Website Product Disclosures further to art. 10(1) of the Sustainable Finance Disclosure Regulation for art. 9 financial products

SUMMARY

Name: Amundi EUR Cash Active

Legal entity identifier: 213800GNZ7UL42K1JN28

No significant harm to the sustainable investment objective

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

- The first DNSH filter relies on monitoring the mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS
  - where robust data is available (e.g. GHG intensity of investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company's carbon intensity does not belong to the last decile of the sector).
  - Amundi already considers specific Principal Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal, unconventional fossil fuel and tobacco.

In addition, companies and economic actors exposed to severe controversies related to working conditions, human rights, biodiversity and pollution are not considered sustainable investments.

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

The indicators for adverse impacts have been taken into account as detailed in the first do not significant harm (DNSH) filter.

The first DNSH filter relies on monitoring of mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS where robust data is available via the combination of following indicators and specific thresholds or rules:

- Have a CO_2 intensity which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors), and
- Have a Board of Directors' diversity which does not belong to the last decile compared to other companies within its sector, and
- Be cleared of any controversy in relation to work conditions and human rights and
- Be cleared of any controversy in relation to biodiversity and pollution.

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

Sustainable investment objective of the financial product

The objectives of the sustainable investments are to invest in investee companies that seek to meet two criteria:

1) follow best environmental and social practices; and

2) avoid making products or providing services that harm the environment and society.

In order for the investee company to be deemed to contribute to the above objective it must be a "best performer" within its sector of activity on at least one of its material environmental or social factors.

To contribute to the above objectives, the investee company should not have significant exposure to activities (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertilizer and pesticide manufacturing, single-use plastic production) not compatible with such criteria.

The sustainable nature of an investment is assessed at investee company level.

Proportion of investments

At least 90% of the Sub-Fund's securities and instruments will meet the promoted environmental or social characteristics in accordance with the binding elements of the investment policy. Furthermore, the Sub-Fund commits to have a minimum of 5% of sustainable investments as per the below chart. Investments aligned with other E/S characteristics (#1B) will represent the difference between the actual proportion of investments aligned with environmental or social characteristics (#1) and the actual proportion of sustainable investments (#1A).
The planned proportion of other environmental investment represents a minimum of 5% (i) and may change as the actual proportions of Taxonomy-aligned and/or Social investments increase.

Monitoring, methodologies, data sources and their limitations, due diligence and engagement policies

The proportion of the portfolio that is invested in use-of-proceeds Green, Social and Sustainable (GSS) bonds is monitored on an ongoing basis within Amundi’s proprietary portfolio management system Alto, relying on Bloomberg data for the categorization of the securities as green bonds and on Amundi’s proprietary analysis for the verification of Amundi GSS requirements as performed by Amundi’s ESG analysts. In case a bond loses its GSS bond status after inclusion in the portfolio, it is removed from the portfolio within 90 days by default. Amundi’s Risk function performs second-level monitoring by checking that the investment constraint in terms of minimum share of the portfolio to be invested in green bonds is met at all times, requiring immediate adjustments in case of breach.

The DNSH (including Minimum Safeguards) and Good Governance (where relevant) tests based on “Amundi Sustainable Investment Framework” are carried out on the issuers of the green bonds before and after trading, on an ongoing basis, by the portfolio managers and the Risk function. These tests are based on Amundi’s proprietary ESG scores and controversy screening methodology. ESG scores – including those leading to exclusions based on the monitoring of severe controversies – are updated on a monthly basis within Amundi’s proprietary module Stock Rating Integrator (SRI). Whenever an issuer whose green bonds are included in the portfolio is found to no longer meet the DNSH and Good Governance (where relevant) tests, the associated securities are removed from the portfolio within 90 days by default.

The “Amundi Sustainable Investment Framework” comprises a set of criteria and indicators used to assess:

A. Economic activity contribution to an environmental or social objective;
B. Investments’ compliance with the requirement not to significantly harm that objective;
C. Whether investee companies follow good governance practices.

This framework enables Amundi and its subsidiaries to assess whether investments can be considered as ‘Sustainable Investments’, and accounted for when disclosing the proportion of investment in ‘Sustainable Investment’ and monitoring the compliance with fund level commitments.

Amundi relies on Bloomberg and Climate Bonds Initiative as a source of information regarding the alignment of green, social, sustainable and sustainability-linked bonds with ICMA principles, their use of proceeds, and their impact reporting. These data sources also inform the analysis of our ESG analysts for the compliance of the bonds with Amundi GSS framework, in addition to reported data from issuers. To carry out the Contribution test, the DNSH test and the Good Governance tests described in the “Methodologies” section, we source data from the following sources: Moody’s, ISS-Oekom, MSCI, Trucost, CDP, Verisk Maplecroft, Refinitiv, RepRisk and Sustainalytics. In addition to direct access of our ESG analysts to reported data from issuers.

Our methodology limitations are by construction linked to use of ESG data. The ESG data landscape is currently being standardized, which can impact data quality; data coverage also is a limitation. Current and future regulation will improve standardized reporting and corporate disclosures on which ESG data rely. We are aware of these limitations which we mitigate by a combination of approaches: the monitoring of controversies, the use of several data providers, a structured qualitative assessment by our ESG research team of the ESG scores, the implementation of a strong governance.

Each month, the ESG score are recalculated according Amundi quantitative methodology. The result of this calculation is then reviewed by the ESG analysts who perform a qualitative "sampling control" on its sector based on various checks.

Amundi engages investee or potential investee companies at the issuer level regardless of the type of holdings held (equity and bonds).