Sustainability-related disclosures

SSP/M –(PNI) Euro Equity

■ Resume

SSP/M – (PNI) Euro Equity (the "**Sub-Fund**") promotes environmental and social characteristics but does not have a sustainable investment objective.

The Sub-Fund promotes environmental and/or social characteristics by aiming to have a higher ESG score than the ESG score of the MSCI EMU Index (the "**Benchmark**"). In determining the ESG score of the Sub-Fund 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. No ESG reference Benchmark has been designated.

The Investment Manager has developed its own in-house ESG rating process based on the "Best-in-class" approach (the "**Amundi ESG Rating**"). Ratings adapted to each sector of activity aim to assess the dynamics in which companies operate. The Amundi ESG rating 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 Rating scale the securities belonging to the exclusion list 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: these 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 the 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 Amundi ESG Rating 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 reputation, operational efficiency and regulations in respect of an issuer. Amundi ESG Ratings are likely to be expressed globally on the three E, S and G dimensions or individually on any environmental or social factor

The Sub-Fund integrates sustainability factors in its investment process as outlined in more detail in this pre-contractual disclosure template. The Investment Manager uses a combination of overall market data and fundamental analysis of individual issuers to identify equities with superior long-term prospects. The Sub-Fund seeks to achieve an ESG score of its portfolio greater than that of the Benchmark.

■ Sustainable investment objective

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

- follow best environmental and social practices; and
- 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 Investment 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 Investment 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 the 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 www.amundi.lu.

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.

■ Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and/or social characteristics by aiming to have a higher ESG score than the ESG score of the Benchmark. In determining the ESG score of the Sub-Fund 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. No ESG reference Benchmark has been designated.

■ Investment strategy

Objective: This financial product seeks to increase the value of your investment over the recommended holding period.
Investments: The Sub-Fund invests at least 75% of its assets in equities of companies that are based in or do most of their business in Member States that use the euro as their national currency. The Sub-Fund makes use of derivatives to reduce various risks, for efficient portfolio management and as a way to gain exposure (long or short) to various assets, markets or other investment opportunities (including derivatives which focus on equities and foreign exchange).

Benchmark: The Sub-Fund is actively managed and seeks to outperform the MSCI EMU Index. The Sub-Fund is mainly exposed to the issuers of the Benchmark; however, the management of the Sub-Fund is discretionary, and will invest in issuers not included in the Benchmark. The Sub-Fund monitors risk exposure in relation to the Benchmark however the extent of deviation from the Benchmark is expected to be material. The Benchmark is a broad market index, which doe not assess or include constituents according to environmental characteristics, and therefore is not aligned with the environmental characteristics promoted by the Sub-Fund.

Management Process: The Sub-Fund integrates sustainability factors in its investment process as outlined in more detail in this pre-contractual disclosure template. The Investment Manager uses a combination of overall market data and fundamental analysis of individual issuers to identify equities with superior long-term prospects. The Sub-Fund seeks to achieve an ESG score of its portfolio greater than that of the Benchmark.

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

The Sub-Fund as a binding element aims to have a higher ESG score than the ESG score of the MSCI EMU Index.

The Sub-Fund's ESG criteria apply to at least:

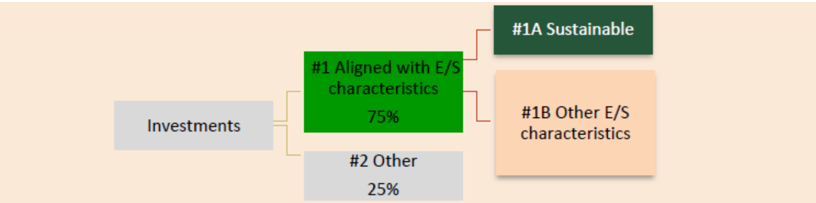
- 90% of equities issued by large capitalization companies in developed countries ; debt securities, Money Market Instruments with an investment grade credit rating ; and sovereign debt issued by developed countries ;
- 75% of equities issued by large capitalization companies in emerging market countries; equities issued by small and mid-capitalization companies in any country; debt securities and money market instrument with a high yield credit rating; and sovereign debt issued by emerging market countries.

To assess good governance practices of the investee companies, Investment Manager has developed an 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, we assess an issuer's ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives (e.g., guaranteeing the issuer's value over the long term). The governance sub-criteria considered are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy. Amundi ESG Rating 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 our investment universe.

Each corporate security (shares, bonds, single name derivatives, ESG equity and fixed income ETFs) included in investment portfolios has been assessed for good governance practices applying a normative screen against UN Global Compact (UN GC) principles on the associated issuer. The assessment is performed on an ongoing basis. Amundi's ESG ratings Committee monthly reviews lists of companies in breach of the UN GC leading to rating downgrades to G. Divestment from securities downgraded to G is carried out by default within 90 days.

Amundi Stewardship Policy (engagement and voting) related to governance complements this approach.

■ Proportion of investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned** with E/S characteristics covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Under normal market conditions, 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 its investment strategy. Furthermore, the Sub-Fund commits to have a minimum of 10% of sustainable investments as per the chart above. 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 10% and may change as the actual proportions of Taxonomy-aligned and/or social investments increase.

The remainder of the investments, a maximum of 25% of the Sub-Fund's investments, will be cash, instruments for the purpose of liquidity and portfolio risk management and ESG unrated securities (#2 Other). It may also include ESG unrated securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

■ Control of environmental or social characteristics of the financial product

All ESG data, either externally or internally processed, is centralised by the Responsible Investment Business line, which is responsible for controlling the quality of the inputs and processed ESG outputs. This monitoring includes an automated quality check as well as a qualitative check from ESG analysts who are specialists of their sectors. ESG scores are updated on a monthly basis within Amundi's proprietary tool Stock Rating Integrator (SRI) module.

Sustainability indicators used within Amundi rely on proprietary methodologies. These indicators are continuously made available in the portfolio management system allowing the portfolio managers to assess the impact of their investment decisions.

Moreover, these indicators are embedded within Amundi's control framework, with responsibilities spread between the first level of controls performed by the Investment teams themselves and the second level of controls performed by the Risk teams, who monitor compliance with environmental or social characteristics promoted by the fund on an ongoing basis

.

■ Methods applicable to environmental or social characteristics

The Amundi ESG rating 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 Rating scale, the securities belonging to the exclusion list 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**: these 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 Amundi ESG rating 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 reputation, operational efficiency and regulations in respect of an issuer. Amundi ESG ratings are likely to be expressed globally on the three E, S and G dimensions or individually on any environmental or social factor.

■ Data sources and processing

The Investment Manager sources the ESG data from 16 main data providers :

The Investment Manager's ESG scores are built using the Investment Manager's ESG analysis framework and scoring methodology. We source data from the following sources for ESG scores: Moody, ISS-Oekem, MSCI, and Sustainalytics.

Data quality controls of external data providers are managed by the Global Data Management unit. Controls are deployed at different steps of the value chain, from pre-integration controls, post-integration ones, to post calculation ones like controls on proprietary scores for instance.

External data are collected and controlled by the Global Data Management team and are plugged into the SRI module.

The SRI module is a proprietary tool that ensures the collection, quality check and processing of ESG data from external data providers. It also calculates the ESG ratings of issuers according to the Investment Manager proprietary methodology. The ESG ratings in particular are displayed in the SRI module to portfolio managers, risk, reporting and the ESG teams in a transparent and user-friendly manner (issuer's ESG rating together with the criteria and the weights of each criterion).

For ESG ratings, at each stage of the calculation process, the scores are normalised and converted into Z-scores (difference between the company's score and the average score in the sector, as a number of standard deviations). Hence each issuer is assessed with a score scaled around the average of their sector, enabling to distinguish best-practices from worst practices at sector level (Best-in-Class approach). At the end of the process, each issuer is assigned an ESG score (approximately between -3 and +3) and the equivalent on a letter scale from A to G, where A is the best, and G the worst.

Data is then disseminated via Alto front office to portfolio managers and is monitored by the risk team.

ESG scores utilize data derived from external data providers, internal ESG assessment/research conducted by the Investment Manager, or through a regulated third party recognised for the provision of professional ESG scoring and assessment. Without mandatory ESG reporting at company level, estimations are a core component of data providers' methodology.

■ Limits to methods and data

Our methodology limitations are by construction linked to use of ESG data. The ESG data landscape is currently being standardised 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.

■ Due diligence

Each month, the ESG scores 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 that may include (but are not limited to): the main significant variations of the ESG score, the list of the new names with a bad score, the main divergence of score between 2 providers. After this review the analyst can override a score from the calculated score which is validated by the management of the team and is documented by a note stored in Amundi database iPortal. This can also be subject to a validation of the ESG Rating Committee.

The investment management team is responsible for defining the investment process of the product, including the design of the appropriate risk framework in collaboration with the investment risk teams. In this context, Amundi has an investment guideline management procedure as well as a breach management procedure applying across all operations. Both procedures reiterate strict compliance with regulations and contractual guidelines. Risk managers are in charge of monitoring breaches on a day-to-day basis, alerting fund managers and requiring that portfolios are brought back into compliance as soon as possible and in the best interest of investors.

■ Commitment policies

Amundi engages investee or potential investee companies at the issuer level regardless of the type of holdings held (equity and bonds). Issuers engaged are primarily chosen by the level of exposure to the subject of engagement, as the environmental, social, and governance issues that companies face have a major impact on society, both in terms of risk and opportunities.

■ Designated benchmark

No benchmark has been designated for the environmental or social characteristics promoted by the financial product.