

SFDR Annex 12 - 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:
CPR INVEST – CLIMATE BONDS EURO

Legal entity identifier:
549300XNSHIM2WL4TM69

Environmental and/or social characteristics

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.

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 40 % 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 sustainable investments**



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

The Compartment promotes environmental and/or social characteristics by aiming to have a higher ESG score than the ESG score of the Bloomberg Barclays Euro-Agg Corporate Total Return Index (the “Reference Index”).

In determining the ESG score of the Compartment and the Reference Index, 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 Reference Index 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 Compartment. No ESG reference benchmark has been designated.

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 indicator used is the ESG score of the Compartment that is measured against the ESG score of the Reference Index of the Compartment.

CPR Asset Management relies on Amundi’s in-house ESG rating process based on the “Best-in-class” approach. 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: 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.

Our ESG analysis framework includes 38 criteria, 17 of which are general (common to all companies regardless of their activity), and 21 specific (applicable to certain sectors only). To be effective, ESG analysis focus on the most material criteria according to the company's activity and sector. Therefore, The weighting of ESG criteria is a crucial element of our ESG analysis framework. To this end, we have distinguished 68 sectors with a specific materiality grid for each and for which the criteria deemed most important are weighted. The weighting may vary significantly from one sector to another. Exceptionally, a component may have a weighting of less than 20%. ESG analysts review the selection and weighting of criteria for each business sector at least every 18 months. This ensures that the criteria and their weightings remain relevant.

For more information on Amundi's ESG assessment methodology, please refer to Amundi's Responsible Investment Policy available at <http://www.cpram.com> (ESG Documentation section).

● ***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 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 Amundi'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 Amundi 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 Sustainable Finance Regulation Disclosure Statement available at <http://www.cpram.com>.

To contribute to the above objectives, the investee company shall 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.

Principal adverse impact are the most significant negative impacts of investment decision 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?***

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

- The first DNSH test filter relies on monitoring the mandatory Principal Adverse Impacts indicators in SFDR Annex 1, Table 1 of the RTS where robust data is available (e.g. Greenhouse Gas intensity of investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company's carbon intensity does not belong to the last decile of the sector).
Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, Violations of UN Global Compact principles, coal and tobacco.
- Beyond the specific sustainability factors covered in the first filter, Amundi has defined a second filter, which does not take the mandatory Principal Adverse Impact indicators above into account, in order to verify that the company does not badly perform from an overall environmental or social standpoint compared to other companies within its sector which corresponds to an environmental or social score superior or equal to E using Amundi's ESG rating.

– *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 do no significant harm (DNSH) filter above:

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

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

- Be cleared of any controversy in relation to work conditions and human rights, and
- Be cleared of any controversy in relation to biodiversity and pollution.

Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, Violations of UN Global Compact principles, coal 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 our ESG scoring methodology. Our proprietary ESG rating tool assesses issuers using available data from our data providers. For example the model has a dedicated criteria called "Community Involvement & Human Rights" which is applied to all sectors in addition to other human rights linked criteria including socially responsible supply chains, working conditions, and labor relations. Furthermore, we conduct controversy monitoring on a, at minimum, quarterly basis which includes companies identified for human rights violations. When controversies arise, analysts will evaluate the situation and apply a score to the controversy (using our proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

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 not 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 Compartment considers all the mandatory Principal Adverse Impacts applying to the Compartment's strategy and relies on a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches.

- Exclusion: Amundi 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: Amundi has adopted minimum ESG integration standards applied by default to its actively managed open-ended funds (exclusion of G rated issuers and better weighted average ESG score higher than the applicable benchmark). The 38 criteria used in Amundi ESG rating 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, 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.
- Vote: Amundi's voting policy responds to an holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information please refer to Amundi's Voting Policy .
- Controversies monitoring: Amundi 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 ESG analysts and the periodic review of its evolution. This approach applies to all of CPR Invest's Compartments.

For more information on the consideration of Principal Adverse Impacts, please refer to Amundi Sustainable Finance Disclosure Regulation Statement available at <http://www.cpram.com> (ESG Documentation section).

☐ No



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 Compartment's objective is to outperform the Reference Index, over the recommended holding period (at least 3 year), while integrating Environmental, Social and Governance criteria in the investment process.

The Compartment's sustainable investment is focused on tackling climate change and aims to obtain a lower carbon intensity than its Reference Index as well as to follow a decarbonization trajectory.

Benchmark: BLOOMBERG BARCLAYS EURO-AGG CORPORATE. The Compartment seeks to outperform the Reference Index and is used for portfolio construction.

- ***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 Compartment are subject to the ESG Criteria. This is achieved through the use of Amundi's proprietary methodology and/or third party ESG information.

The Compartment first applies Amundi's exclusion policy including the following rules:

- legal exclusions on controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons and depleted uranium weapons, etc.);
- companies that seriously and repeatedly violate one or more of the 10 principles of the Global Compact, without credible corrective measures;
- the sectoral exclusions of the Amundi group on Coal and Tobacco (details of this policy are available in Amundi's Responsible Investment Policy available on the website of <http://www.cpram.com>).

In addition, the Compartment does not invest in companies deemed not compatible with the objective of the Paris Climate Agreement to limit global warming (carbon emission, gas, oil...). These exclusions are provided for in Art. 12 (1) (a) to (g) of the CDR 2020/1818.

However, the Compartment can invest in green, social and sustainability bonds issued by companies involved in activities considered not aligned with the Paris Climate Agreement provided that the projects financed by those issuers are aligned with the above-mentioned exclusions. As an exception to this, the exclusion of companies found in violation of the UNGC principles or the OECD Guidelines for Multinational Enterprises will be applied at the level of the issuers.

For more information, please refer to section 4.10. "Guidelines on funds 'names using ESG or sustainability-related terms'".

Carbon intensity objective, criteria and carbon offsetting mechanism :

The Compartment's sustainable investment is focused on tackling climate change and aims to obtain a lower carbon intensity than its Reference Index and to follow a decarbonization trajectory through its investment process.

The investment process implemented aims to build a portfolio that incorporates the two following constraints:

- Its carbon intensity must be, at any time, 20% lower compared to that of the Reference Index which is representative of its investment universe (before applying its carbon footprint offsetting mechanism; and
- Its carbon intensity trajectory compared to that of the Reference Index calculated in 2019 must be 30% lower and aims to be 60% lower in 2030.

The measurement of carbon emissions (carbon intensity, expressed in tons of CO2 equivalent per million euros of revenue) is carried out with regard to its direct emissions (scope 1), indirect emissions (scope 2), and all other indirect emissions upstream in the value chain (scope 3). For reasons of data robustness, we choose to use only emissions from upstream activities within scope 3.

Limitation of the approach: the stated objectives depend on the companies themselves and their own goals and trajectories. The Compartment is committed to an ambition of decarbonizing society, but this can in no way constitute a guarantee or any obligation of results.

To avoid a situation that would consist solely of underweighting or divesting from sectors with high carbon intensity, the Compartment has a minimum investment constraint these high emitting sectors that have a significant impact on climate change and its mitigation: the sum of the weights of these high emitting sectors in the portfolio must be greater than 75% of the sum of the weights of these same sectors within the Reference Index. Amundi definition of High-Emitting Sectors is based on the GICS MSCI classification and differs from the classification in Benchmark Regulation (CO) no. 1893/2006, which is based on NACE codes sections A to H and section L.

The Compartment measures greenhouse gas emissions by an investee company by taking into account:

- direct emissions from companies
- indirect emissions due to the company's activity; and
- indirect emissions due to the use of the products sold.

In addition to the above, the Compartment applies a mechanism that offsets the remaining carbon footprint that has been set up by the Management Company.

The offsetting of the Compartment carbon footprint may be considered partial insofar as the Management Company does not offset the carbon emissions associated with financial contracts held in the Compartment's assets (as derivatives).

The measurement of greenhouse gas emissions (expressed as CO₂ emission equivalent) by a company can be performed by distinguishing three subsets ('Scopes'):

- Scope 1 concerns direct emissions from companies (such as fuel consumption);
- Scope 2 concerns indirect emissions due to the company's activity (for example the fuel consumption of the electricity supplier); and
- Scope 3 concerns indirect emissions due to the use of the products sold (such as fuel oil consumption by the customer's electricity supplier as a result of the use of the product).

Scopes 1, 2 and 3 will be taken into account when compensating the Compartment's carbon footprint. For reasons of robustness of Scope 3 data, only upstream emissions related to first-tier suppliers are taken into account (first-tier suppliers are those with whom the company has a privileged relationship and can directly influence).

In the current state of the available data, the CO₂ emissions associated with Scope 3 are incomplete, and can only be estimated.

The estimation of the Compartment's carbon footprint will be calculated each time the portfolio's securities are reallocated. The estimated average carbon footprint of the Compartment over this period will be calculated as the weighted average of assets under management multiplied by the carbon footprint level associated with the portfolio.

The source of the data on which the carbon footprint calculation is based is Trucost (www.trucost.com).

This carbon footprint offsetting mechanism will be made through the use Verified Emission Reduction units ('VERs') that meets the highest standards of market certification (VCS, Gold standard in particular) and that are listed with a recognized independent register (as Markit).

VERs correspond to carbon credits generated by a project that has a positive impact on reducing CO2 emissions according to a voluntary market standard. One VER is equivalent to 1 ton of CO2 emissions.

By the end of each accounting year of the compartment, the Management Company will ask an intermediary to offset the Compartment's carbon footprint with the central registrar, which issues a confirmation and a carbon offset certificate. All carbon credits acquired will be cancelled, thereby materializing the carbon footprint offsetting. In order to avoid the risk of fraud and double counting, each VER has a unique serial number. The central registry may be consulted publicly, online, to verify ownership of VERs.

At the date of entry into force of this carbon footprint offsetting mechanism, the chosen projects are:

- FLORESTA DE PORTEL: Forest conservation and biodiversity protection project, located in Brazil
- GANDHI WIND: Renewable energy development project, located in India

The Management Company reserves the right to use other underlying projects of VER.

Furthermore, in case of exceptional events (war, political issue, fraud etc.) affecting the underlying projects on which the carbon offsetting mechanism is based, the Management Company may withdraw the VERs issued.

The Management Company will allocate a portion of the net management fees it collects to the Compartment's carbon footprint offset service calculated and accrued during the period. The cost of this service will represent a maximum of 0,50% of the compartment's net assets.

The numerical example below illustrates the calculation of the carbon footprint of a portfolio as well as the methodology used to determine the quantity of VERs to be acquired for the purpose of offsetting this carbon footprint:

The example has been prepared on the basis of another fund managed the Management Company (the "Mock Fund") the accounting year of which ends in March.

- Carbon credit purchase program

The Management Company has made a contractual commitment with its supplier Ecoact to purchase carbon credits to offset the carbon footprint of its funds. The program involves the purchase of VERs, over a given period and at a fixed price.

With respect to the Mock Fund, 2 projects are assigned to the carbon offsetting of the fund. These 2 projects provide for the purchase of 22,000 VERs / year over a period of 5 years (2020 to 2024) at a fixed price of EUR 4.05 per VER.

The carbon credits acquired are recorded as assets on the Management Company balance sheet (inventory account).

In 2020 (date of the 1st purchase), 22,000 VERs have been purchased for an amount of EUR 89,100.

The carbon credits yet to be acquired as part of the purchase program are noted in off-balance sheet.

- Calculation of the Fund's carbon footprint

At the end of each quarter, for each of the relevant funds with carbon offsetting strategy, the chief financial officer of the Management Company retrieves the average carbon footprint expressed in tCO₂/M€ invested and the average AuM, for each of the months following the beginning of the accounting year.

The total footprint of the portfolio is calculated as follows:

In the case of the Mock Fund, for the period from 30 March 2020 (launch of the carbon offsetting strategy of the fund) until 30 June 2020:

- Average footprint in tCO₂/M€: 81.28
- Average AUM in €m: 39.05
- Total carbon footprint: 3174 (in VER quantity)
- Amount of corresponding carbon credits: EUR 12853 (3174 *4.05)

The relevant amount is sent to the accounting department of the Management Company for recognition as an expense for this amount, prorated over the period in question.

As of 30 June 2020, the charge recognized is EUR 3,213 (12,853 reduced to a period of 3 months).

This result is then carried out on the basis of carbon footprint and AuM data, for the periods of:

- 30 March 2020 to 30 September 2020
- 30 March 2020 to 31 December 2020
- 30 March 2020 to 31 March 2021 (accounting year closing date)

In our example, over the last financial year of the Mock Fund:

- Average footprint in tCO₂/M€: 86.2
- Average AUM in M€: 86.26
- Total carbon footprint: 7433 (in VER quantity)
- Amount of corresponding carbon credits: EUR 30103 (7433 *4.05)

• Carbon offset

At the end of the accounting year, the quantity of VERs determined to completely offset the carbon footprint of the Mock Fund is submitted by the chief finance officer of the Management Company to the carbon offset committee which, after verification, approves the amount of VERs to be determined.

The data is transmitted to Ecoact for issuance of carbon offsetting certificates. External and internal registers are updated on this basis. As such, the quantity of VERs needed to fully offset the carbon footprint of the Mock Fund in its first financial year is 7,433. 3,717 VERs from project 1 and 3,716 from project 2 have been used. The new available stock has been updated in the registers.

On 31 March 2021, in the accounts of the Management Company, the charge recognized on 31 December 2020 is replaced by a new charge of EUR 30,103.

At the start of the following financial year, the calculations resume on the basis of what is described above.

Shareholders will be informed on-going of the carbon offsetting of the Compartment through the following reports:

- Monthly reporting of the performance: comparison of the carbon footprint of the portfolio against that of the Reference Index (with the details of the scope 1 to 3) ;
- Annual Fund impact report and dedicated page on the Management Company's website:
 - Description of the three stages of the overall process (selection of "virtuous" securities, description of the objective of reducing the carbon footprint of the Compartment against the Reference Index followed by a compensation of the residual footprint by using the carbon offset mechanism) ;
 - Description of the carbon offset mechanism ;
 - Results of the past accounting year and effective use of the carbon offset mechanism over the past accounting year (Compartment footprint against Reference Index and carbon credits used) ;
 - Presentation of the underlying projects linked to the carbon credits used.

Additional ESG approach:

At least 90% of portfolio securities are analyzed by the CDP or registered in the SBT initiative and have an ESG score.
The Compartment as a binding element aims to have a higher ESG score than the ESG score of the Reference Index

The Management Company integrates an additional ESG approach by analysing companies that have already been selected on the basis of its internal ESG analysis methodology and excluding those based on the following:

- the lowest Amundi overall ESG scores (i.e., F and G on a scale from A to G)
- the lowest scores (i.e., F and G on a scale from A to G) on the Environmental component of Amundi's overall ESG scores
- ESG controversies deemed to be severe

Depending on the improvement of data availability and consistency, the Management Company may use additional complementary data it considers to fine-tune the way it identifies companies that are in the best position to tackle climate change.

As part of the SRI label, the Compartment undertakes to:

- reduce the investment universe by at least 30% based on its Climate methodology, its own internal ESG analysis methodology, and exclusions related to the ISR France label and activities considered not to be aligned with the Paris Climate Agreement
-
- have a higher score than the Reference Index on the two following sustainable indicators concerning the Principal Adverse Impact:
 - * GHG intensity of investee companies (tCO₂e/M€ sales)
 - * Part of investments in companies without carbon emissions reduction initiatives (%)
- exercise at least 90% of its voting rights at general meetings for both French and non-French companies.

The coverage rate of these sustainability indicators meets the requirements of the SRI Label.

A detailed description of the investment universe construction and the Compartment's socially responsible investment policy is available on the Company's website <http://www.cpram.com> (Specific Documentation ISR France Label).

Limits to the ESG approach:

The best-in-class approach does not exclude any sector of activity in principle. All economic sectors are therefore represented in this approach and the Compartment may therefore be exposed to some controversial sectors. In order to limit the potential non-financial risks for these sectors, the Compartment applies the exclusions set out above.

- ***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 minimum committed rate for the Compartment.

Good governance

practices include sound management structures, employees' relations, remuneration of staff and tax compliance.

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

We rely on Amundi Group ESG scoring methodology. Amundi Group'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 Group 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.



Asset allocation describes the share of investments in specific assets.

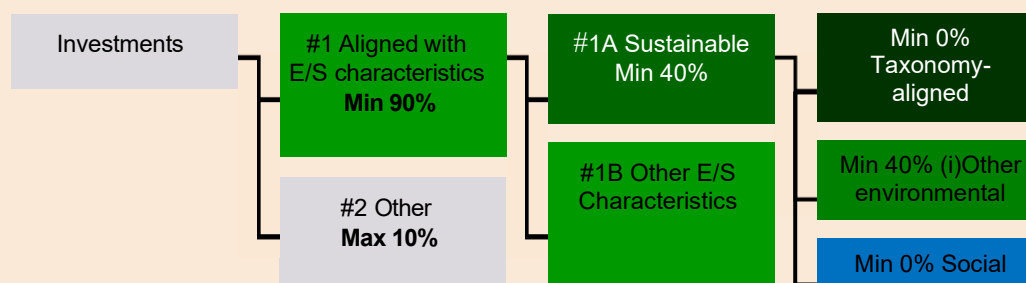
Taxonomy-aligned activities are expressed as a share of:

- **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.

What is the asset allocation planned for this financial product?

At least 90% of the Compartment's securities and instruments will be used to meet the promoted environmental or social characteristics in accordance with the binding elements of the investment strategy of the Compartment.

Furthermore, the Compartment commits to have a minimum of 40% of sustainable investments as per the below chart. Investments aligned with other E/S characteristics (#1B) will represent the difference between the actual proportion of investments aligned with environmental or social characteristics (#1) and the actual proportion of sustainable investments (#1A). The planned proportion of the other environmental investment represents a minimum of 40% (i) and may change as the actual proportions of Taxonomy-aligned and/or Social investments increase.



#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.

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

Derivatives are not used to attain the environmental and social characteristics promoted by the Compartment.



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

The Compartment currently has no minimum commitment to 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?**

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

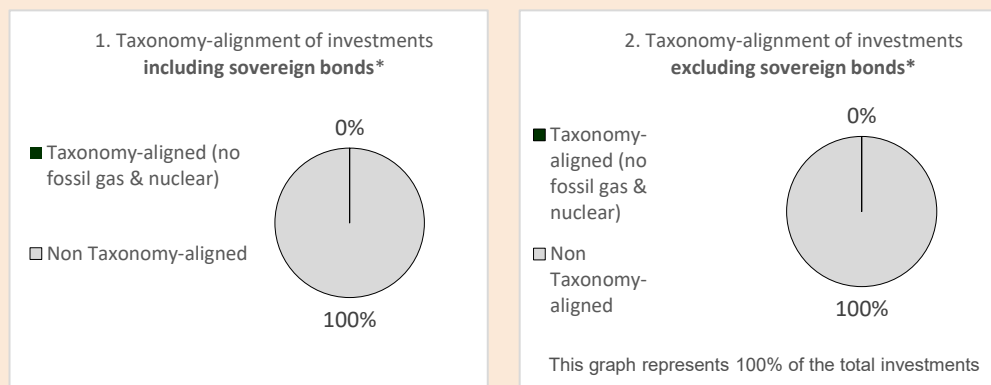
¹Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

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?**

The Compartment has no minimum proportion of investment in transitional or enabling activities

 are environmentally sustainable investments 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 Compartment has a minimum commitment of 40% of Sustainable Investments with an environmental objective with no commitment on their alignment with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Compartment has no minimum defined minimum share.



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

Included in “#2 Other” are cash and instruments for the purpose of liquidity and portfolio risk management. It may also include ESG unrated securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

Investors should note 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.



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?

This Compartment does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental 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

- ***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: <http://www.cpram.com>