

ANNEX

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: Amundi Marathon Emerging Markets Bond Fund
Legal entity identifier: 549300YMGZRZ7XV6VD18

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

- | | |
|---|--|
| <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p> | <p><input type="checkbox"/> 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 ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p> |
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What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund will promote the following environmental and social characteristics:

- Exclusion of issuers involved in activities deemed to have negative environmental and/or social outcomes;
- Exclusion of issuers deemed to have violated United Nations Global Compact principles;
- Exclusion of issuers deemed to have the lowest ESG scores in the investment universe as detailed below;
- Increased weighted exposure to instruments categorised as “Green Bonds” under the Climate Bonds Initiative, the aim of which is to incentivize sustainable financing aligned with climate change solutions.
- Increased weighted exposure to instruments with the higher ESG performance.

The ESG performance of an issuer is assessed using ESG scores(as further described below) from third party research providers that involves evaluation of the issuer against a combination of environmental social and governance factors, which include but are not limited to:

- Environmental: climate mitigation, biodiversity, energy efficiency, land resources, pollution;



- Social: life conditions, economic inequality, education, employment, health infrastructure, human capital;
- Governance: business regulations, corruption, democratic life, political stability, security.

These environmental and social characteristics are incorporated through the implementation of the Trading Strategy and the ESG Screening Methodology.

The Sub-Fund also aims to have a higher ESG score than the ESG score of the JP Morgan EMBI Global Diversified Index (the “**Benchmark Index**”). The Benchmark 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 Sub-Fund. 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 Sub-Fund that is measured against the ESG score of the Benchmark Index.

The Sub-Fund implements an ESG Screening Methodology in its investment process that determines the eligibility of Debt Securities for inclusion in the Sub-Fund through a combination of ESG scoring and exclusion criteria as further described below. Debt Securities may be deemed eligible for inclusion if:

- Such Debt Security is a constituent of J.P.Morgan ESG EMBI Global Diversified Index (the “**ESG Benchmark Index**”). The ESG Benchmark Index is derived from a subset of the Benchmark Index. Issuers included in the ESG Benchmark Index are scored using an ESG scoring methodology (the “**ESG Benchmark Scoring Methodology**”) calculated from a range of external data sources including third-party research providers and by applying specific exclusion rules (ie, securities are excluded where there are deemed to be in violation of the UNGC principles and if issuers are involved in the following sectors : thermal coal, tobacco, weapons) to determine the extent to which a security is aligned with environmental, social and governance (“**ESG**”) characteristics. Sovereign and quasi-sovereign issuers in the Benchmark Index with the highest scores pursuant to the ESG Benchmark Scoring Methodology will be overweighted in the Sub-Fund whereas issuers with lower scores will be underweighted. Sovereign and quasi-sovereign issuers in the Benchmark Index with the lowest score will be excluded from the Sub-Fund to ensure that environmental and social characteristics are reinforced.
- Such Debt Security is a constituent of the JP Morgan CEMBI Index (the “**Corporate Parent Benchmark Index**”) and complies with the same specific exclusion rules as described above. The issuers with the highest ESG scores will be overweighted whereas issuers with lower scores will be underweighted. The issuers with the lowest score will be excluded to ensure that environmental and social characteristics are reinforced; or
- If a Debt Security is not a constituent of the ESG Benchmark Index or the Corporate Parent Benchmark Index, but complies with the same specific exclusion rules as described above. The issuers with the highest ESG scores will be overweighted whereas issuers with lower scores will be underweighted. The issuers with the lowest score will be excluded to ensure that environmental and social characteristics are reinforced.

Quasi-sovereign and corporate issuers with any involvement (based on revenues) in the following activities, deemed to have negative environmental and/or social outcomes, will not be considered eligible Debt Securities under the ESG Screening Methodology:

Category	Category of Involvement	Revenue Threshold
Oil Sands	Extraction	0%
Thermal Coal	Extraction	0%
	Production	0%
Tobacco	Production	0%
Military Contracting	Weapons	0%
Small Arms	Civilian customers (Assault Weapons)	0%
	Military/Law enforcement customers	0%
	Key components	0%
	Civilian customers (Non-assault weapons)	0%

Controversial Weapons	Tailor-made and essential	0%
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Any issuers that, at the time of such purchase, are not aligned with the UN Global Compact principle, or designated under the financial sanctions regimes imposed by the Office of Foreign Assets Control, the United Kingdom or the Council of the European Union shall also be considered ineligible for inclusion in the Sub-Fund pursuant to the ESG Screening Methodology.

- **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?**

Not applicable. The Sub-Fund does not have a minimum commitment to invest in Sustainable Investments with an environmental or social objective as defined by SFDR.

- **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?**

Not applicable.

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

Not applicable.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

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.

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 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 Sub-Fund considers Principal Adverse Impacts through a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process and engagement approaches.

No



What investment strategy does this financial product follow?

The Sub-Fund is actively managed in reference to the Benchmark Index, but it is not constrained by the constituents of the Benchmark Index or any other index. As further detailed below, the Sub-Investment Manager has full discretion to invest in Off-Benchmark Index Securities and Benchmark Index Securities. The Sub-Fund will pursue its investment objective while taking into account sustainability factors in its investment process as described below.

The Sub-Fund seeks to achieve its investment objective through investment primarily in debt securities such as sovereign, quasi-sovereign and corporate bonds in emerging markets and denominated in hard currencies (USD, EUR, GBP or JPY) (“**Debt Securities**”), and to a lesser extent in currency forward and futures contracts for currency hedging purposes only, (together with Debt Securities, “**Financial Instruments**”) as further described in detail in the section headed “*Instruments used to implement the Trading Strategy*” below.

Debt Securities will be selected by implementing the Sub-Investment Manager’s proprietary discretionary investment strategy (the “**Trading Strategy**”).

The Trading Strategy will be based on the Sub-Investment Manager’s own (a) ESG Screening Methodology (as defined in (i) below), (b) top-down analysis and (c) bottom-up instrument selection:

- (i) The ESG Screening Methodology determines the eligibility of Debt Securities for inclusion in the Sub-Fund through a combination of ESG scoring and exclusion criteria as further described below. Debt Securities may be deemed eligible for inclusion if:
 - Such Debt Security is a constituent of the ESG Benchmark Index; The ESG Benchmark Index is derived from a subset of the Benchmark Index. Issuers included in the ESG Benchmark Index are scored using an ESG scoring methodology (the “**ESG Benchmark Scoring Methodology**”) calculated from a range of external data sources including third-party research providers and by applying specific exclusion rules (non violation of the UNGC principles and exclusion of issuers involved in the following sectors : thermal coal, tobacco, weapons) to determine the extent to which a security is aligned with environmental, social and governance (“**ESG**”) characteristics. Sovereign and quasi-sovereign issuers in the Benchmark Index with the highest scores pursuant to the ESG Benchmark Scoring Methodology will be overweighted in the Sub-Fund whereas issuers with lower scores will be underweighted. Sovereign and quasi-sovereign issuers in the Benchmark Index with the lowest score will be excluded from the Sub-Fund to ensure that environmental and social characteristics are reinforced.
 - Such Debt Security is a constituent of the JP Morgan CEMBI Index (the “**Corporate Parent Benchmark Index**”) and complies with the same specific exclusion rules as described above. The issuers with the highest ESG scores will be overweighted whereas issuers with lower scores will be underweighted. The issuers with the lowest score will be excluded to ensure that environmental and social characteristics are reinforced; or
 - If a Debt Security is not a constituent of the ESG Benchmark Index or the Corporate Parent Benchmark Index, but complies with the same specific exclusion rules as described above. The issuers with the highest ESG scores will be overweighted whereas issuers with lower scores will be underweighted. The issuers with the lowest score will be excluded to ensure that environmental and social characteristics are reinforced.

Quasi-sovereign and corporate issuers with any involvement (based on revenues) in the following activities, deemed to have negative environmental and/or social outcomes, will not be considered eligible Debt Securities under the ESG Screening Methodology:

Category	Category of Involvement	Revenue Threshold
Oil Sands	Extraction	0%
Thermal Coal	Extraction	0%
	Production	0%
Tobacco	Production	0%
Military Contracting	Weapons	0%
Small Arms	Civilian customers (Assault Weapons)	0%
	Military/Law enforcement customers	0%
	Key components	0%
	Civilian customers (Non-assault weapons)	0%
Controversial Weapons	Tailor-made and essential	0%

Any issuers that, at the time of such purchase, are not aligned with the principles of the UN Global Compact, or are designated under a financial sanctions regimes imposed by the Office of Foreign Assets Control, the United Kingdom or the Council

of the European Union shall also be considered ineligible for inclusion in the Sub-Fund pursuant to the ESG Screening Methodology.

- (ii) the top-down analysis aims at identifying specific regions, countries and/or industries within emerging markets presenting investment opportunities. The top-down analysis is based on the assessment of the political and economic environment through analysis of macro-economic indicators such as GDP growth, as well as regulatory, legal and accounting rules, unique to a specific region, country and/or industry through a continuous regulatory monitoring (for example through monitoring of local regulator publications).
- (iii) the bottom-up instrument selection approach aims at selecting individual Debt Securities presenting the best investment opportunities amongst the different regions, countries and/or industries identified through the top-down analysis (achieved through comparison of the risk and return profile of the Debt Securities). The bottom-up analysis is based on a keen understanding of the Debt Securities achieved through in-depth analysis of the Debt Security itself and its issuer. At the Debt Securities level, analysis is based on elements such as the debt structure (such as duration and timing of principal and interest payments). At the issuer level:
 - when the issuer is a corporate or a quasi-sovereign, such in-depth analysis is typically achieved through discussions with the issuer's management, assessment of the issuer's corporate governance, comprehensive review of the balance sheet and financial statements of the issuer, industry and competitive analysis and evaluation of all components of the capital structure and levels of debt of the issuer, as well as the economic situation of the country on which the issuer is listed (which may already be covered by the top-down analysis described above);
 - when the issuer is a sovereign, such analysis is typically based on the analysis of macro-economic factors like GDP growth and fiscal balance of the country (which may already be covered by the top-down analysis described above), and on fundamental factors such as current account balance and external debt of the country.

Consequently, the Trading Strategy will result in a portfolio composed of the selected Debt Securities, which may or may not be constituents of the Benchmark Index (respectively the "**Benchmark Index Securities**" and the "**Off-Benchmark Index Securities**").

The proportion of Benchmark Index Securities and Off-Benchmark Index Securities in the portfolio of the Sub-Fund may vary during the lifetime of the Sub-Fund and will be selected using the Sub-Investment Manager's bottom-up Debt Securities selection approach.

Off-Benchmark Index Securities will be comprised of Debt Securities that do not meet Benchmark Index inclusion rules due to specific reasons typically such as income, ownership, size, or other Benchmark Index criteria specifications.

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 ESG Screening Methodology (described above) shall be applied to Debt Securities in order to attain the ESG characteristics promoted.

The Sub-Fund's ESG Screening Methodology shall be applied to at least:

- 90% of the Sub-Fund's debt securities and money market instruments with an investment grade credit rating, and sovereign debt issued by developed countries;
- 75% of the Sub-Fund's debt securities and money market instruments with a high yield credit rating, and sovereign debt issued by emerging market countries.

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

Implementing the ESG Benchmark Scoring Methodology in the Trading Strategy ensures that at any time securities of the initial investment universe that have the lowest ESG scores are excluded. However, there is no committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

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

Good governance practices include sound management

structures, employee relations, remuneration of staff and tax compliance.

The assessment of good governance practices is incorporated into the Sub-Investment Manager's due diligence process when selecting appropriate assets for the Sub-Fund.

The Sub-Investment Manager utilizes the DOW JONES RISKCENTER FINANCIAL CRIME tool to conduct ongoing monitoring and sanctions screening. DOW JONES RISKCENTER FINANCIAL CRIME utilizes a comprehensive list of worldwide sanctions imposed by governments and international organizations, including the Consolidated United Nations Security Council Sanctions List (UN), the European Union Consolidated List (EU), the Office of Financial Sanctions Implementation – HM Treasury: Consolidated list of targets (UK) and the United States Department of the Treasury's Office of Foreign Assets Control (OFAC).

To assess the governance quality of investee companies, the Sub-Investment Manager monitors the UN Global Compact compliance as identified by Sustainalytics. These indicators include but are not limited to:

- Anti-corruption & anti-bribery policies
- Remuneration policies
- Board structure
- Audits and financial reporting



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

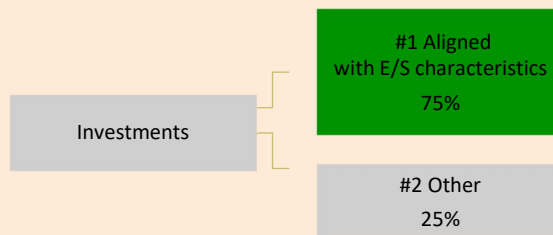
The Investment Manager will ensure at any time that at least 75% of the securities composing the Sub-Fund's portfolio are aligned with the environmental and / or social characteristics of the Sub-Fund in accordance with the binding elements of the investment strategy of the Sub-Fund. Included in the remaining 25% of "Other" assets are cash, hedging positions and securities that are not aligned with the environmental or social characteristics, but which may be held for liquidity, efficient portfolio management or diversification purposes, and to achieve the investment objective of the Sub-Fund.

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.



#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.

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

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

Financial derivative instruments may be used for hedging purposes. These instruments are not used to attain the environmental or social characteristics promoted by the Sub-Fund.



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

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, including investments in fossil gas and/or nuclear energy related activities.

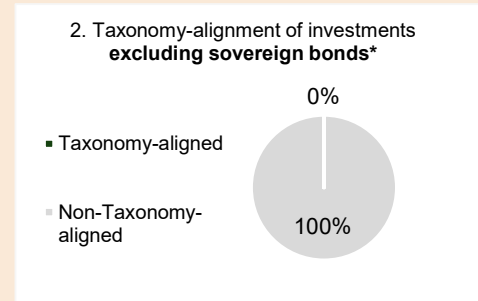
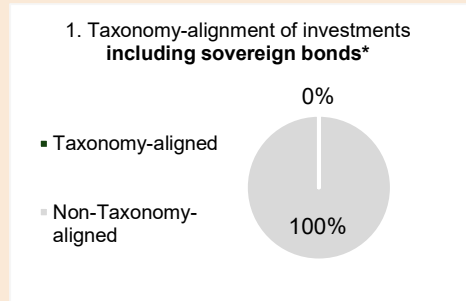
switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

- **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**

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?**

Not applicable. The Sub-Fund has no minimum proportion of investment in transitional or enabling activities.



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

Not applicable. The Fund has no defined minimum share of sustainable investments with an environmental objective.




- **What is the minimum share of socially sustainable investments?**

Not applicable. The Sub-Fund has no defined 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?**

Included in “#2 Other” are cash, hedging positions and securities that are not aligned with the environmental or social characteristics, but which may be held for liquidity, efficient portfolio management or diversification purposes, and to achieve the investment objective of the Sub-Fund. There are no minimum environmental or social safeguards applied to these assets.

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

¹ 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 Regulations (EU) 2022/1214.



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?

No

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?***
Not applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
Not applicable.
- ***How does the designated index differ from a relevant broad market index?***
Not applicable.
- ***Where can the methodology used for the calculation of the designated index be found?***
Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.amundi.com/globaldistributor/product/view/IE00BGMHJD69>