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Amundi Flexible Income Fund

Website Disclosure

1. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

A minimum of 75% of the Sub-Fund's securities and instruments will be used to meet the promoted environmental or social characteristics, where they integrate sustainability factors through the exclusion of any issuers specified in the exclusion list of Amundi's responsible investment policy as further described in section "Sustainable Investment" of the Prospectus and on the website www.amundi.lu.

Furthermore, the sub-fund commits to have a minimum of 5% of Sustainable Investments.

To ensure sustainable investments do no significant harm ('DNSH'), Amundi relies on monitoring the mandatory Principal Adverse Impacts indicators 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). In addition to the criteria that have been developed specifically for this test, Amundi already considers specific Principal Adverse Impacts indicators within its exclusion policy as part Amundi's Responsible Investment Policy (e.g. exposure to controversial weapons).

Additionally, all mandatory Principal Adverse Impact indicators (included in Annex 1 of the Commission Delegated Regulation (EU) 2022/1288) are constantly monitored where robust data is available.

Taking into account these adverse impacts, Amundi has established a quantitative and/or qualitative approach to determine if an investment significantly harms any of the environmental or social objectives. The monitoring is set based upon various external and internal factors, such as data availability, political objectives or market developments and may be adapted going forward.

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into Amundi's ESG scoring methodology. Amundi's proprietary ESG rating tool assesses issuers using available data from 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, Amundi 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 the proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

2. THE ENVIRONMENTAL AND / OR SOCIAL CHARACTERISTICS PROMOTED BY THE FUND

The sub-fund promotes its environmental and/or social characteristics by complying with the ESG analysis framework and scoring methodology of Amundi which includes a mix of exclusion, ESG integration and engagement approach.

Amundi's ESG analysis framework has been designed to assess corporate behaviour in three fields: Environment, Social, and Governance (ESG). Amundi assesses companies' exposure to ESG risks and opportunities, including sustainability factors and sustainability risks, and how corporates manage these challenges in each of their sectors. As far as issuers of listed securities are concerned, Amundi scores issuers regardless of the instrument type, equity or debt.

The Amundi ESG rating also considers potential negative impacts of the issuer's activities on Sustainability (principal adverse impact of investment decisions on sustainability factors, as determined by Amundi) including on the following indicators:

- Greenhouse gas emission and Energy Performance (Emissions and Energy Use Criteria)
- Biodiversity (Waste, recycling, biodiversity and pollution Criteria, Responsible Management Forest Criteria)
- Water (Water Criteria)
- Waste (Waste, recycling, biodiversity and pollution Criteria)
- Social and employee matters (Community involvement and human rights criteria, Employment practices Criteria,
- Board Structure Criteria, Labour Relations Criteria and Heal and Safety Criteria)
- Human rights (Community involvement & Human Rights Criteria)
- Anti-corruption and anti-bribery (Ethics Criteria)

3. INVESTMENT STRATEGY

Investment strategy

The Sub-Fund integrates Sustainability Factors in its investment process as outlined above. In particular, the Sub-Fund seeks to achieve an ESG score of its portfolio greater than that of its investment universe.

The Amundi ESG rating is an ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). All the G rated securities are excluded from the eligible universe and all the securities belonging to the exclusion list, such as those not respecting international conventions, correspond to a G rating. For further details please refer to Amundi Responsible Investment Policy available on the public website.

A targeted exclusion policy is applied to the portfolio management activity by excluding companies in contradiction with both the Management Company exclusion policy and the Investment Manager Responsible Investment Policy.

The Investment Manager exclusion policy includes the following rules:

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

Additionally, the Sub-Fund applies exclusion criteria identifying Companies and/or Countries and/or underlying which should not be invested in or which should be invested in respecting predefined thresholds, subject to the Sub-fund's investments not complying with such exclusion criteria remaining below 10% of the relevant Sub-Fund's net assets.

1. Companies that are involved in severe violations of the UN Global Compact
2. Companies manufacturing, maintaining, or trading controversial and/or morally unacceptable weapons, as identified through the international obligations, treaties and legislations.
3. Companies involved in thermal coal production and/or production of energy from thermal coal which derive from these businesses more than 10% of their consolidated revenues. It's also requested a mandatory phase out by 2028.
4. Companies involved in controversial fuel production and companies that extract hydrocarbons with controversial techniques or in areas with high environmental impact.
5. Companies involved in the tobacco production which derive from these businesses more than 5% of their consolidated revenues.
6. Companies involved in the nuclear energy production which derive from these businesses more than 15% of their consolidated revenues.
7. Companies involved in the weapons production which derive from these businesses more than 10% of their consolidated revenues.

8. Companies involved in the gambling business which derive from these businesses more than 15% of their consolidated revenues.
9. Companies involved in the adult entertainment business which derive from these businesses more than 15% of their consolidated revenues

Good governance

The governance dimension, which is one of the three pillars of ESG rating methodology, is set to ensure that a company's management is able to organize a collaborative process between the different stakeholders that guarantees it will meet long-term objectives (therefore guaranteeing the company's value over the long term). This dimension provides an analysis of how a company integrates all of its stakeholders in its development model.

Among the criteria that contribute to the rating there are:

- Independence of board
- Audit and control
- Compensation
- Shareholders' rights
- Ethics
- ESG strategy
- Tax practices

4. PROPORTION OF INVESTMENTS

A minimum of 75% of the Sub-Fund's securities and instruments will be used to meet the promoted environmental or social characteristics, where they integrate sustainability factors through the exclusion of any issuers specified in the exclusion list of Amundi's responsible investment policy as further described in section "Sustainable Investment" of the Prospectus and on the website www.amundi.lu.

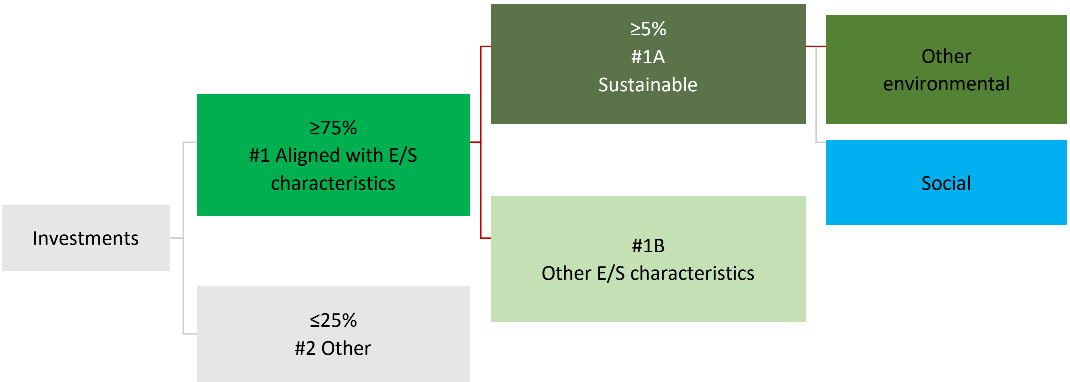
Furthermore, the sub-fund commits to have a minimum of 5% of Sustainable Investments.

The sub-fund currently has no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

The majority of investments are aimed at gaining direct exposures to investee companies and governments.

The Sub-Fund may not invest in units of other UCITS or other UCIs eligible under article 41(1)e) of the 2010 Law for more than 10% of its net assets.

Furthermore, the fund may gain indirect exposure to investee companies due to the use derivatives.



5. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Regarding corporate issuers, Amundi's ESG analysis framework is comprised of 38 criteria, of which 17 are cross-sector criteria, common to all companies whatever their business sector, and 21 sector specific criteria. These criteria were designed to either assess how sustainability issues might affect the issuer as well as the quality of the management of this dimension. Impact on sustainability factors as well as quality of the mitigation undertaken are also considered. All criteria are available in fund managers' front office portfolio management system.

Sector specific criteria

Environment	Social
- Clean Energy	- Bioethics
- Green Car	- Responsible Marketing
- Green Chemistry	- Healthy Product
- Sustainable Construction	- Tobacco Risk
- Responsible Forest Management	- Vehicle Safety
- Paper Recycling	- Passenger Safety
- Green Investing & Financing	- Responsible Media
- Green Insuring	- Data Security & Privacy
- Green Business	- Digital Divide
- Packaging	- Access to Medicine
	- Financial Inclusion

Cross sector criteria

Environment	Social	Governance
- Emissions & Energy	- Health & Safety	- Board Structure
- Water Management	- Working Conditions	- Audit & Control
- Biodiversity & Pollution	- Labour Relations	- Remuneration
- Supply Chain-Environment	- Supply Chain - Social 2	- Shareholders' Rights
	- Product & Customer Responsibility	- Ethics
	- Community Involvement & Human Rights	- Tax Practices
		- ESG Strategy

The extent to which these criteria affect an issuer's ESG score depends on the relative importance attributed to them in the model compared to the other factors considered. Each issuer is rated with a score measured against the average of its sector, in order to distinguish between best practices and worst practices at the sector level.

Regarding sovereign issuers, Amundi's methodology relies on a set of about 50 ESG indicators. All indicators have been grouped into 8 categories, each category falling into one of the pillars E, S or G. Similar to our corporate ESG rating scale, issuers' ESG score is translated in an ESG rating ranging from A to G:

Environment	Social	Governance
- Climate Change	- Human Rights	- Government Effectiveness
- Natural Capital	- Social Cohesion	- Economic Environment
	- Human Capital	
	- Civil Rights	

Furthermore, the Management Company monitors the handling of sustainability risks and adherence to the defined asset proportions. Among the different risks deriving from ESG matters the risks for a company which arise climate change poses a significant risk to the long-term financial sustainability of a company. Therefore, a better understanding of the potential impacts of sustainability risks is in the best interest of the investors.

6. METHODOLOGIES

The Amundi ESG Rating is a ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). G-rated companies are excluded from investment in actively managed funds.

For corporate issuers ESG performance is assessed by comparison with the average performance of its industry, through the three ESG dimensions:

1. 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.
2. 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 human rights in general.
3. Governance dimension: this assesses capability of the issuer to ensure the basis for an effective corporate governance framework and generate value over the long term.

The methodology applied by Amundi ESG rating uses 37 criteria that are either generic (common to all companies regardless of their activity) or sector specific (weighted according to sector) and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. The extent to which the criteria affect an issuer's ESG score depends on the relative importance attributed to them in the model compared to the other factors considered. Each issuer is rated with a score measured against the average of its sector, in order to distinguish between best practices and worst practices at the sector level.

7. DATA SOURCES AND PROCESSING

Data sources

Sector specialist ESG analysts within each sector are tasked with:

- Tracking trends (macroeconomic, regulatory, etc.)
- Establishing weights based on the materiality of ESG factors
- Interviewing a representative panel of companies
- Writing sector analysis reports
- Selecting the most qualified external data suppliers meeting the definition of our criteria
- Defining the weights to each data supplier that represent the level of contribution of each supplier's ESG score to the final ESG score of an issuer.

The indicators to perform the ESG scoring are sourced from an independent data providers, such as Vigeo-Eiris, MSCI and Ethifinance and include extra-financial data from third parties.

Measures taken to ensure data quality

ESG analysts annually review the application and weighting of the 37 ESG criteria to each sector.

Issuers are monitored on an ongoing basis and any news on controversies is factored in the ESG analysis. Controversy analysis can lead to a change of rating either at the level of the relevant criterion or at the final ESG rating level.

Processing

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

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

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

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

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

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

Proportion of data that are estimated

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

8. LIMITATIONS TO METHODOLOGIES AND DATA

There is a lack of standardised taxonomy of ESG evaluation methodology and the way in which different funds will apply ESG criteria may vary, as there are not yet commonly agreed principles and metrics for assessing the sustainable characteristics of investments made by funds. In evaluating a security based on sustainable characteristics, the Investment Manager is dependent upon information and data sources provided by internal research teams and complemented by external ESG rating providers, which may be incomplete, inaccurate or unavailable. Nevertheless, companies are regularly monitored and assessed by SI, also cooperating with a partner to assesses external data sources to calculate the overall sustainability (risk) exposure of a fund portfolio based on the defined sustainability factors. The results of the assessment are compiled and constantly monitored by the internal Risk Management function against the limits set in the (sub-) fund risk profile.

9. DUE DILIGENCE

ESG Research analysts meet, engage and maintain dialogue with companies to assess their ESG practices, with the responsibility of rating these companies and defining exclusion rules. ESG Research analysts work alongside a team of specialists dedicated to exercising voting and conducting pre-meeting dialogue.

ESG analysis is embedded into Amundi's portfolio management systems, made available in real time in the fund managers' tools to provide them with a seamless access to corporate and sovereign issuers' ESG ratings alongside financial ratings.

Additionally, the Management Company cooperates with a partner to assesses external data sources to calculate the overall sustainability (risk) exposure of a fund portfolio based on the defined sustainability factors. The results of the assessment are compiled and constantly monitored by the internal Risk Management function against the limits set in the (sub-) fund risk profile.

10. ENGAGEMENT POLICIES

At Amundi, engagement is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. It therefore must be result-driven, proactive and integrated into our global ESG process. 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 in its processes and in the quality of its governance in order to limit its sustainability risks,

- 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, even though the financial materiality to the issuer might not be clear or directly impacted.

Amundi engages with issuers around six main areas:

1. Transition towards a low carbon economy;
2. Natural capital preservation (ecosystem protection & fight against biodiversity loss);
3. Social cohesion through the protection of direct & indirect employees, promotion of human rights;
4. Client, product & societal responsibilities;
5. Strong governance practices that strengthen sustainable development;
6. Dialogue to foster a stronger voting exercise & a sounder corporate governance.

11. DESIGNATED REFERENCE BENCHMARK

There is no specific benchmark defined to assess the alignment with the promoted environmental and social characteristics.