

3/ Pre-contractual disclosure template (Article 8 SFDR)

**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:**  
SSP / M – (PNI) Euro Equity

**Legal entity identifier:**  
213800D6EXNMZRBFA182

## 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 10% 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 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.

### 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 that is measured against the ESG score of the Benchmark of the Sub-fund. 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: 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 the capability of the issuer to ensure the basis for an effective corporate

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

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.

**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:

- 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](http://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.

**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 Investment Manager utilises two filters:

- The first DNSH test filter relies on monitoring the mandatory principal adverse impacts indicators in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288 of April 6, 2022 (“RTS”) where robust data is available (e.g. GHG intensity of investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company’s carbon intensity does not belong to the last decile of the sector). The Investment Manager already considers specific principle adverse impacts within its exclusion policy as part of the Investment Manager’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 principal adverse impacts indicators sustainability factors covered in the first filter, the Investment 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 have 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 the Amundi 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 DNSH filter above:

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

- have a 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 Investment Manager already considers specific principal adverse impacts within its exclusion policy as part of the Investment Manager’s Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed

**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.

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 the ESG scoring methodology. The Investment Manager's 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 labour relations. Furthermore, the Investment Manager conducts 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

Yes, the Sub-Fund considers all the mandatory principal adverse impacts as per Annex 1, Table 1 of 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, engagement and voting approaches:

- Exclusion: the Investment Manager has defined normative, activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the SFDR.
- ESG factors integration: the Investment Manager 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: (i) to engage an issuer to improve the way it integrates the environmental and social dimension, (ii) 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: the Investment Manager's voting policy responds to a holistic analysis of all the long-term issues that may influence value creation, including material ESG issues. For more information, please refer to the Investment Manager's voting policy.
- Controversies monitoring: the Investment 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 ESG analysts and the periodic review of its evolution. This approach applies to all of the Investment Manager's funds.

☐ 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:** 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 does 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.

#### **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 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 first applies the Investment Manager'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 the Investment Manager's Responsible Investment Policy available on the website [www.amundi.lu](http://www.amundi.lu)).

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 capitalisation 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 capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

However, 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.

Furthermore, and in consideration of the minimum commitment of 10% of sustainable investments with an environmental objective, the Sub-Fund invests in investee companies considered as "best performer" when benefiting over the best top three rating (A, B or C, out of a rating scale going from A to G) within their sector on at least one material environmental or social factor.

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

Not applicable.

**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?**

The Investment Manager relies on its ESG scoring methodology. The Investment Manager'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 Investment Manager assesses 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. The 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.



**What is the asset allocation planned for this financial product?**

**Asset allocation**  
describes the share of  
investments in specific  
assets.

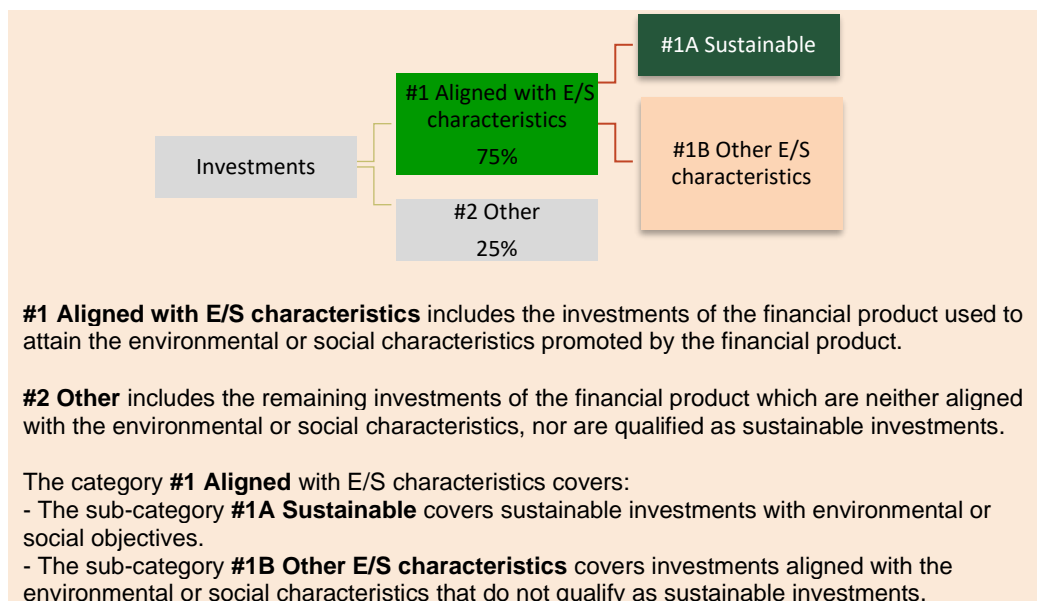
Under normal market conditions, at least 75% of the investments of the Sub-Fund will be used to meet the environmental or social characteristics promoted by the Sub-Fund in accordance with the binding elements of its investment strategy. Furthermore, the Sub-Fund commits to have a minimum of 10% of sustainable 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).

**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 environmental and social characteristics promoted by the Sub-Fund.





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

The Sub-Fund 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 Taxonomy<sup>1</sup>?**

☐

Yes

☐

In fossil gas

☐

In nuclear energy

☒

No

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.

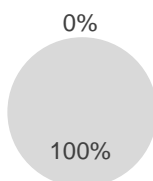
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup>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 – 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.

**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.**

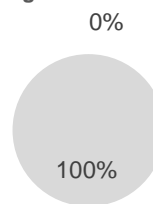
1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



This graph represents 100% of the total investments.

\* 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?**

Not applicable.

 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 Sub-Fund will have a minimum commitment of 10% 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?**

Not applicable.



**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.



**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?**

This Sub-Fund 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.



**Where can I find more product specific information online?**

<https://www.ofi-invest-lux.com/fund/ssp-m-pni-euro-equity-class-o-d-eur/LU1274528147>