

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:
BFT MONETAIRE COURT TERME ISR CLIMAT

Legal entity identifier:
9695002LOWSUUCMG6ID56

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 20 % 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 UCI applies an environmental thematic approach aimed at composing a portfolio with the objective of achieving carbon neutrality by 2050.

In addition to this environmental aspect, the management team also integrates sustainability factors into its investment process by considering the issuers' ESG rating in order to exclude the least virtuous issuers in terms of the three aspects (environmental, social and governance). The ESG analysis of issuers seeks to assess their ability to manage the potential adverse impact of their activities on sustainability factors.

The aim of the analysis is to evaluate their ESG performance by assigning them an ESG rating ranging from A (best rating) to G (worst rating), so that a broader risk assessment may be carried out. This analysis includes a set of generic criteria applicable to all issuers as well as criteria specific to each sector, based on a "best-in-class" approach.

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

- ***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 are as follows:

- carbon intensity:
 - o on the one hand, the carbon intensity of the portfolio must always be 30% lower than that of the investment universe.
 - o on the other hand, the carbon intensity trajectory of the portfolio must always be lower than the carbon intensity trajectory of the investment universe.
- ESG rating: the average ESG rating of the portfolio must be higher than the average ESG rating of the investment universe after eliminating at least 25% of the lowest-rated issuers.

A company's carbon intensity, or the measurement greenhouse gas emissions, is expressed in tonnes of CO2 equivalent per million euro of turnover. It includes the six greenhouse gases defined in the Kyoto Protocol (to the United Nations Framework Convention on Climate Change), whose emissions are converted into global warming potential (GWP) in CO2 equivalent. It is measured using three subsets, known as Scopes:

- Scope 1: All direct emissions from sources owned or controlled by the company.
- Scope 2: All indirect emissions resulting from the purchase or production of electricity, steam or heat.
- Scope 3: All other indirect emissions, upstream and downstream of the value chain. For reasons of data robustness, we are choosing to only use emissions from activities upstream of Scope 3.

Source: S&P Trucost data, whose methodology is based on the Greenhouse Gas Protocol

However, this process is completed for financial sector issuers who are mainly invested in the portfolio and whose indirect emissions are inherently difficult to assess. The following additional constraints are retained in order to have a solid process for assessing these issuers' carbon emissions. To be eligible, they must be:

- a member of a Net Zero alliance: Net-Zero Banking Alliance, Net-Zero Asset Owner Alliance
 - or committed to the Science-Based Targets Initiative (SBTi): committed or target set
 - or: if neither of the two points above are met, BFT carries out a qualitative analysis of any climate commitments announced by the issuer to assess their credibility and implementation.
- In addition, commitment will be sought systematically from financial issuers as regards their transition plans.

In terms of ESG rating, the group we belong to, Amundi, has developed its own internal ESG rating process based on the "best-in-class" approach and this is the rating methodology we apply. Ratings are adapted to each sector in order to assess the dynamics in which the companies operate.

Amundi's seven ESG ratings are used to determine the ESG score range from A (the best score in the investment universe) to G (the worst score).

For corporate issuers, ESG performance is broadly assessed according to the relevant criteria by comparison with the average performance for their business sector, by combining the three ESG aspects:

- the environmental aspect: this examines the issuer's ability to mitigate its direct and indirect impact on the environment by limiting its energy consumption, reducing its greenhouse gas emissions, combating resource depletion and protecting biodiversity;
- the social aspect: this measures how an issuer operates on the basis of two distinct concepts: the issuer's strategy for developing its human capital and its respect for human rights in general;
- the governance aspect: this assesses the issuer's ability to lay the foundations for an effective corporate governance framework and to generate value over the long term.

The ESG rating methodology applied by Amundi is based on 38 criteria that are either generic (common to all companies regardless of their line of business) or sector specific, weighted by sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. Amundi's ESG ratings may be expressed globally based on the three E, S and G aspects or individually based on any of the environmental or social factors.

● ***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 objective of sustainable investments at Amundi is to invest in companies and/or economic players with business models and activities that contribute to supporting positive environmental or social objectives, by meeting two criteria:

1. They follow good environmental and social practices; and
2. They do not produce products or provide services that are harmful to the environment or society.

For a company and/or economic player to be deemed to contribute to the above objective, it must be the "best" in its business sector for at least one of its material environmental or social factors.

The definition "best" is based on Amundi's proprietary ESG methodology, which seeks to measure a company's ESG performance. To be considered the "best", a company must be scored the highest among the top three ratings (A, B or C, on a rating scale from A to G) in its sector for at least one major environmental or social factor. Major environmental and social factors are identified at the sector level. The identification of major factors is based on Amundi's ESG analysis framework, which combines non-financial data and a qualitative analysis of the associated sector-based and sustainability themes. Factors identified as major account for more than 10% of the overall ESG score. For the health sector for example, these major factors are: emissions and energy, biodiversity and pollution, working conditions, product and customer responsibility, and community engagement and human rights. For a more complete overview of the sectors and factors, please refer to Amundi's ESG Regulatory Statement available at www.amundi.fr

The sustainability of an investment is assessed at company level. To be deemed a sustainable investment, a company must meet the above objectives and must not have significant exposure to activities that are considered to be incompatible with the long-term sustainable development goals (i.e. production and distribution of carbon-intensive energy, tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticide production, manufacture of single-use plastics).

● ***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?***

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.

To ensure that sustainable investments do not cause significant harm ("do no significant harm" or "DNSH"), Amundi uses two filters:

- The first DNSH filter is based on monitoring the mandatory indicators for the principal adverse impacts set out in Table 1 of Annex I of the RTS
 - o Where reliable data are available (e.g. the greenhouse gas or GHG intensity of companies) through a combination of indicators (e.g. carbon intensity) and specific rules or thresholds (e.g. that the carbon intensity of the company is not in the bottom decile for the sector).
 - o Amundi already takes into account specific principal adverse impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal, unconventional fuels and tobacco.

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

- The objective of the second filter is to verify that a company does not perform poorly from an overall environmental or social standpoint compared to other companies within its sector. This corresponds to an environmental or social score of E or higher using Amundi's ESG rating scale.

This approach is specific to investments in securities. With respect to investments in funds managed by third-party managers, Amundi relies on the policies applied by the external manager.

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

At Amundi, the adverse impact indicators are taken into account as detailed in the first DNSH filter above.

The first DNSH filter is based on monitoring the mandatory indicators for the principal adverse impacts set out in Table 1 of Annex I of the RTS, where reliable data are available through a combination of indicators and the following specific rules or thresholds:

- Have a CO₂ intensity that is not in the bottom decile of companies in its sector (only applies to high-intensity sectors), and
- Have a Board of Directors, the diversity of which is not in the bottom decile of companies in its sector, and
- Not be the subject of controversies concerning working conditions and human rights,
- Not be the subject of controversies concerning biodiversity and pollution.

Amundi already takes into account specific principal adverse impacts in its exclusion policy as part of its Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal, unconventional fuels 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? Details:

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into Amundi's ESG rating methodology. Our proprietary ESG rating tool assesses issuers using data available from our data providers. For example, the model includes a dedicated criterion called "Community engagement and human rights". This

applies to all sectors together with other human rights criteria, including socially responsible supply chains, working conditions and labour relations. In addition, controversy monitoring is carried out at least once a quarter and includes companies that have been flagged for human rights violations. When controversies arise, analysts assess the situation and assign it a rating (using our proprietary scoring methodology) to determine the best course of action. Controversy ratings are updated quarterly to keep track of developments and remediation efforts.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives. It 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 financial product takes into account all of the mandatory principal adverse impacts set out in Table 1 of Annex I of the RTS applicable to the strategy of the financial product. It relies, directly or indirectly, on a combination of exclusion policies (norm-based and sector-based), the integration of ESG ratings within the investment process, and engagement and voting approaches:

- **Exclusion:** Amundi has defined rules for norm-based exclusions based on activity and sector, covering some of the main negative sustainability indicators listed in the SFDR Regulation.
- **Integration of ESG factors:** Amundi has adopted the minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G-rated issuers and weighted average ESG score above the applicable reference benchmark). The 38 criteria used in Amundi's ESG rating approach have also been designed to take into account the key impacts on sustainability factors, as well as the quality of mitigation measures taken in this regard.
- **Engagement:** Engagement is an ongoing, targeted process aimed at influencing the activities or behaviour of companies. The aim of engagement can be divided into two categories: engaging with an issuer to improve how it integrates the environmental and social aspects, and engaging with an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues of importance to wider society and the global economy.
- **Voting:** Amundi's voting policy is based on a holistic analysis of all the long-term issues that could influence value creation, including material ESG issues. For more information, please see Amundi's Voting Policy¹.
- **Controversy monitoring:** Amundi has developed a controversy monitoring system that uses three external data providers to systematically monitor the development of controversies and their level of severity. This quantitative approach is reinforced by an in-depth assessment of each severe controversy by ESG analysts, followed by a periodic review of any developments. This approach is applied to all Amundi funds.

For details on how to use the mandatory indicators for the principal adverse impacts, please refer to Amundi's ESG Regulatory Statement available at www.amundi.fr

¹ <https://about.amundi.com/files/nuxeo/dl/0522366c-29d3-471d-85fd-7ec363c20646>

☐ No



What investment strategy does this financial product follow?

The strategy is to outperform the capitalised €STR by investing in money market instruments and debt securities allowing the net asset value to grow as steadily as possible. In addition, the SICAV implements approaches to socially responsible investment and carbon intensity reduction that aim to reach net zero by 2050.

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

● ***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?***

The UCI first fully applies the Amundi exclusion policy:

- regulatory exclusions on controversial weapons,
- exclusion of companies in breach of the United Nations Global Compact,
- Amundi Group sector-based exclusions on fossil fuels (e.g. coal and unconventional hydrocarbons), tobacco and weapons (e.g. nuclear weapons and depleted uranium weapons).
- exclusion of issuers rated G at purchase;

Details of this policy can be found in the Amundi Group Responsible Investment Policy available on the website at www.bft-im.fr

The UCI also excludes companies involved in activities considered as non-compliant with the Paris Climate Accords (coal mining, oil extraction etc.). These exclusions are provided for in Article 12, paragraph 1, points (a) to (g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

In addition, the UCI applies the exclusions in Appendix 7 of the SRI label framework. Details of the exclusions are available on the label website:

https://www.llelabelisr.fr/wp-content/uploads/EN_Referentiel-Label-ISR-mars24.pdf

The UCI also applies the following rules:

- exclusion of issuers rated F;
- the "rating improvement" approach: the weighted average ESG rating of the portfolio must be higher than the weighted average ESG rating of the investment universe of the UCI after eliminating the 25% lowest-rated issuers. From 01/01/2026, this percentage of lowest-rated securities will increase to 30%;
- at least 90% of the securities in the portfolio are ESG rated.

Lastly, under the SRI label, the UCI must outperform the investment universe on the following two sustainability indicators relating to adverse impacts:

1. Greenhouse gas (GHG) emission intensity of the investee companies (tCO₂e/€m turnover);
2. Board gender diversity (average rate).

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

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

There is no committed minimum rate to reduce the scope of these investments.

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

To assess good governance practices of the companies, Amundi has developed an ESG rating methodology. Amundi's ESG rating is based on a proprietary ESG analysis framework, which takes into account 38 general and sector-based criteria, including governance criteria. For the governance aspect, we assess the issuer's ability to provide an effective corporate governance framework that ensures that it will achieve its long-term objectives (e.g. that maintains the issuer's value over the long term). The governance sub-criteria taken into account are: the board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy. Amundi's ESG rating scale consists of seven ratings, ranging from A to G, where A is the best rating and G is the worst. G-rated companies are excluded from the investment universe.

Each corporate security (shares, bonds, single-issuer derivatives, ETF shares and ESG bonds) included in the portfolios has been assessed for good governance practices by applying a filter for compliance with United Nations Global Compact (UNGC) principles to the issuer in question. The assessment is ongoing. Every month, Amundi's ESG Rating Committee reviews the lists of companies that do not comply with the UNGC and are therefore downgraded to a G rating. Investment is systematically withdrawn from G-rated securities within a period of 90 days.

This approach is supplemented by Amundi's Management Policy (engagement and voting) relating to governance.

This approach is specific to investments in securities. With respect to investments in funds managed by third-party managers, Amundi relies on the policies applied by the external manager.



Asset allocation
describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

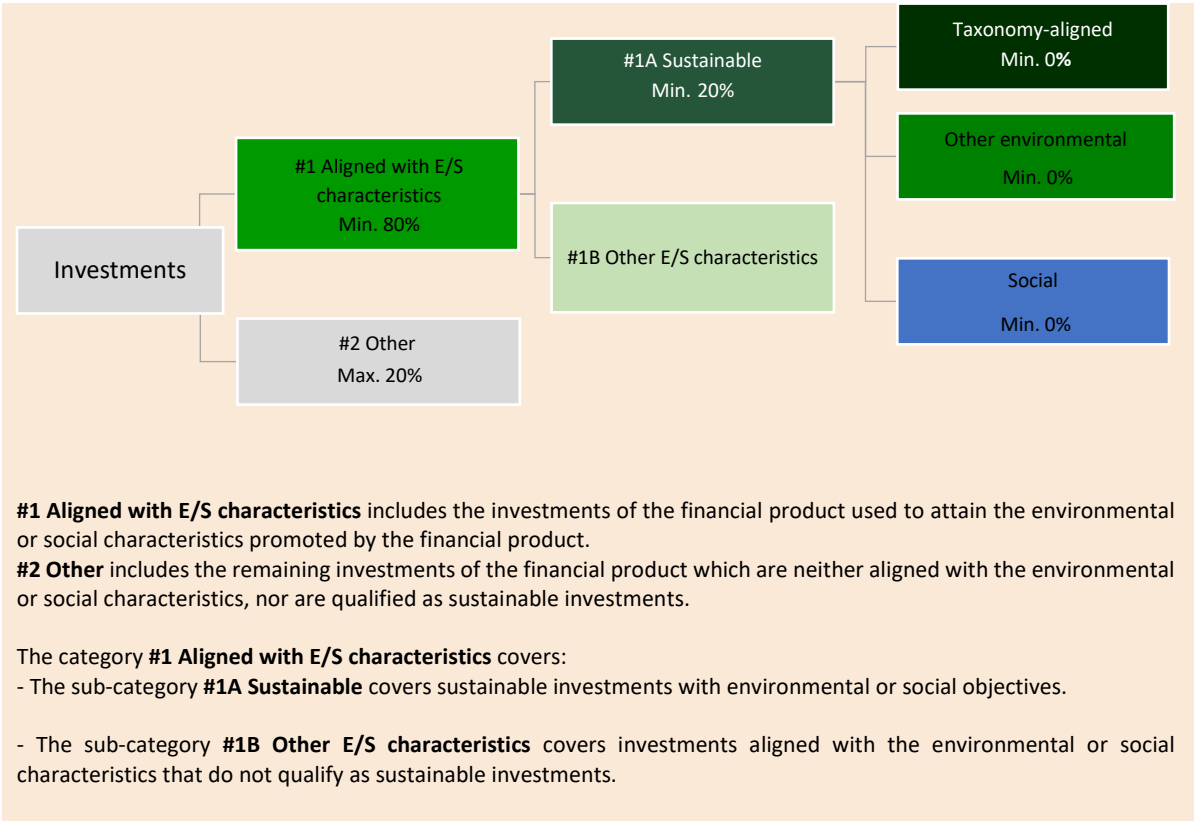
At least 80% of the UCI's securities and instruments undergo ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in line with the binding elements of the investment strategy. In addition, the UCI undertakes that sustainable investments will account for at least 20% of net assets.

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.



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

Derivatives are not used to attain the ESG objective of the UCI.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is currently no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

As illustrated below, there is no commitment to making Taxonomy-compliant investments in fossil gas and/or nuclear energy. However, as part of the investment strategy, investments may be made in companies that are also active in these sectors. Such investments may or may not be aligned with the Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

☐ Yes:

☐ In fossil gas In nuclear energy

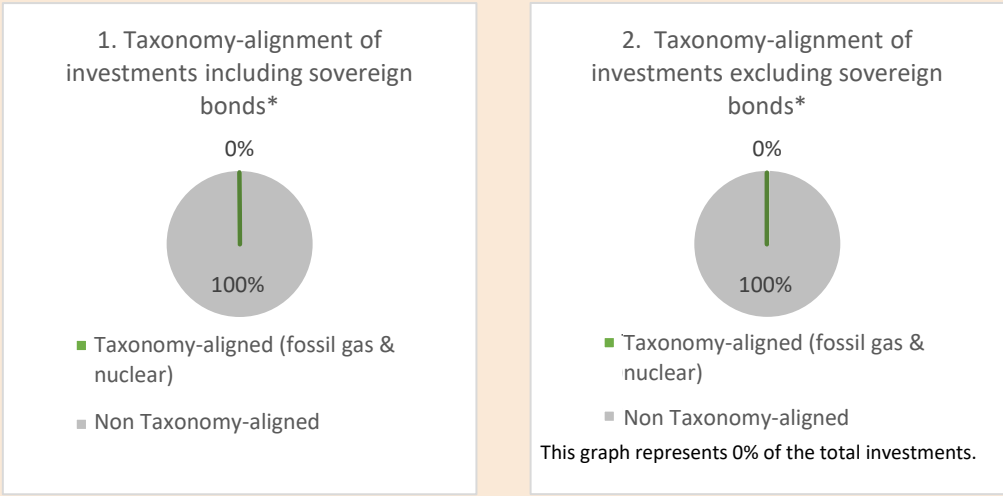
☒ No

² 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. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

There is no minimum share of investments in transitional and enabling activities.

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



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

The UCI does not currently have any minimum commitment to sustainable investments with an environmental objective not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The UCI does not have a minimum share of sustainable investments with a social objective.



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

"#2 Other" consists of cash and instruments used for liquidity and portfolio risk management purposes. The category may also include securities without an ESG rating for which data needed to measure the attainment of environmental or social characteristics are not available.

There are no minimum environmental or social safeguards.



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?

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

The reference benchmark does not evaluate or include its components according to these environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted in the portfolio.

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

N/A

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

N/A

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

N/A

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

N/A



Where can I find more product-specific information online?

More product-specific information can be found on the website: www.bft-im.fr