AMUNDI GREEN CREDIT CONTINUUM
Annual Impact Report 2021

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Confidence
must be earned

Amundi
ASSET MANAGEMENT

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Acknowledgements

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Amundi is grateful to the Fund's committed investors from around the world for making this ambitious project possible.

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2021 highlights[1]

Despite a challenging market environment, 2021 was a successful year for the GRECO programme, with 10 landmark transactions completed in 7 European countries and numerous transactions in a wide variety of sectors.

67

green bonds in the portfolio, out of which...

...16

landmark transactions in target market segments...

...that is 100% of the first €85m capital call

In High Yield, private debt and securitized instruments

12

first time green bond issuances

Already a second green securitization in Europe !

350 tCO_2e

avoided emissions per €1mn invested per year based on all the Fund's investments

[1]*Source: Amundi analysis.*
Please refer to Appendix A for details on the impact analysis methodology.
Date as of December 31, 2021"

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Foreword

Ambroise Fayolle,

European Investment Bank, Vice President

"Green bonds are close to the heart of the European Investment Bank. From being a niche product when the EIB pioneered them in 2007, with issuance of the first Climate Awareness Bond, the global green bond market has grown at an astonishing pace, reaching a new high of $269 billion total issuance in 2020, despite the global health pandemic.

However, there is still a huge untapped potential. Green debt issuance, as a fraction of the total EU bond market, remains in the single digits. On average, 5% of bonds issued by EU 27 investment grade issuers are green bonds, a number that drops to only 1% for high-yield issuers.

At the same time, the investment needs are staggering. The European Commission estimates that to achieve interim greenhouse gases reduction targets of 55% by 2030, €350 billion of additional investment every single year would be needed. In parallel, market surveys keep highlighting unmet investor demand for green bond issuances.

The EIB, as the EU climate bank, has played a critical role in pioneering this market, and continues to do so as issuer, through close collaboration with standard-setting bodies such as the European Commission, through an upcoming programme of advisory services to issuers, and as an investor through a programme currently being developed under our Climate Bank Roadmap.

We are proud of having worked together with Amundi, a leader in the green bond market, to conceptualise and develop the GRECO Fund. The impacts highlighted in this report justify that pride, as well as our joint vision of the market's potential.

3 Abbreviations and acronyms

Amundi	Amundi Asset Management
EIB	European Investment Bank
GRECO	Amundi Green Credit Continuum
EM	Emerging market
DM	Developed market
GB	Green bond
ESG	Environmental, social, and governance
GHG	Greenhouse gases
tCO_{2e}	Tons of carbon dioxide equivalent
RE	Renewable energy
EE	Energy efficiency

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Introduction

In 2019, Amundi and the European Investment Bank partnered to launch a European fixed income program designed to develop new green segments of the fixed income universe that are lagging behind potential: green high yield bonds, green private debt, and green securitized credit.

The program, entitled “Green Credit Continuum” (GRECO) was designed as a concrete answer to the European Commission’s Sustainable Action Plan of 2018 calling for innovative solutions to channel capital to environmentally friendly projects and activities.

Tailored to European markets, the objectives of the GRECO program is to develop important segments of the European green fixed income markets still lagging behind potential, but displaying bright prospects in terms of financing the energy transition and sustainable growth at the European, national and local level.

Developing these target segments achieves two critical aims:

(i) Combining higher yields and additionality than otherwise available to investors on the more classical green bond market, currently composed of large and mature investment-grade issuers;

(ii) Supporting the European Union’s environmental objectives, by deepening access to green financing for all types of actors: from industrial companies to small and medium enterprises (SMEs).

To reach this objective, the GRECO program is three-legged:

(i) Vintage funds investing in green bonds, green private debt and green securitized credit;

(ii) A Scientific Committee, composed of climate finance experts, defining the most relevant green guidelines and standards per segment, and in line with the European Commission’s climate objectives and the Technical Expert Group on Sustainable Finance;

(iii) A Green Transaction Network to produce relevant, high-quality and transparent green assets, based on the guidelines determined by the Scientific Committee.

GRECO is buttressed by a strategic partnership with the EIB, who assumes several roles: a cornerstone investor and active participation in the definition of green standards for these nascent markets.

Three features highlight the Fund as a landmark for green finance:

- **Size:** a green bond program seeking to raise up to EUR1 billion, across several vintages, into varied European green fixed income instruments over the next decade.
- **Focus:** the first green bond fund focused on underdeveloped segments of European green fixed income.
- **Mechanism:** the first comprehensive sustainable capital markets program combining a demand and a supply mechanism.

This impact report covers GRECO’s first vintage, GRECO 1, that raised €253m euros from public and private institutional investors across Europe, including the French Caisses des dépôts et consignations, regional banks from the Crédit Agricole Group, Crédit Agricole Assurances, Lærernes Pension

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Impact philosophy

The GRECO has a double impact objective, which can be broadly characterized as macro on the one hand, and micro on the other.

The micro objective of GRECO is to finance, via green bonds, the green transformation of European companies. In particular, the GRECO program targets issuers outside the "usual suspects" of green bond issuances, which are large utilities, sovereigns, supranational entities and banks. The "greenness" of the portfolio is ensured by two mechanisms:

(i) The ESG Charter that was drafted in conjunction with the European Investment Bank, and which sets out three levels of analysis: making sure all invested bonds are aligned with the International Capital Market Association's Green Bond Principles, requiring a second party opinion, and relying on Amundi's own ESG and green bond analysis at the issuer and the instrument level.
It is important to note that the portfolio managers have thus passed on instruments that were aligned with the Green Bond Principles and had second party opinions.

(ii) GRECO targets first time green bond issuers in each of the underlying segments. The rationale is to bring new players to green debt capital markets and foster additional financing and transparency.

The macro objective is to support the development of a mature and sustainable green debt markets in Europe. The GRECO team reaches out to:

(i) Investors, via the Scientific Committee

(ii) Sourcing partners composed of investment banks and financial intermediaries, with regular exchanges to convey our financial and extra-financial criteria, and also to work together on financial innovation and new potential segments.

(iii) Issuers themselves, in order to communicate the important message that investor awareness and appetite for financing the low-carbon transition is very real and growing.

6 Key achievements of 2021

1. **During 2021 the fund managed to complete 10 new transactions,** mainly in the High Yield space, that has demonstrated to offer some diversifications with deals across all sectors. Overall, the fund has completed 16 transactions, where 12 of those were first green bond issuances and 13 target operations were in the High Yield segment. Europe, and particularly France remain the domicile of most of the deals. More information on these transactions below.
2. **The Scientific Committee was particularly active in 2021, meeting twice and addressing notably the issue of green private debt credit in Europe.**
   - The Scientific Committee was set up at the launch of the GRECO program in 2019 to discuss on new green technologies, new financial instruments and exchange on best practices.
   - The Committee meets bi-annually, and topics covered so far have included biomass and biogas, as well as green RMBS in the Netherlands, and more broadly the hurdles of developing green securitization in Europe.
   - In 2021, the topics discussed by the attendees were the **European Taxonomy, an expert's view on the Green Private Debt Markets, Real Estate sector review, biomass energy and green asset ratio.**
   - The Scientific Committee invited, in particular, external speakers including Nancy Saich from the European Investment Bank, who presented the EU taxonomy and the activities considered as green. Some of the conclusions of this discussion were the challenges posed by this taxonomy, as investors still often lack sufficiently accurate data to make a robust assessment of alignment.
   - LCL also participated in the Committee giving an **overview of Euro Private Placement (Euro PP)** market. The key takeaways on this market were:
     - Average transaction size reduced over time to stabilize at 65M€.
     - Issuer base made of small and mid-caps.
     - French issuers represent the majority of the issuers.
3. To further deepen the pipeline and ensure that issuances comply with best practices and standards, Amundi and the GRECO project team carried out an extensive survey with major banks active in Europe on the challenges that we face in deepening these markets. This survey was useful in highlighting specific areas where Amundi can work with these counterparts.
4. Representatives from the GRECO portfolio management team and/or the project team have attended numerous conferences to present the Fund. The latest conference "**the Solar Future France**" was organized in October 2021 and was dedicated to solar development in the French market. This conference gathered large-scale developers, asset managers and investors who shared their views about **market perspectives for the French solar industry.** Jean-Marie Dumas, Head of Fixed Income Solutions, participated to a roundtable on **how mid-cap companies can attract institutional investors and regular financing through green bonds.**

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1) Green Bonds: A Tool to Finance the Net-Zero Transition

Green bonds have become an effective way to target investment towards the climate change mitigation goals set out in the Paris Agreement. They also have their own unique features.

- **Green bonds offer transparency**

  Green bonds represent a rare opportunity for debt issuers to provide details about how they plan to use the money that they raise. This means that green investors can track where the funds that they provide go, based on information provided about the types of project to be invested in, the issuer's definition of 'green', their segregation of green funding and a detailed allocation report.

- **Green bonds offer 'impact'**

  Green bonds offer investors a positive and measurable way of assessing the environmental impact of how issuers use the proceeds, whether it is pursuing new, cleaner sources of energy or investing in more energy-efficient processes and products to reach carbon-neutral goals.

- **Green bonds are used by debt investors to support their sustainability targets.**

  As the world moves towards carbon neutrality, we need issuers to start committing to ambitious carbon reduction targets. Whether they follow science-based targets or sectoral key metrics, such as a clean energy mix, green loan ratios or a share of green products, it is time for issuers to show that they are aligned with the goals of the Paris Agreement. Against this backdrop, green bonds are the format of choice for raising funds to meet those targets.

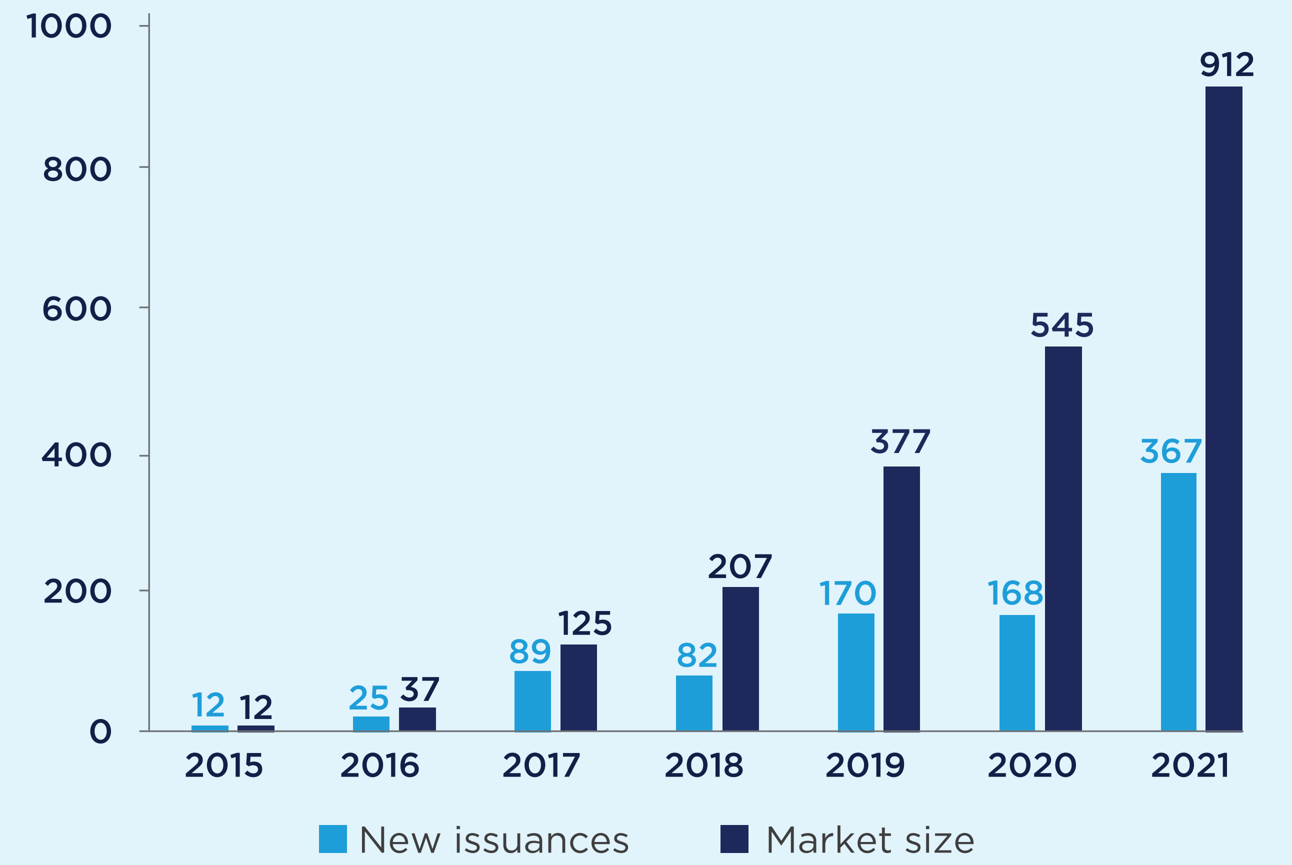
a. The Green Bond Market

Green bonds have become an attractive instrument in the fixed income market thanks to their powerful features and the product becoming more standardised. New standards developed by the financial sector (such as the International Capital Market Association's Green Bond Principles) have helped fuel the development of the green bond market and channel savings and investment to support the energy transition. The investible universe of green bonds has been expanding rapidly, and reached record levels last year, **when new issuance more than doubled compared with the previous year. The market is also increasingly diverse in terms of issuers and sectors.**

In their infancy, green bonds were mainly used to finance green projects initiated by large development banks and power companies. Now, the majority of issuers, from chemicals companies to sovereign states, have green spending that they wish to highlight.

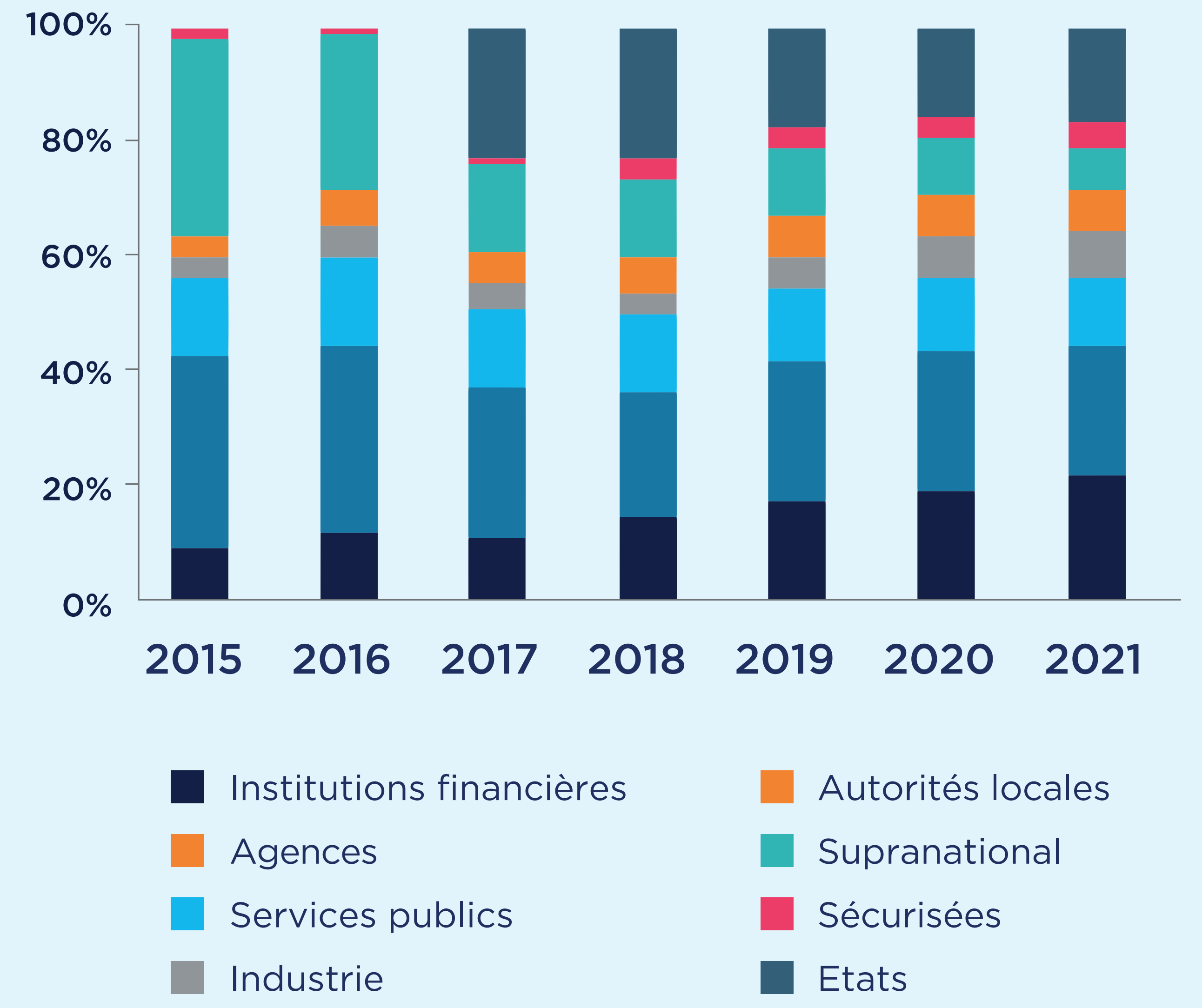
The utilities sector has been at the forefront of the low-carbon transition, and accounted for roughly half of green bond issuance from non-financial corporates in 2021. The rate of issuance from the sector looks likely to continue to accelerate given the amount of investment needed to ramp up clean power generation and invest

Green bond market outstanding (€bn)



Amount in €bn. Data as of 31/12/2021. Source: Amundi, Bloomberg

Market size - breakdown by issuer type %



in both renewable production and electricity grids. This is particularly the case in Europe, where the EU's Fit for 55 target of reducing net greenhouse emissions by at least 55% by 2030 has created an interim goal of making 40% of electricity production renewable. Most marginal issuance from the sector has the potential to be green and be able to show obvious alignment with the EU's taxonomy (its set of rules and standards to help facilitate the move to net-zero emissions).

We see increasing potential in other sectors, including oil and gas. As a growing number of oil and gas companies embrace diversification strategies and spend more of their capital on developing EU-aligned low-carbon activities, we see the potential for ambitious companies to qualify for green funding based on their intended use of the proceeds.

Our environmental, social and governance (ESG) analysts estimate that investments made by the top six European oil and gas companies will equate to as much as 60% of the investment planned by the top six companies in the utility sector. While some oil and gas majors picked the Sustainability Linked Bond (SLB[2]) format, these securities and green bonds are not mutually exclusive. Neste Oil and SK innovation have been rare among companies in the oil and gas sector in making forays into the green bond market, but 2022 could be the year when more – and larger ones – follow.

The chemicals industry, which is a highly CO_2-intensive sector, is also a key part of the energy transition agenda. We believe that the sector has the potential to use the green bond market as it develops products such as insulation materials, electric vehicle batteries or clean

[2]*Sustainability-Linked Bond Principles (SLBP) https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/*

hydrogen that facilitate the energy transition in other sectors. However, our analysts believe that there is still a challenge for the parts of the sector where supply chains are positioned upstream to be able to ensure that the final application of its products is green. There is plenty of room for growth, as the chemicals sector represents less than 1% of the green bond market in its current form.

The automotive sector also remains under-represented in the green bond market, even though sales of electric vehicles are growing rapidly, from the low single digits as a percentage of market share in Europe in 2019 to 15% in the first half of 2021. The structural shift towards a world with no thermal vehicles (most developed market countries are expected to set targets to achieve this by 2035) needs huge investment. Factories will have to be modified and new battery production plants built, for example, and some manufacturers will also wish to extend finance to the buyers of new electric vehicles.

There is also the shipping industry, where some companies are beginning to plan their green strategies. One of these companies came to the market with a green bond to finance new ships that are able to run on green fuels (mainly methanol). These ships are estimated to produce about 86% less greenhouse gas emissions compared with traditional fuels. We see a strong case for green shipping bonds, given the importance of decarbonising this sector.

Finally, we expect financial issuers, which are already large suppliers of debt in the fixed income market, to remain active in issuing green bonds. Banks, which have been facing increasing pressure from regulators to be more transparent and to take more steps to combat climate change, are increasingly keen to use the green bond market to show how green their balance sheets are.

b. Green Target Segments

Looking only at the target segments of the fund, practice shows that High Yield is the most developed segment in green issuances which are eligible to the fund and offers attractive spreads when compared to Securitization and Private Debt, which have compressed spreads for senior tranches and lower supply. Many issuers are coming to the market with another format “Sustainability Linked Bonds or Loans” rather than Green Bonds. Within such a format, the pledge made by the issuer is no longer on the use of proceeds: SLBs are indeed general purpose corporate bonds. Rather, the pledge is about achieving a quantitative sustainability target at the issuer level. There is no direct link to project financing specified in the documentation and we cannot refer to any Green framework to assess the final impact of the investment. In addition, SLBs depart from the vanilla structure of use-of-proceeds bonds, as the financial features of the bond are linked to the (non-) achievement of the sustainability objective.

The preference of less matured companies to deal with Sustainability-Linked Loans or Bonds is not the only reason why we see a poor allocation in Private Debt. The macro-economic context experienced over the last 2 years reduced also the appetite for innovation in financial markets. Indeed, the initial Covid-19 phase from March to September 2020 was detrimental with a very narrow primary market from small and medium issuers. Then the Russia-Ukraine war with its significant risk premia repricing and uncertainties regarding energy prices and offers tend to limit again the new type of financing transactions to fund European SMEs.

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Portfolio characteristics and impact overview

a. ESG Footprint

ESG considerations are integrated throughout the investment process. This encompasses credit, ESG and pure green bond analysis.

ESG assessment of issuers. We carry out careful ESG analysis of each issuer. The quality of the issuer is a key variable when it comes to both selecting bonds and evaluating their premiums. Issuers are assigned an ESG rating with grades for each of the three components of E, S and G. Taking this into account, the portfolio management team aims to:

- Verify that the issuer of green bonds has taken ESG issues into account
- See how the issuer positions key ESG factors relating to its sector in its marketing material
- Identify and assess the risks of controversy
- Beyond the ESG footprint of the issuer, assess the link between the projects financed by green emissions and the company's ESG/environmental strategy

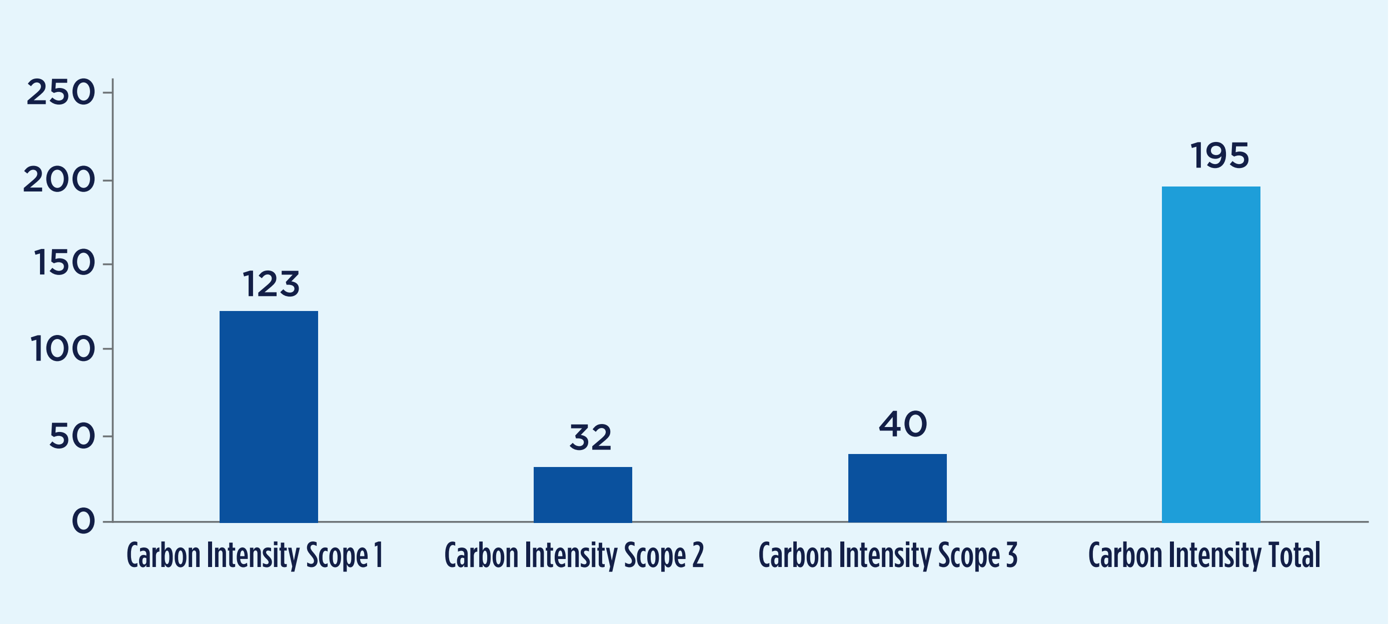
The fund had an average ESG rating of 'C+' as of December 31th 2021.

b. Climate Footprint

Carbon emissions have been rising despite efforts to bring them down, though 'net zero' commitments have skyrocketed. While the ambition is clear, the specific individual actions required to achieve this collective goal have yet to be fully identified. For example, approximately 40% of companies that have announced net-zero pledges have yet to set out how they intend to achieve them.

Amundi has continuously developed its experience in managing climate risks and covering climate metrics. We have robust climate data capabilities covering the full scope of carbon emissions (scopes 1, 2, and 3 upstream). In the Impact Green Bonds strategy, we focus on the carbon emissions avoided by the projects financed. As a result of issuers' efforts to be part of the energy transition, in many cases by issuing green bonds, there is also an alignment with the issuers' overall carbon strategies. As such, it is interesting to see how the issuers in the portfolio position themselves in those carbon metrics.

Carbon Intensity (Trucost, tCO_2 per €1 million turnover)



As of 31/12/2021

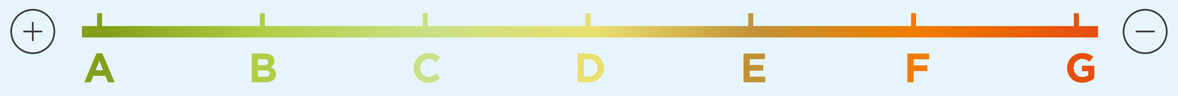
ESG Criteria

The criteria are non-financial metrics used to assess the ESG practices of companies, national governments and local authorities:

E for environment (including energy and gas consumption levels, and water and waste management)

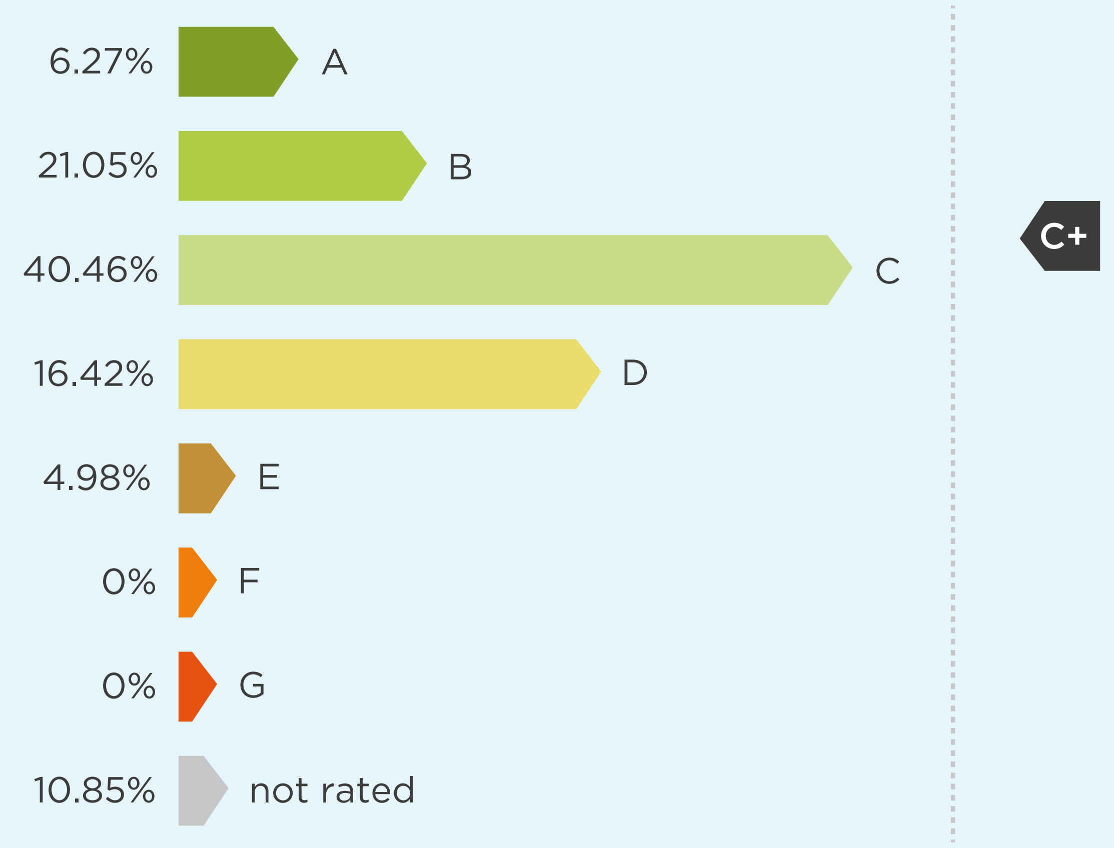
S for social/society (including respect for human rights, and health and safety in the workplace)

G for governance (including independence of the board of directors and respect for shareholder rights)



Rating scale from **A** (best score) to **G** (worst score)

Portfolio ESG rating breakdown



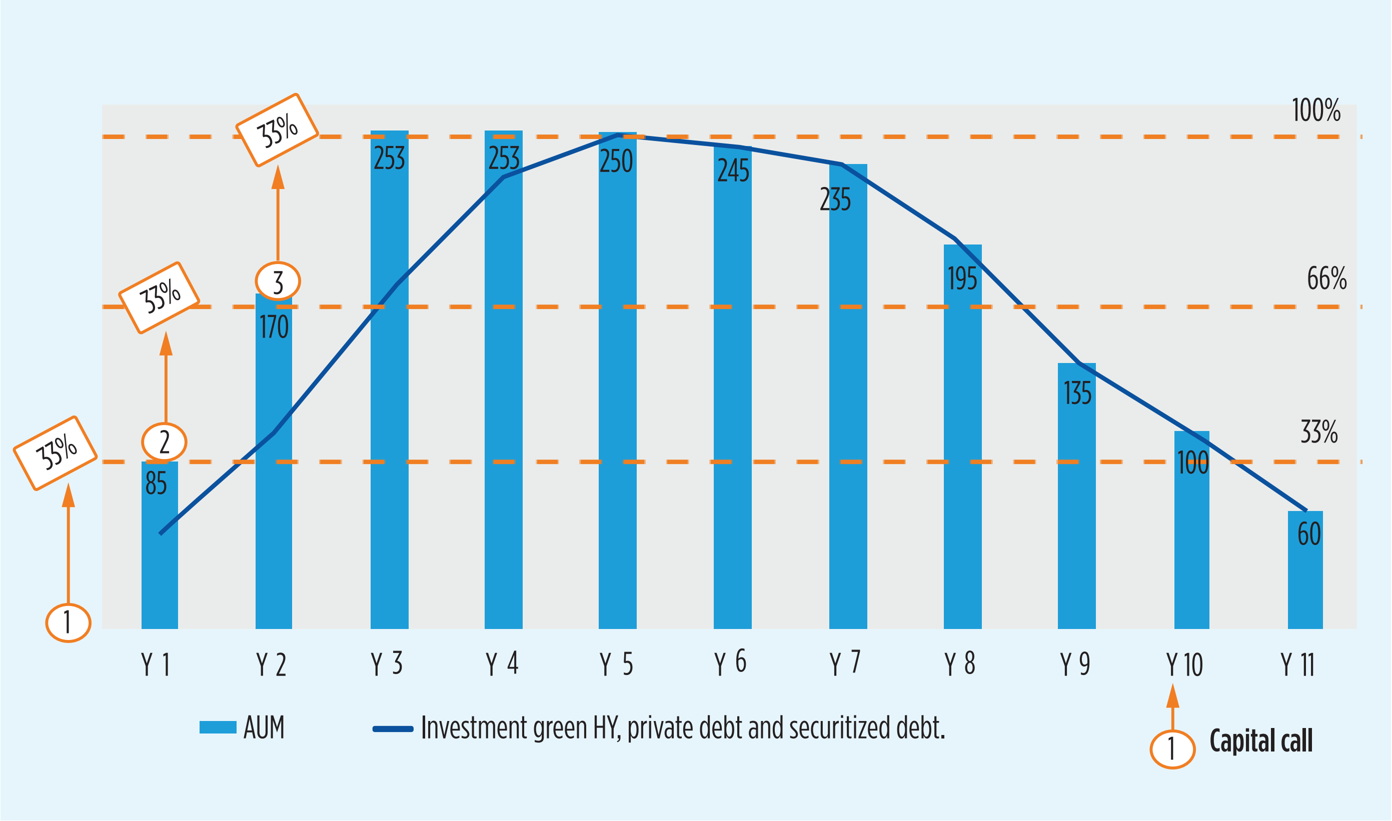
Source: Amundi AM as end of December 2021

C. Overview of the fund investment and run-off

At first, the fund invests in available green bond instruments. As soon as 80% of the capital call is invested in the target segments, another capital call will be made.

As at end March 2021, 100% of the first capital call was invested in green high yield bonds, green private debt and green securitized debt for a total market value of €85 million. Therefore, we have already called for the second call for capital (€85M), with the objective of deploying it in target assets but currently still invested in temporary assets.

As at end December 2021, 100% of the first capital call was invested in green high yield bonds, green private debt and green securitized debt for a total market value of €88 million.



Source: Amundi, fund data as of 31/12/2021 based on a mark-to-market basis.

Number of green HY, Private Debt and Securitized Credit in portfolio:	16
Weight of target segments in the portfolio (of two capital calls each €85m of €253m vintage):	51%

Breakdown of green transactions per country and market segment in percentage of the first two capital call (€170m)

Project repartition of use of proceeds	%	tCO_2 per M€
Renewable Energy	22%	292
Green Building	10%	16
Green Industry	0%	28
Green Transport	10%	4
Water Management	1%	6
Waste & Pollutants Management	1%	2
Others Green	1%	1
% proceeds undisclosed/not disbursed	0%	1

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Recorded impact

In 2021, the portfolio gradually reduced its exposure to traditional Green Bonds in favour target segments (corporate high yield, private debt and securitized debt) until it fully invested the first capital call. Although through the past year the green bond market gained more and more traction, the amount of deals in our pipeline remains constrained, this due to first the low credit quality of some issuers; secondly the lack of participants particularly in Private Debt and Securitization.

Among the main transactions it is worth mentioning the deal completed in January 2021, Greco's first step into the Telecom sector, by investing in Telecom Italia. The deals completed in March 2021 by investing on Fauracia and YIT Oyj, both HY transactions aligned with green projects funding. The transactions in the Real Estate sector are issued by VGN NV, Neinor Homes, Storm, Via cel Desarrollo and AEDAS homes. In June 2021, we took part of a bond financing waste recycling issued by Derichebourg. Although through the past year the green bond market gained more and more traction, the amount of deals in our pipeline remains constrained, this due to first the low credit quality of some issuers; secondly the lack of participants particularly in Private Debt and Securitization.

We present below the impact in terms of total tons of avoided GHG emissions of the full GRECO portfolio, ie. including initial investments in traditional Green Bonds.

We also shine a light on the transactions in target segments that GRECO participated in, displaying notably the use of proceeds.

1) Traditional Green Bonds

There were 51 temporary green bonds in the Fund's portfolio by the end of 2021. 50 green bonds reported on avoided GHG emissions.

In total, the portfolio's investments have helped to avoid 350 tCO_2e per EUR 1 million invested in a year.

CO_2

The impact metric is mainly driven by renewable energy projects, due to their significant share in the fund and their higher ratio of CO2e avoided per million euros invested than low-carbon transport and energy-efficient buildings. There are many reasons for this, including that these projects often replace coal or lignite, which are the most CO2-intensive fuels. While it may be tempting to favour these types of project, we believe that other factors also need to be taken into account

The financed projects in percentage of the fund's total AUM are broken down as follows:

2) Target segments

The fund participated in 10 green transactions across 7 European countries in 2021. In terms of sector coverage, the use of proceeds of the targeted segments of the portfolio (ie. not including traditional green bonds with low additionality) is concentrated in six sectors: green building, energy efficiency, sustainable forest management, zero emission vehicles, clean

transportation; and waste collection and transport. The figures below only reflect the use of proceeds based on the issuers' promise at the time of the instrument issuance. Therefore, the actual impact in terms of GHG avoidance is not disclosed.

Source: Amundi, fund data as of 31/12/2021, percentage of first capital call.

- **2%** Clean transportation
- **3%** Sustainable forestry
- **8%** Mix of nvironmentally friendly projects
- **28%** Green and energy efficient buildings
- **9%** Zero emission vehicles
- **2%** Waste collection and transport

Source: Amundi, fund data as of 31/12/2021 based on a mark-to-market basis

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Case studies:

This section highlights the profiles of impact results of selected high environmental impact transactions that GRECO 1 participated in throughout 2020 with an impact report already published and a new transition during 2021. These are small-scale projects with high additionality, full compliance with the program's exacting green standards and a category for the use of proceeds aligned with those recognized by the ICMA Green Bond Principles.

Tornator Oyj

Tornator Oyj, a Finnish forest management company with operations in Finland, Estonia and Romania. The core business is wood production and the sale of cutting rights. It operates in accordance with the internationally recognized certification schemes and has built its business around the concept of 'sustainable forestry'. Sustainable forestry has positive climate impacts.

Tornator issued EUR 350 million of Green Notes, secured by certain forest properties owned by Tornator which form a dynamic security pool that secures also Tornator's other secured indebtedness.

The Green Notes shall use the proceeds in eligible projects described under its Green Finance Framework, which complies with ICMA's Green Bond Principles:

New or existing investments in sustainable forestry:

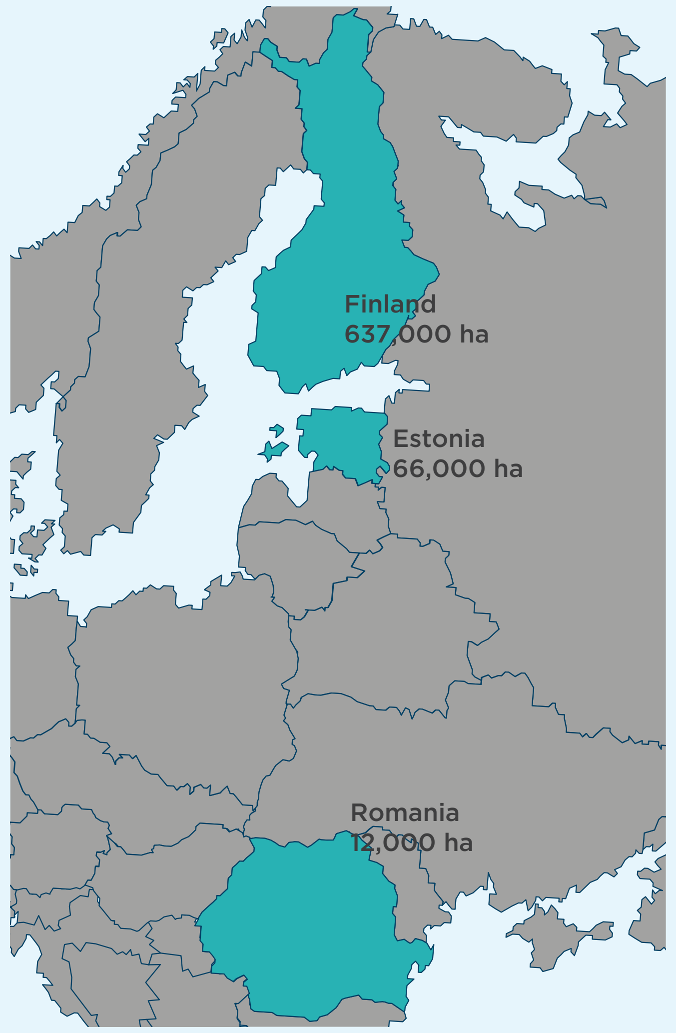
- FSC or PEFC certified sustainable forests
- Investments in infrastructure needed for sustainable silviculture
- Research and development projects with a positive environmental impact

Environmental preservation of nature:

- Biodiversity, eg. drained mire restoration back to carbon storage
- Investments in processes that improve resource efficiency

Focus on SDGs

Tornator supports the United Nations Sustainable Development Goals (SDGs) and has identified six key goals relevant to its own business and stakeholders. The selected SDGs are: 6. Clean water and sanitation; 8. Decent work and economic growth; 13. Climate action; 15. Life on land; 16. Peace, justice and strong institutions; 17. Partnerships for the goals.



- Reforestation (eg. disused peat production areas, agricultural lands or power lines)

Impact results

With the issuance of several green securities, Tornator has strengthened its action on sustainability by launching two programs: biodiversity and climate programs for the period 2021-2030.

The biodiversity program aims to protect and enhance the bio-diversity of forests through nature management measures and conservation In 2021, the program has restored 252 hectares of mires and completed 17 active habitat management measures. The program also increased the conservation area by 2400 hectares and identified 1 145 valuable habitats. These measures will not only protect threatened forest species and habitats, but also promote ecosystem services and water protection, wildlife management and climate change mitigation.

The goal of the climate program is to combat climate change by increasing the carbon sequestration of growing stock by 20% and the substitutability effects of forest use by 50% over the program period. Tornator wants to participate in climate-friendly forestry by increasing the growth rate of growing stock, decreasing soil carbon emissions, and enabling the use of wind power and wood feedstock to replace fossil fuels.

In line with Tornator's commitment to sustainability, the volume of logging does not exceed the growth of the forest. Thus, 3.2 million cubic meters were felled in 2021 against a forest growth of 3.5 million cubic meters

The annual forest growth of the Finnish forests financed through the green bonds was estimated at a volume of 1.3 million m3 for the past year. This corresponds to an annual carbon sequestration and substitution benefit of around 1.6 million tons of CO_2. **This means that for every 1 million euros invested in the green bonds, around 4,600 tons of CO_2 has been absorbed and avoided.**

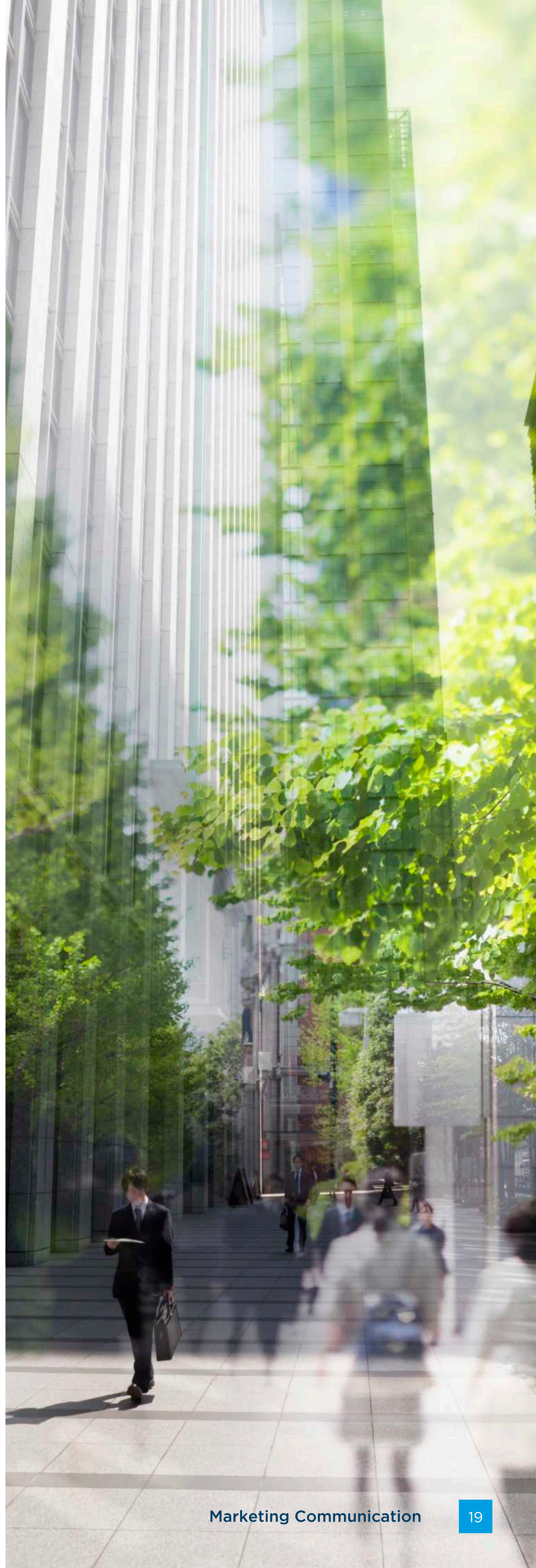
Via Célere Desarrollos Inmobiliarios S.a.

Via Celere is a Spanish homebuilder delivering around 1,900 units per annum across Spain (mainly in the Madrid/Barcelona/Malaga regions). They focus primarily on building family homes in suburban areas around major Spanish cities sold to individuals, but also construct build-to-rent multifamily homes that are sold to institutional investors. They have a sizeable land bank that gives them over 9 years' worth of supply at current delivery run rates, meaning they don't need to carry out further land banking investments. A strong Spanish housing market and the company ramping up deliveries has led to strong recent financial performance, with 2021 EBITDA of EUR85mn +52% y-o-y and 2022 EBITDA on track for +7%, leading to modest leverage metrics with net debt/EBTIDA 2.1x in 2021 and expected to remain stable in 2022 (within their internal limit of 2.5x). Due to a large number of 2022 units pre-sold and construction costs largely already locked in, we see the name as a stable BB- credit.

Through its commitment, Via Celere wishes to be part of achieving the Sustainable Development Goals, creating cities that are more respectful of the environment, promoting innovation in the sector and the fight against climate change. Via Célere has identified three major challenges in terms of sustainability comprising consumption of energy and emission of CO_2 water management and urban planning to decrease congestion and pollution. In response to these challenges the group has adopted a sustainable construction model by controlling construction process, focusing on the environmental performance of buildings and apartments and putting special emphasis on energy efficiency. Innovations in buildings have resulted in the reduction of 8 210 tons of CO_2 emissions as of December 31st 2020.

The green bonds shall use the proceeds in eligible projects described under its Green Finance Framework, which complies with ICMA's Green Bond Principles. Funds will be used to finance or refinance, in whole or in part, expenditures for the construction of residential properties in the top 15% of the most energy efficient comparable buildings in a local context. The Framework activities are expected to increase the energy efficiency of buildings in Spain and advance the shift to a low-carbon economy.

The issuer has identified that the use of proceeds will support SDG 11: sustainable cities and communities



Derichebourg Group

Derichebourg is a global provider of environmental services to businesses and local and municipal authorities, covering the entire waste recycling chain, from collection to recovery. Its activity is divided into two branches: Environment and Multiservices. The group's ambition is in line with the commitment of the Paris agreements to fight against global warming. Thanks to its main activity, Derichebourg is a leading player in the fight against global warming. Indeed, it plays a key role in the treatment and elimination of waste, with recycling and circularity at the heart of its commitment. In 2020, Derichebourg enabled industries to avoid the emission of 5.3 million tons of C02 through recycling and the production of secondary raw materials (recycled materials).

The group's green bond framework is based on ICMA Green Bond Principles 2018 (GBP) framework and also takes into consideration selection criteria from the EU Taxonomy.

With the proceeds collected through its inaugural Green Bond, Derichebourg plans to acquire Ecore, a major player of the circular economy in Europe.

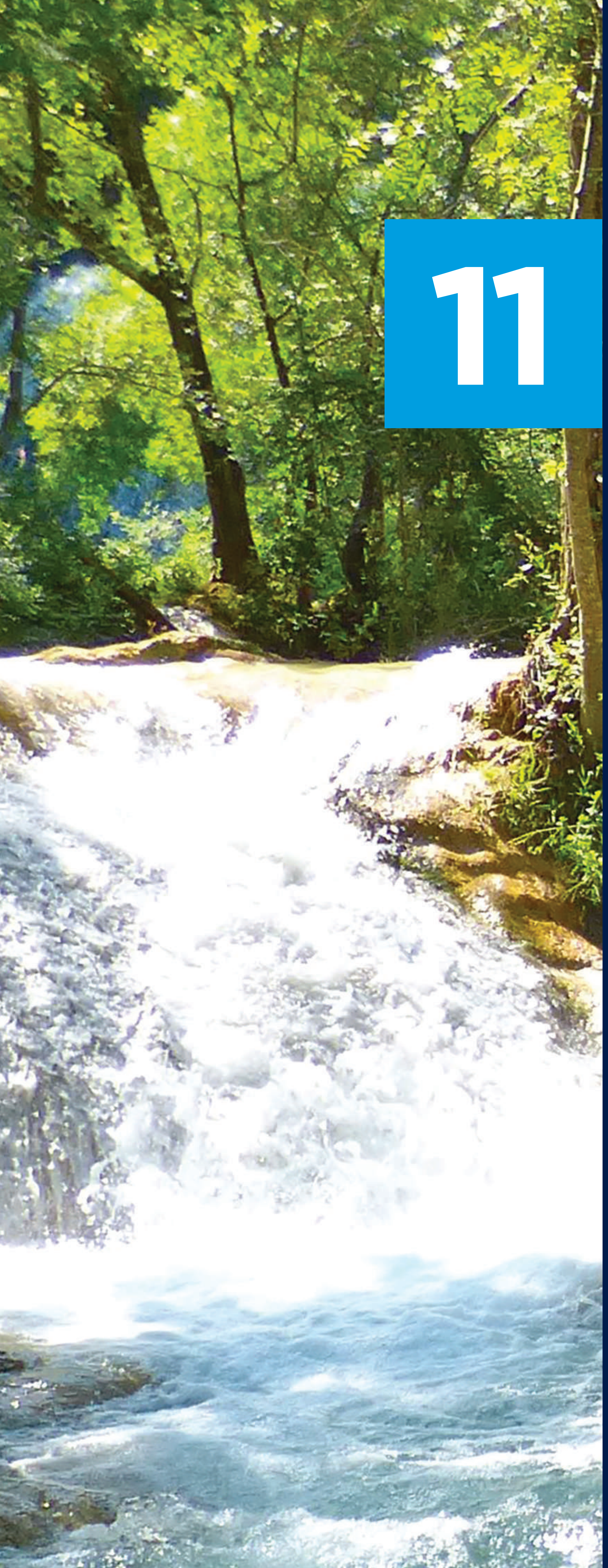
The proceeds of the green bonds will be used to finance or refinance investments in or expenditures for the acquisitions, construction, refurbishment or maintenance of facilities/assets related to:

- Material recovery from non-hazardous waste: mainly ferrous and non-ferrous metals, of which more than 50% (in terms of weight) is processed and suitable for substitution of virgin materials in production processes
- Separate collection and transportation of non-hazardous waste in source segregation fractions, enabling net GHG emission reductions through reuse and high quality recycling of waste
- Manufacture of secondary aluminium, producing significantly lower emissions than primary production
- Recycling of end-of-life batteries
- The Impact Report (one year after issuance) will provide information on the associated environmental impact metrics and outcomes of the green bond expenditures

Examples of Impact reporting metrics:

- Total ferrous and non-ferrous metal waste processed (in metric tons)
- Total secondary raw materials produced (in metric tons)
- Recycling and recovery rates (%)
- Energy savings from recycling materials (e.g. aluminium and steel) compared to their primary production (%)
- Greenhouse gas emissions avoided from the use of secondary raw materials to produce new materials compared to production using raw materials (metric tons of CO2 equivalent)

The issuer has identified that the use of proceeds will support SDG 11 (sustainable cities and communities) 12 (Responsible consumption and production) and 13 (climate action).



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Appendix A: Impact reporting

Amundi Green Credit Continuum seeks to provide accurate and timely information to clients, partners and stakeholders about the Fund's investment activities. We disclose relevant information about the project, environmental and social implications, as well as expected impact.

Disclosure of impact regarding the Fund's investments relies on publicly available information, such as annual impact reports, dedicated newsletters and official websites of green bond issuers, if available. We tailor our selected indicators to summarize the impact of eligible projects that have been financed by the green bonds in which the Fund invests. Examples of measures we use include the renewable energy generated (GWh), energy saved (GWh) and water saved (m^3). In addition, we also track the distribution of green bonds in the Fund's portfolio by sector and geography, according to the issuer's main location. We also track how the proceeds of each green bond are used by location and sector to enrich the impact reporting.

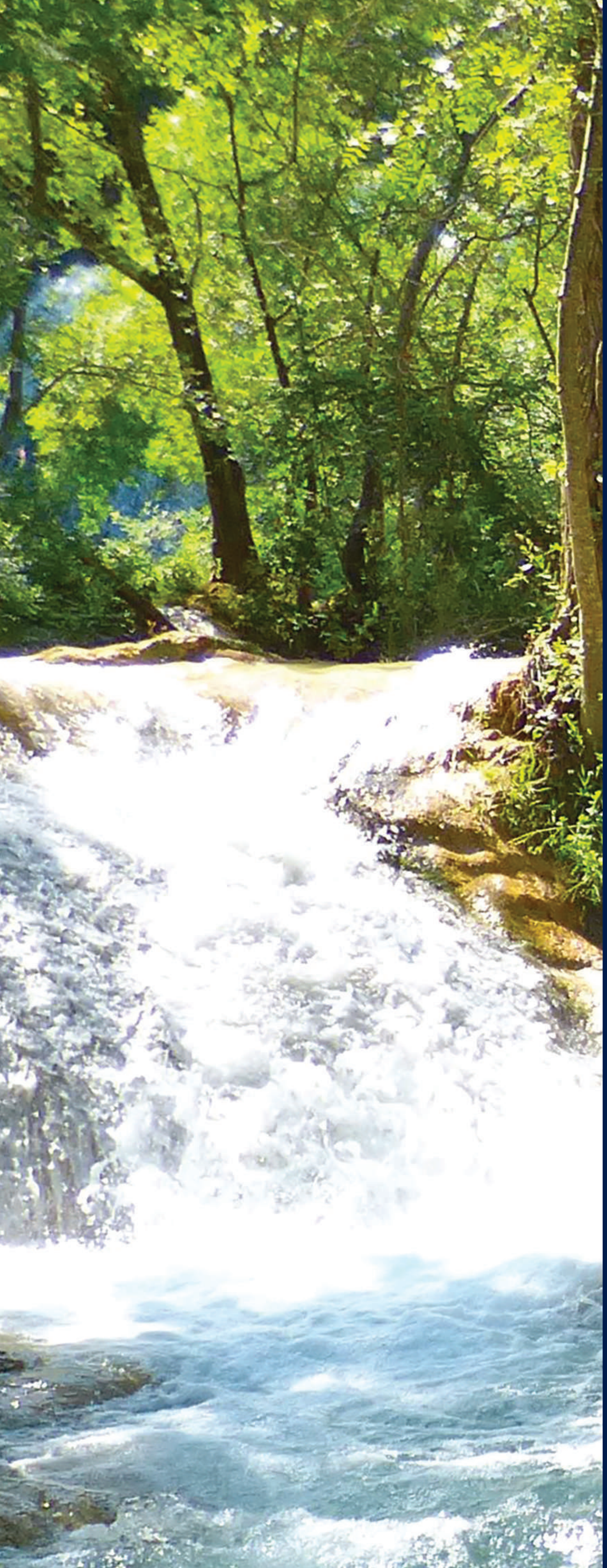
Avoided GHG emissions has been chosen as one of the key indicators for reporting the impact of the Fund's investments. Specifically, we use the following approach:

- We account only for GHG emissions from Scope 1 and Scope 2, with a uniform metric of tCO_2 equivalent. We consider Scope 3 GHG emissions on a case-by-case basis and only when supported with well-documented data. Whenever applicable, we are conservative when reporting the extent to which an initiative avoids GHG emissions. For example, one green bond has fully allocated its proceeds to six renewable projects and one transport project. However, the issuer has disclosed the avoided GHG emissions for the six renewable projects, but not for the transport project. In this instance, we will still use the disclosed data for the Fund's impact report because it is conservative.
- The Fund has calculated GHG avoided emissions per €1 million invested per year using two methods for the level of investment: 1) investments in green bonds only or 2) total investments (green plus non-green) of the Fund[4]. We apply the following considerations in the calculation:
  - At the time of preparing the Fund's impact report, some recent investments in green bond issuances do not have impact data published by the issuers. In those cases, if the issuer has published impact data for previous green bonds, it is assumed that the GHG avoidance rate (tCO_2e/million euro invested) will be similar. This is used as a proxy to get a high level estimate of the potential impact.
  - GHG avoidance for non-green bonds in AP EPO's full portfolio is assumed as zero.

We apply a volume-based (euro) approach whenever applicable, in order to attribute impact to the Fund's investment. It is often needed for the following situations:

- The underlying green bond is issued in tranches, while the Fund has only invested in one of them. In this case, we will calculate the proportional impact, since the Issuer may often disclose the impact only at the overall bond level.
- Proceeds of the underlying green bond is only a fraction of the total financing for the portfolio, whereas impact is disclosed by the issuer at the portfolio level.

[3]i.e., 1353.7 tCO2e as referred to in the Impact Recorded section
[4]i.e., 443.5 tCO2e as referred to in the Impact Recorded section



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The performance data do not take account of the commissions and costs incurred on the issue and redemption of units of the Fund.

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