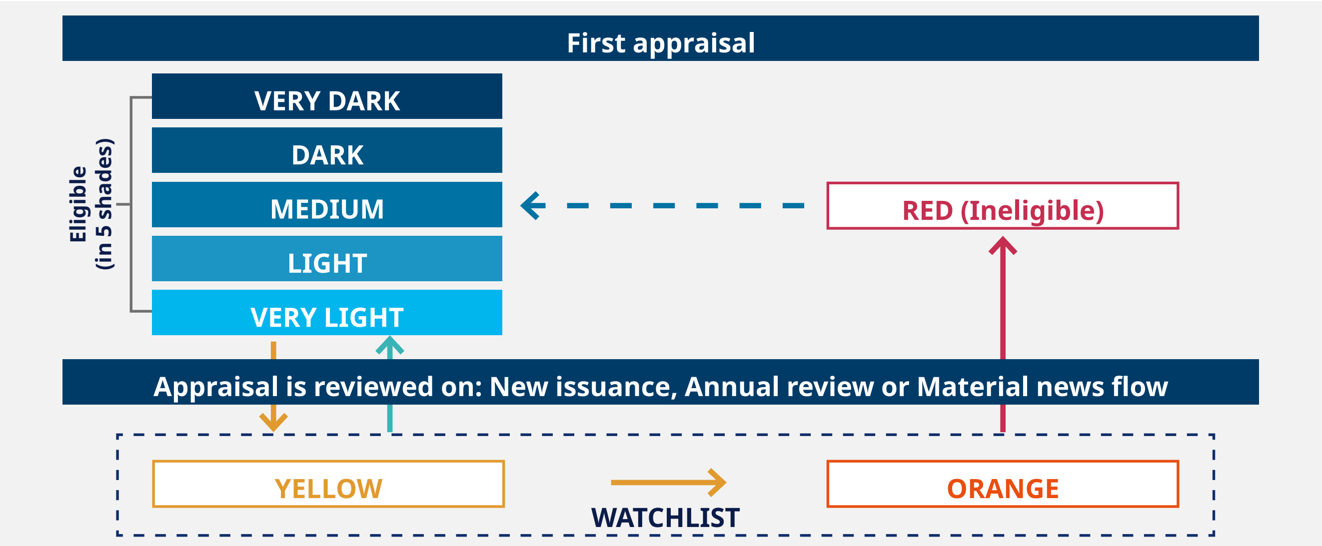
Once the GSS bond issuer has undergone the initial screening, a comprehensive analysis of the GSS bond and its issuer is conducted across four dimensions:

- **Issuer analysis:** The GSS bond team analyses the overall strategy of the issuer and its main challenges. For example, for green bond, the team checks if the issuer has SBTi[21] targets or net neutrality targets as well as action plans / levers set to reach these targets. The team can also leverage on Amundi's internal underachievers database to assess the quality of the issuer's ESG strategy.
- **Green social and sustainability funding rationale:** Once the GSS team has a clear view of the issuer's ESG strategy, it can evaluate the rationale for funding green and/or social and/or sustainability projects with GSS bonds by assessing the alignment between the GSS bond framework and the issuer's main ESG challenges and its key performance indicators (KPIs).
- **Project analysis:** The GSS bond team checks the quality of the project categories by analyzing the level of environmental and/or social and/or sustainability contribution of the project. This assessment can be done through the technical criteria detailed in the framework (e.g., alignment with EU taxonomy TSC[22], CBI[23], or numerical thresholds). The GSS bond team also verifies the environmental and social management system to ensure that the projects developed have no negative externalities (such as DNSH[24] or MSS [25]developed in the EU taxonomy, adherence to IFC[26] or EIB[27] performance standards...)
- **Transparency:** The GSS bond team checks the level of disclosure that the GSS bond issuer is committed to publishing. For example, the team checks whether the information will be published on an annual basis, the level of detail provided (project level data, financing vs refinancing...), whether the data will be externally verified, etc.

To aggregate all the information collected during the analysis, Amundi has developed an internal scoring system to rate each bond in the four dimensions mentioned above.

This scoring is applied to labelled bonds from all types of issuers, with different weights depending on the label (green, social or sustainability). The GSS score results in different shades ranging from very dark (highest score) to very light (lowest score). In addition, the rating includes two shades (a yellow and an orange shade) which covers bonds that are on our watch list, and a red shade, which refers to the GSS bonds that are not eligible according to Amundi's GSS bond criteria. GSS bonds on this watch list are at risk of being downgraded or becoming ineligible for investment.

The watch list mechanism is illustrated below:



21. Science Based Target initiative.
22. EU Taxonomy Climate Technical Screening Criteria (TSC).
23. Climate Bond Initiative.
24. Do Not Significant Harm.
25. Minimal Social Safeguards.
26. International Finance Corporation.
27. European Investment Bank.

If the analysis concludes that the GSS bond is not investable according to Amundi's eligibility criteria, portfolio managers are not allowed to buy the bond for inclusion in their GSS portfolios.

3. Ongoing Monitoring

Once an investment has been made, a review of the following items is performed for each bond:

- **One year after issuance:** Check the availability of the allocation and impact report of GSS bond. If the GSS bond team is unable to find it or if discrepancies are found in the impact data, the team will engage with the issuer.
- **On a regular basis:** Review the issuer's ESG evolution to ensure that it is still aligned with the GSS bond framework. The GSS bond team can leverage on Amundi's internal underachievers list, which is updated once a year.
- **On a daily basis:** Screening of existing or potential controversies the issuer faces through various channels (external data providers, press, emails) and Amundi's controversy screening tool.

The ongoing monitoring can lead to a change in the GSS bond scoring to reflect the evolution of the bond's quality and changes in the data.

4. Engagement

GSS bond analysts engage with issuers on a regular basis, with two main objectives:

1. **Clarify and improve information at the bond level:** Find out why the allocation and/or impact report is missing, understand calculation methodologies of problematic data, promote the ICMA harmonized framework for impact reporting, improve transparency (financing/refinancing data, project level information...)
2. **Encourage issuers to integrate better ESG practices:** Encourage issuers to improve their Environmental and Social policies applied to the projects financed by the GSS bond, get details from the issuer on remediation plan put in place to address controversies related to project financed, promote Life Cycle Assessment (LCA) considerations, alignment with the EU taxonomy, etc.

DISCLAIMER

LEGALS

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