

Product name:

PI SOLUTIONS - AMUNDI REALTI

Legal entity identifier:

213800UGZWQT26ECE377

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: ___%



It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

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.



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

The Sub-Fund integrates Sustainability Factors in its investment process takes into account the ESG rating of real estate assets in the portfolio's construction.

The ESG analysis of real estate assets aims to assess their ability to manage the potential negative impact of their activities on sustainability factors. This analysis aims to assess their Environmental and Societal behaviors in terms of Governance by assigning them an ESG rating ranging from A (best rating) to G (worse rating), so as to achieve a more global assessment of the risks.

The ESG analysis methodology and the taking into account of the overall ESG rating in the construction of the portfolio (by excluding the lowest rated assets and favoring those with the best ratings) thus makes it possible to promote the 3 dimensions (environmental, social and governance).

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?***

Amundi Immobilier as Investment Manager of the real estate assets of the Sub-Fund has developed its own ESG rating approach. The Amundi Immobilier ESG rating aims to measure the ESG performance of each asset.

It is an ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst).

The purpose of this ESG rating is to obtain thorough knowledge of the environmental, social and governance performance of the Sub-Fund's entire portfolio of real estate assets on the basis of 14 items relating in particular to water, energy, carbon, resilience to climate change, health and well-being of occupants, transport, dialogue with the main building's stakeholders.

The main indicators of the Sub-Fund concerns :

- reduction of the portfolio's greenhouse gas emissions;
- improving the comfort and well-being of users;
- a dialogue with the main building's stakeholders for a positive common contribution on sustainable real estate practices, such as property managers rating.

- ***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 environmental and social objectives of the sustainable investments are captured via the two following criteria:

- a) no more than 10% of the global revenues of the fund are derived from "non-sustainable" activities. A non-sustainable activity is defined as an activity not compatible in the long term with sustainability objectives, and
- b) the buildings are managed with the best environmental or social practices on the Amundi ESG rating (ranging from A for best practices to G for the worst ones) sub-criteria considered by Amundi Immobilier as "material" for its related activities.

Each building is assessed with a quantitative score enabling to distinguish its ESG performance. Amundi Immobilier's assessment relies on a combination of extra-financial data and qualitative analysis of the buildings. The quantitative score is translated into a rating scale ranging from A for best practices to G for the worst ones.

Amundi's analysis process examines extra-financial performances on three pillars: Environment, Social, Governance (ESG):

- "Best Environmental or Social practices" means that at least one of the material environmental or of the social sub-criteria for the buildings are superior to E and that overall environmental and social pillar measures for the buildings are strictly superior to D;
- Environmental sub-criteria are for example GHG emissions, energy consumption, water, biodiversity, pollution & waste and Social sub-criteria are for example employment conditions, health & security, local communities and Human rights.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Amundi Immobilier ensures that any Sustainable Investment does not significantly harm an environmental or social objective through constant monitoring of all the mandatory indicators of all principal adverse impacts (included in Annex 1 of the Commission Delegated Regulation (EU) 22 / 1288) when solid data are available. The quality of available data should improve over time.

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

All mandatory Principal Adverse Impact indicators (included in Annex 1 of the Commission Delegated Regulation (EU) 22 / 1288) are constantly monitored where robust data is available.

Adverse Sustainability Indicators		Metric
Fossil fuels	Exposure to fossil fuels through real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-efficient real
Energy consumption	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter

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

Our ESG approach is based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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, Amundi Immobilier considers all the mandatory Principal Adverse Impacts applying to the Sub-Fund’s strategy and relies on a combination of approaches: ESG rating integration policies into the investment process and engagement.

The ESG rating aims to measure the ESG performance of a property, e.g. its ability to anticipate and manage the sustainability risks inherent in its particular sector and situation.

This ESG rating is carried out during acquisition due diligence and updated regularly to measure the ESG performance of the asset and to assess principal adverse impacts.

The ESG performance of each asset is assessed against the average performance of its sector, across the three ESG dimensions.

No



What investment strategy does this financial product follow?

Objective: The Sub-Fund's objective is, over the recommended holding period, to generate an economic yield combining dividend distribution or capitalization and capital yield from the revaluation of its assets mainly allocated in real estate (minimum 51 % in unlisted real estate).

Investments: The investment strategy of the Sub-Fund is to build up a portfolio with a predominance of Real Estate Assets via (i) direct or indirect investments in unlisted Real Estate Assets (ii) investments in listed real estate companies, complemented by financial assets, including unlisted debt securities

Management Process : The Sub-Fund systematically integrates Sustainability Factors in its investment process. It applies an environmental and social approach to the acquisition and management of its Real Estate Assets. As such, it incorporates extra-financial criteria (energy analysis, health and well-being, pollution, proximity to transportation, waste treatment, water consumption, equipment durability in particular) in the analysis and selection of assets of the real estate segment, based in part on an international standard. Such analysis highlights the energy performance of the asset and defines guidelines for reducing energy consumption.

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?***

All real estate assets held in the Sub-Fund are subject to the ESG Criteria. This is achieved through the use of Amundi Immobilier's proprietary methodology and/or third party ESG information.

The Sub-Fund's ESG apply the following rules:

- rating improvement approach also called « Best in Progress » : assets concerned by this strategy are buildings with good prospects for improvement their ESG practices and performance and whose ESG rating is below the threshold rating that the fund is fixed;
- 90% of real estate assets of the Sub-Fund have an ESG rating.

- ***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 Sub-Fund.

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

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

We assess the capability of the main stakeholders to contribute to the good governance of the building which guarantees the achievement of its long-term objectives. The governance criteria taken into account are: the adherence of property managers to the ESG approach deployed for the building.

What is the asset allocation planned for this financial product?



Asset allocation describes the share of investments in specific assets.

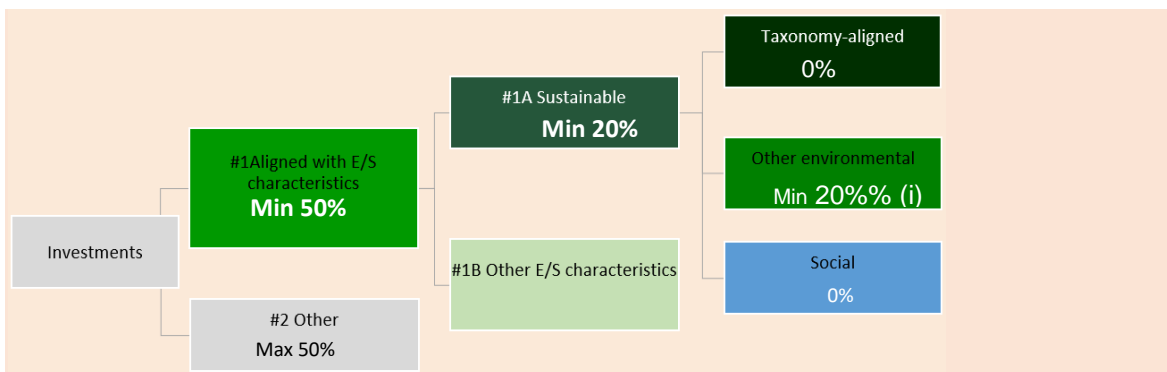
At least 50% of the Sub-Fund's investments will be used to meet the promoted environmental or social characteristics in accordance with the binding elements of the investment strategy of the Sub-Fund.

Furthermore, the Sub-Fund commits to have a minimum of 20% 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 other environmental investment represents a minimum of 20% (i) and may change as the actual proportions of Taxonomy-aligned and/or Social investments increase.

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.

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 sub-fund.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

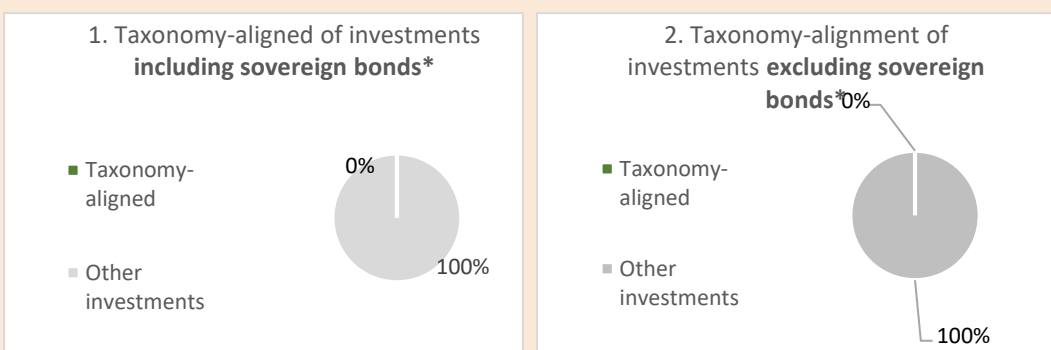
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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.

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



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

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

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?

The Sub-Fund has no minimum defined minimum share.



What is the minimum share of socially sustainable investments?

The Sub-Fund 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 unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



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.

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:

<https://www.amundi.lu/retail/Local-Content/Footer/Quick-Links/Regulatory-information/Amundi-Funds>