

Fonds de Compensation de la Sécurité Sociale, SICAV-FIS (the “Fund”)

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

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

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

Product name: FDC SICAV EUR BONDS – ACTIVE 3 (the “Sub-Fund”)

LEI: 549300HFGVJKUIRN0L49

Fund manager (by delegation): Amundi S.A. (the “Fund Manager”)

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

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

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **5.00%** of sustainable investments

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

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



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

The Sub-Fund promotes environmental and/or social characteristics by aiming to have a higher ESG score than the ESG score of its benchmark, the Bloomberg Barclays Euro Aggregate – Ex Securitised Index (the “Benchmark”). In determining the ESG score of the Sub-Fund’s portfolio and the Benchmark, ESG performance is assessed by comparing the average performance of a security against the security issuer’s industry, in respect of each of the three ESG characteristics of environmental, social and governance. The Benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the

characteristics promoted by the Sub-Fund. Thus, no reference benchmark has been designated.

It should be noted that, in implementing its investment strategy and as an overarching binding restriction, the Fund Manager is required to exclude companies from the Sub-Fund's portfolio referenced on the Fund's proprietary exclusion list. The latter screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Equally screened out are companies linked to following controversial weapons: anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons. The Fund's exclusion list can be viewed at <https://fdc.public.lu/en/investissement-responsable/liste-exclusion-fdc.html>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

The sustainability indicator used is the ESG score of the Sub-Fund's portfolio that is measured against the ESG score of the Benchmark.

The Fund Manager has developed its own in-house ESG rating process based on the "Best-in-class" approach (the "Amundi ESG Ratings"). Ratings adapted to each sector of activity aim to assess the dynamics in which companies operate.

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

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

The methodology applied by the Amundi ESG Ratings uses 38 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

reputation, operational efficiency and regulations in respect of an issuer. Amundi ESG Ratings is likely to be expressed globally on the three E, S and G dimensions or individually on any environmental or social factor.

For more information on ESG scores and criteria, please refer to the Amundi ESG Regulatory Statement available at the Fund Manager's website www.amundi.com.

Finally, the Sub-fund has to follow an exclusion list with a certain number of companies who are not in line with international conventions and standards or linked to controversial weapons.

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

The objectives of 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.

The definition of "best performer" relies on the Fund Manager's proprietary ESG methodology which aims to measure the ESG performance of an investee company. In order to be considered a "best performer", an investee company must perform with the best top three rating (A, B or C out of a rating scale going from A to G) within its sector on at least one material environmental or social factor. Material environmental and social factors are identified at a sector level. The identification of material factors is based on the Fund Manager's ESG analysis framework which combines extra-financial data and qualitative analysis of associated sector and sustainability themes. Factors identified as material result in a contribution of more than 10% to the overall ESG score. For energy sector for example, material factors are: emissions and energy, biodiversity and pollution, health and security, local communities and human rights. For a more complete overview of sectors and factors, please refer to the Amundi ESG Regulatory Statement available at the Fund Manager's website www.amundi.com.

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.

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

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

- The first DNSH test filter relies on monitoring the mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the regulatory technical standards (the “RTS”), designed to provide further guidance on the implementation of Regulation (EU) 2019/2088 (the “Disclosure Regulation”) 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).
- The Fund Manager already considers specific Principle Adverse Impacts within its exclusion policy as part of its Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal and tobacco. Beyond the specific sustainability factors covered in the first filter, the Fund Manager 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 ESG Ratings.

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

The indicators for adverse impacts have been taken into account as detailed in the first DNSH filter above. The first DNSH filter relies on monitoring of mandatory Principal Adverse Impacts indicators in the RTS where robust data is available via the combination of following indicators and specific thresholds or rules:

- Have a CO2 intensity which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors),
- have a Board of Directors’ diversity which does not belong to the last decile compared to other companies within its sector,
- 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.

The Fund Manager already considers specific Principle Adverse Impacts within its exclusion policy as part of its Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal and tobacco.

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

The Fund’s proprietary exclusion list screens out companies based on their involvement in controversial practices against international norms. The core

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Securities issued by companies having a severe violation of these frameworks will be restricted from investment universe. Equally excluded are companies linked to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons).

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are also integrated into the Fund Manager's ESG rating methodology. The Fund Manager's proprietary ESG rating tool rates issuers using data available from our data providers. For example, the model has a dedicated criterion called "Community Involvement and Human Rights" which is applied to all sectors in addition to other human rights criteria, including socially responsible supply chains, working conditions and labor relations. In addition, the Fund Manager tracks controversies on a minimum quarterly basis, which includes companies identified for human rights abuses. When controversies arise, the Fund Manager's analysts assess the situation and apply a score to the controversy (using the Fund Manager's proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track trend and remediation efforts.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

Yes, the Fund Manager considers all the mandatory Principal Adverse Impacts as per the RTS applying to the Sub-Fund's strategy and relies on a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process and engagement approaches:

- Exclusion: the Fund Manager has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the Disclosure Regulation.
- ESG factors integration: the Fund Manager has adopted minimum ESG integration standards applied by default (exclusion of G rated issuers and better weighted average ESG score higher than the applicable benchmark).

The 38 criteria used in Amundi ESG Ratings approach were also designed to consider key impacts on sustainability factors, as well as quality of the mitigation undertaken are also considered in that respect.

- **Engagement:** engagement is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimension as well as to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.
- **Controversies monitoring:** the Fund Manager has developed a controversy tracking system that relies on three external data providers to systematically track controversies and their level of severity. This quantitative approach is then enriched with an in-depth assessment of each severe controversy, led by the Fund Manager's ESG analysts and the periodic review of its evolution.

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to the Amundi ESG Regulatory Statement available at the Fund Manager's website: www.amundi.com.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Objective: the Sub-Fund seeks to outperform the benchmark associated to it, while achieving an ESG score greater than the benchmark.

Benchmark: the Bloomberg Barclays Euro Aggregate – Ex Securitized Index, an index that does not take into account environmental, social or governance (ESG) factors. The Benchmark is used for return and ESG outperformance, risk monitoring and portfolio construction.

Investments: to meet its investment objective, the Sub-Fund invests in bonds included in the benchmark at the moment of investment; and in bonds to be included in the benchmark in the next sixty business days (the Eligible Assets). The Sub-Fund makes use of derivative financial instruments traded on a Regulated Market whose underlying assets consist of one or more Eligible Assets; and OTC derivatives (swap contracts) in order to manage the duration.

Management Process: the Sub-Fund integrates sustainability factors in its investment process as outlined in more detail in section "Sustainable Investment" of the present disclosure Information. The investment team analyses interest rates and economic trends (top-down) to identify the bond market segment that appear likely to offer the best risk-adjusted returns. The investment team then uses both technical and fundamental analysis, including credit analysis, to select issuers and securities (bottom-up) and to construct a diversified portfolio.

The Sub-Fund's general investment approach is described in the Fund's Issue Document.

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

All securities held in the Sub-Funds portfolio are subject to the ESG Criteria. This is achieved through the use of Fund Manager's proprietary methodology and/or third party ESG information.

Firstly applies an exclusion policy including the following rules:

- exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons and depleted uranium weapons, etc.);
- having a severe violation/breach of principles and guidelines such as the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues, and
- the sectoral exclusions of the Fund Manager's group on Coal and Tobacco.

The Fund Manager also applies the following rules:

- exclusion of issuers rated E, F and G on purchase;
- the weighted average ESG rating of the Sub-Fund's portfolio must be higher than the weighted average ESG rating of the applicable benchmark;
- the coverage rate is 90%.

It should be noted that it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The ESG calculation methodology will not include those securities that do not have an ESG rating, nor cash, near cash, some derivatives and some collective investment schemes.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-Fund does not commit to reduce the scope of the investments by a certain minimum rate.

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

The Fund Manager relies on Amundi ESG scoring methodology. Amundi's ESG scoring is based on a proprietary ESG analysis framework, which accounts for 38 general and sector-specific criteria, including governance criteria. In the Governance dimension, the Fund Manager assesses an issuer's ability to ensure an effective corporate governance framework that guarantees it will meet its long-

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

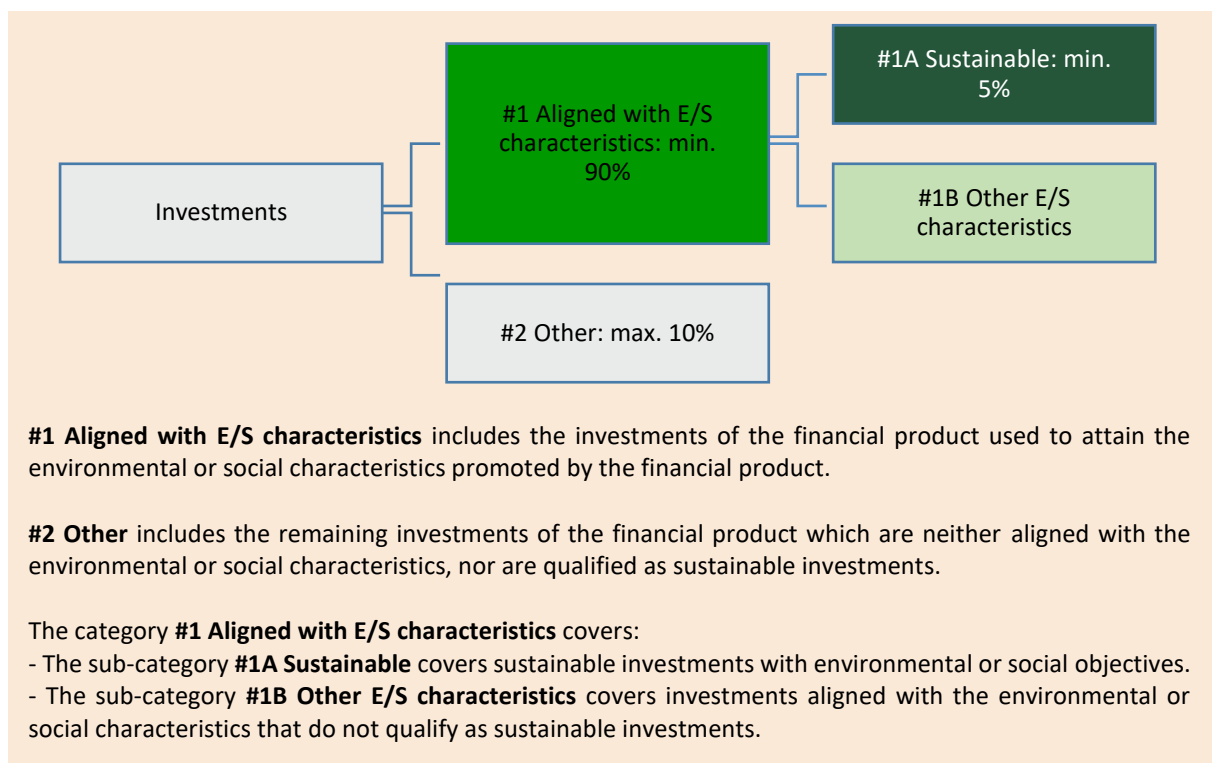
term objectives (e.g. guaranteeing the issuer's value over the long term). The governance criteria considered are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy. Amundi ESG Ratings scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. G-rated companies are excluded from the investment universe.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

At least 90% of the investments of the Sub-Fund will be used to meet the environmental or social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy. The Sub-Fund commits to have a minimum of 5% of sustainable investments and the remaining proportion of the investments will be invested in assets with environmental and social characteristics.



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

The Fund Manager does not use derivatives to attain the environmental or social characteristics of the Sub-Fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

The Sub-Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

The Sub-Fund does not aim or commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

● What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund does not commit to a minimum share in transitional and enabling activities.



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

The Sub-Fund has a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of 5%.



What is the minimum share of socially sustainable investments?

The Sub-Fund does not commit to a minimum share of socially sustainable investments.



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

Under “#2 Other” the Sub-Fund may hold cash, cash equivalents and financial derivative instruments for the purposes of efficient portfolio management and/or risk hedging. For those investments no environmental or social safeguards are applied.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. Fossil gas criteria include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. Nuclear energy criteria include comprehensive safety and waste management rules. The full criteria are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

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

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

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

Not applicable.

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

Not applicable.



Where can I find more product-specific information online?

More product-specific information can be found on websites:

- <https://www.fdc.lu>
- <https://fdc.public.lu/en/investissement-responsable/approches-durables-gerants-fdc.html>

<i>Schedule of changes</i>		
<i>V1</i>	<i>October 2023</i>	<i>Initial version</i>
<i>V2</i>	<i>February 2024</i>	<i>Review in terms of form but not content</i>

Fonds de Compensation de la Sécurité Sociale, SICAV-FIS (the “Fund”)

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

Product name: FDC SICAV EMMA BONDS – ACTIVE 1 (the “Sub-Fund”)

LEI: 549300PKNWI29Z372U97

Fund manager (by sub-delegation): Amundi (UK) Limited (the “Fund Manager”)

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1.00% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>

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

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



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

The Sub-Fund promotes environmental and/or social characteristics by aiming to have a higher ESG Score, higher Carbon Policy – Sovereign Index Score and lower Carbon Footprint than that of the investment universe. In determining the ESG score of the Sub-Fund and the investment universe, ESG performance of sovereign issuers is assessed on three ESG characteristics of environmental, social and governance. For the purpose of this measurement, the investment universe is defined as 100% JP Morgan Government Bond Index - Emerging Markets (GBI - EM) Global Diversified Composite Unhedged Index. To assess the Carbon policy – Sovereign Index Score and the Carbon Footprint of the Sub-Fund and investment

universe, the Portfolio Manager utilises proprietary methodologies that weigh in several data points, coming from different sources, including open source international databases (such as from the World Bank Group, the United Nations, etc.) and proprietary databases.

It should be noted that, in implementing its investment strategy and as an overarching binding restriction, the Fund Manager is required to exclude companies from the Sub-Fund's portfolio referenced on the Fund's proprietary exclusion list. The latter screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Equally screened out are companies linked to following controversial weapons: anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons. The Fund's exclusion list can be viewed at <https://fdc.public.lu/en/investissement-responsable/liste-exclusion-fdc.html>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

The sustainability indicators used to measure the the attainment of the environmental or social characteristics promoted by the Sub-Fund are:

- 1) ESG score
- 2) Carbon Policy – Sovereign Index Score
- 3) Carbon Footprint.

The Sub-Fund aims to perform better than its investment universe for all three indicators.

The Fund Manager has developed its own in-house ESG sovereign scoring methodology to assess the ESG performance of sovereign issuers. E, S and G factors can have an impact on the issuer's ability to repay its debt in the medium and long-term. They can also reflect on how countries are faring in dealing with major sustainability issues that affect global stability. The Fund Manager's methodology relies on a set of about 50 ESG indicators deemed relevant by the Fund Manager's ESG research to address sustainability risks and sustainability factors. The Fund Manager has defined the weights of each ESG indicator contributing to the final Fund Manager sovereign ESG scores, and its various sub-components (E, S and G). Each indicator can weigh in several data points, coming from different sources, including open source international databases (such as from the World Bank Group, the United Nations, etc.) and proprietary databases.

All indicators have been grouped into 8 categories, each category falling into one of the pillars E, S or G:

- Environment : Climate Change - Natural Capital

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- Social : Human Rights - Social Cohesion - Human Capital - Civil Rights
- Governance: Government Effectiveness -Economic Environment

Issuers' ESG score is translated in an ESG rating ranging from A to G. The Fund Manager ESG rating is the letter output of the ESG quantitative score. The ESG rating scale, for sovereigns is based on a seven grade letter scale, ranging from A (the best scores universe) to G (the worst). In the Fund Manager ESG Rating scale, the securities belonging to its exclusion list correspond to a G.

For more information on Amundi's ESG rating methodology for sovereigns, please refer to the Fund Manager's Responsible Investment Policy available at: www.amundi.com.

For more information on the Fund Manager's carbon footprint methodology, please refer to the Fund Manager's Climate and Sustainability Report available at: <https://www.amundi.com/institutional/Responsible-investment-documentation>.

Regarding the Carbon Policy – Sovereign Index Score, this index score is developed by an external propriety methodology which allows the Sub-Fund to assess a country's potential for more stringent greenhouse gas emissions reduction policies to be implemented and the degree to which they are likely to have material implications for business. The index deems countries to be higher risk when they demonstrate little or no actions to deploy greenhouse gas emissions reduction policies, capturing the reputational risk with operating in these locations. The index is composed of three pillars – Emissions Gap, Capacity and intent to implement carbon policies, and Economic transition, with each pillar having associated sub-indicators to assess a sovereign's current positioning on an issue. The index's output is a numerical score from 0-10, with 10 being the best. This index allows the Sub-Fund to qualify where a sovereign issuer situates themselves in regards to their climate policy measures.

Finally, the Sub-fund has to follow an exclusion list with a certain number of companies who are not in line with international conventions and standards or linked to controversial weapons.

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

The Sub-Fund only invests in sovereign issuances, but only green, social and sustainable ("GSS") debt instruments ("GSS") issued by sovereigns are considered sustainable investments.

GSS, as defined by the International Capital Market Association ("ICMA"), and structured in accordance with its principles or guidelines contribute by design to an environmental or social objective and are deemed to pass the Contribution Test, provided that the GSS instruments have been analysed by the Fund Manager's ESG analysts and comply with the Fund Manager's GSS requirements (including funding rationale, issuer ESG performance, project analysis and transparency).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

The Fund Manager already considers specific Principal Adverse Impacts for sovereign issuers within its exclusion policy as part of the Fund Manager's Responsible Investment Policy and in the Fund Manager's proprietary ESG scoring methodology for sovereigns.

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

Principal Adverse Impacts are taken into account via the exclusions from the Sub-Fund (G-rated sovereign issuers), based on the Fund Manager's sovereign ESG rating methodology.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Fund's proprietary exclusion list screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Securities issued by companies having a severe violation of these frameworks will be restricted from investment universe. Equally excluded are companies linked to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons).

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into the Fund Manager's ESG scoring methodology. The Fund Manager's proprietary ESG rating tool assesses issuers using available data from our data providers. Furthermore, the Fund Manager conducts controversy monitoring on a, at minimum, quarterly basis which includes companies/issuers identified for human rights violations. When controversies arise, the Fund Manager's analysts will evaluate the situation and apply a score to the controversy (using the Fund Manager's proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

Yes, the Fund Manager considers all the mandatory Principal Adverse Impacts as per the RTS applying to the Sub-Fund's strategy and relies on a combination of exclusion policies, ESG rating integration into the investment process and engagement approaches:

- **Exclusion:** the Fund Manager has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the SFDR Disclosure Regulation.
- **ESG factors integration:** the Fund Manager has adopted minimum ESG integration standards applied by default (exclusion of G rated issuers and better weighted average ESG score higher than the applicable benchmark).
- **Engagement:** engagement is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimension as well as to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.
- **Controversies monitoring:** the Fund Manager has developed a controversy tracking system that relies on three external data providers to systematically track controversies and their level of severity. This quantitative approach is then enriched with an in-depth assessment of each severe controversy, led by the Fund Manager's ESG analysts and the periodic review of its evolution.

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to Fund Manager ESG Regulatory Statement available at the Fund Manager's website: www.amundi.com.



What investment strategy does this financial product follow?

Objective: the Sub-Fund seeks to outperform the benchmark associated to it.

Benchmark: JP Morgan Government Bond Index - Emerging Markets (GBI - EM) Global Diversified Composite Unhedged expressed in USD and converted in EUR.

Investments: to meet its investment objective, the Sub-Fund invests in bonds included in the benchmark at the moment of investment; in bonds to be included in the benchmark in the next sixty business days as well as eligible Global Depository Notes (GDNs) (the Eligible Assets). The Sub-Fund makes use of

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

derivative financial instruments traded on a Regulated Market whose underlying assets consist of one or more Eligible Assets; and OTC derivatives (swap contracts) in order to manage the duration. The Sub-Fund may execute foreign exchange forward transactions.

The Sub-Fund's general investment approach is described in the Fund's Issue Document.

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

All securities held in the Sub-Fund are subject to an ESG assessment. This is achieved through the use of the Fund Manager's proprietary methodology and/or third party ESG information. In addition, there will be no investments into the Fund's proprietary exclusion list.

The Sub-Fund first applies the Fund Manager's exclusion policy on sovereigns: Countries on the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions) are excluded, after formal review and validation from the Fund Manager's Rating Committee. The exclusion policy can be found in the Responsible Investment Policy available at: www.amundi.lu.

The Sub-Fund has three binding elements:

1. The Sub-Fund aims to have a higher ESG score than the ESG score of the investment universe. The Sub-Fund's ESG Criteria apply to at least 75% of debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

However it should be noted that it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The ESG calculation methodology will not include those securities that do not have an ESG rating, nor cash, near cash, some derivatives and some collective investment schemes.

2. The Sub-Fund aims to have a higher Carbon Policy – Sovereign Index Score than its investment universe
3. The Sub-Fund aims to have a lower Carbon Footprint than its investment universe

Furthermore, there is a minimum commitment of 1% of sustainable investments.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-Fund does not commit to reduce the scope of the investments by a certain minimum rate.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

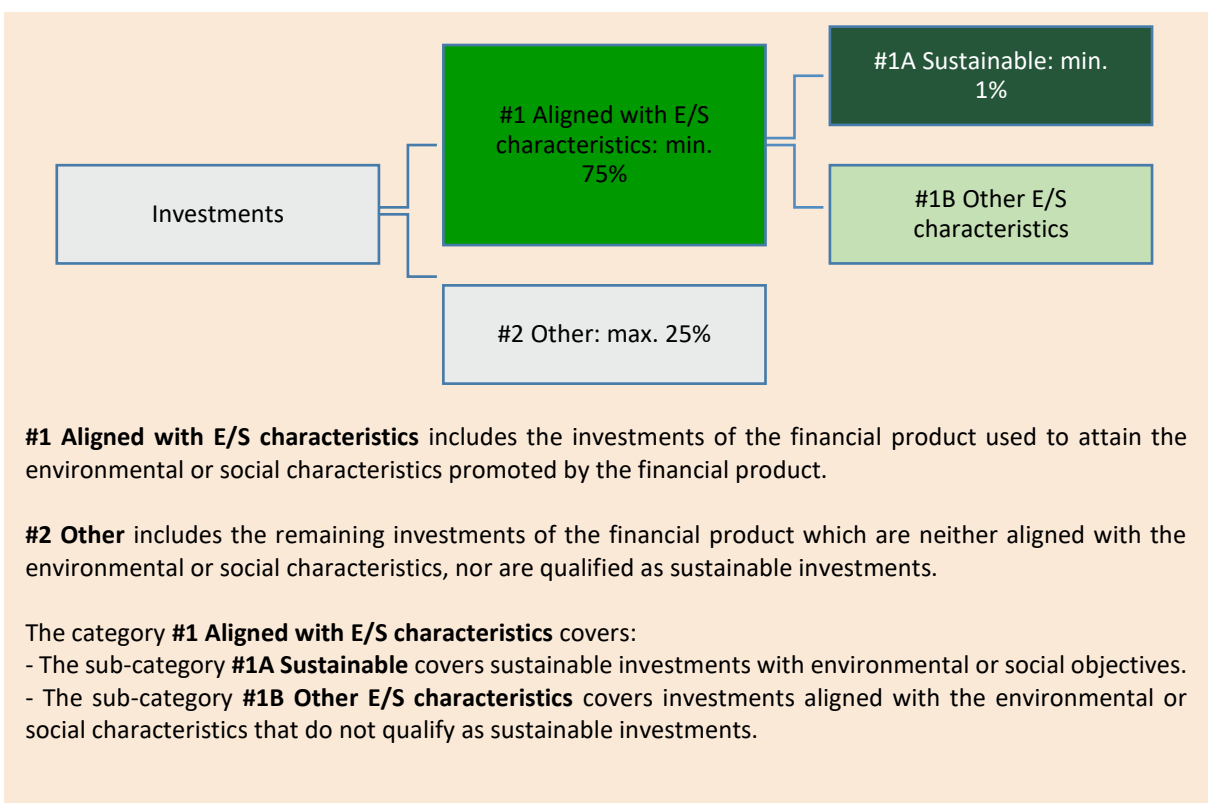


● **What is the policy to assess good governance practices of the investee companies?**

The good governance requirement is not applicable as the Sub-Fund is only investing in sovereign issuers.

What is the asset allocation planned for this financial product?

At least 75% of the investments of the Sub-Fund will be used to meet the environmental or social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy. The Sub-Fund commits to have a minimum of 1% of sustainable investments.



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

The Fund Manager does not use derivatives to attain the environmental or social characteristics of the Sub-Fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

The Sub-Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

The Sub-Fund does not aim or commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The Sub-Fund does not commit to a minimum share in transitional and enabling activities.



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

The Sub-Fund has a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of 1%.



What is the minimum share of socially sustainable investments?

The Sub-Fund does not commit to a minimum share of socially sustainable investments.



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

Under “#2 Other” the Sub-Fund may hold cash, cash equivalents and financial derivative instruments for the purposes of efficient portfolio management and/or risk hedging. It may also include ESG unrated securities for which data needed for the measurement of attainment of environmental or social characteristics is not available. For those investments no environmental or social safeguards are applied.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. Fossil gas criteria include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. Nuclear energy criteria include comprehensive safety and waste management rules. The full criteria are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

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

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

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

Not applicable.

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

Not applicable.



Where can I find more product-specific information online?

More product-specific information can be found on websites:

- <https://www.fdc.lu>
- <https://fdc.public.lu/en/investissement-responsable/approches-durables-gerants-fdc.html>

<i>Schedule of changes:</i>		
<i>V1</i>	<i>October 2023</i>	<i>Initial version</i>
<i>V2</i>	<i>February 2024</i>	<i>Review in terms of form but not content</i>