

Product name:
Amundi PEA S&P US Industrials ESG UCITS ETF

Legal entity identifier:
9695009HKFIX2X728481

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No

X



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 sustainable investment as its objective, it will have a minimum share of 1% % 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 Taxonomy-aligned or not.



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

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

The Fund promotes environmental and/or social characteristics by replicating a Benchmark Index that incorporates an environmental, social and governance (ESG) rating. An optimisation process provides an ESG score for the Benchmark Index at least 10% above the Parent Index.

- i. Exclusion of companies particularly involved in the following activity sectors: controversial weapons, military contracts, thermal coal, tobacco, oil sands and shale, shale gas, Arctic drilling, Arctic oil and gas, light weapons, energy production based on fossil fuels
- ii. Exclusion of companies identified as contravening the United Nations Global Compact (based on methodology set by the data provider Sustainalytics) or not covered by Sustainalytics
- iii. Exclusion of companies where the data provider Trucost is unable to calculate their carbon intensity
- iv. Exclusion of companies without an S&P Global ESG score or whose S&P Global ESG score is among the lowest 5% in the investment universe
- v. Exclusion of companies without an S&P Global ESG environmental score or whose S&P Global ESG environmental score is among the lowest 5% of the investment universe

- vi. Exclusion of controversial companies as determined by S&P
- vii. An optimisation process aimed at reducing the carbon footprint in comparison with the Parent Index by at least 30% and improving the S&P Global ESG and S&P Global ESG scores by at least 10% with regard to the Parent Index.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The S&P Global ESG score is used to measure the attainment of each of the environmental and/or social characteristics promoted by this financial product.

S&P Global ESG provides the environmental, social and governance (ESG) scores (collectively known as the "S&P Global ESG score") which gauge the global performance of companies regarding financially important ESG factors.

The S&P Global ESG score combines three different scores for: Environment, Social, and Governance and Economic. More specifically, the initial index universe comprises all securities in its parent index.

The S&P Global ESG score database comprises a total ESG score for the company over a financial year consisting of individual scores for environmental (E), social (S) and governance (G) criteria determined from over 20 scores (on average) based on sector-related criteria that may be used as signs of ESG risks and impacts.

The securities comprising the S&P 500 Sustainability Enhanced Industrials Index are (i) issued by large-cap US companies active in the industrial sector and (ii) selected and weighted to attain environmental objectives, improve the ESG score and reduce the carbon intensity of the Index with regard to the S&P 500 Capped 35/20 Industrials Index (the "Parent Index"). The industrial sector comprises capital goods manufacturers and distributors (e.g. aerospace, defence, construction products, electrical equipment and machinery, construction and engineering service businesses), commercial and professional service providers (e.g. printing, environmental and installation services, office supply services, security and alarm services, human resources and recruitment services, research and advice services) and companies providing transport services.

The S&P 500 Sustainability Enhanced Industrials Index has the following characteristics:

a) An investment universe that matches the components of the Parent Index, designed to gauge the performance of mid- and large-cap companies listed and traded in the United States and active in the consumer staples sector.

b) An issuer exclusion policy

i. Exclusion of companies particularly involved in the following activity sectors: controversial weapons, military contracts, thermal coal, tobacco, oil sands and shale, shale gas, Arctic drilling, Arctic oil and gas, light weapons, energy production based on fossil fuels; the exposure criteria set by S&P in the Index methodology are different for each of these activities;

ii. Exclusion of companies identified as contravening the United Nations Global Compact (based on methodology set by the data provider Sustainalytics) or not covered by Sustainalytics

iii. Exclusion of companies where the data provider Trucost is unable to calculate their carbon intensity

iv. Exclusion of companies without an S&P Global ESG score or whose S&P Global ESG score is among the lowest 5% in the investment universe

v. Exclusion of companies without an S&P Global ESG environmental score or whose S&P Global ESG environmental score is among the lowest 5% in the investment universe

vi. Exclusion of controversial companies as determined by S&P

The non-financial coverage rate represents over 90% of the securities comprising the S&P 500 Sustainability Enhanced Industrials Index.

c) An optimisation process to:

- Reduce the carbon intensity by at least 30% in comparison to the Parent Index
- Improve the S&P Global ESG score by at least 10 % with regard to the Parent Index
- Improve the S&P Global ESG environmental score by at least 10% with regard to the Parent Index (the "optimised universe")

d) Where the optimised universe comprises fewer than 20 securities, the securities from the consumer staples sector belonging to the S&P 400 Index, classified by descending order of their market capitalisation and to which the Issuer Exclusion Policy applies as set out in b) above, are added to the optimised universe in order to reach the 20 equities to constitute the Index.

If after this stage the optimised universe still fails to reach 20 securities, the mechanism is repeated based on the S&P 600 Index.

Where applicable, the carbon intensity of the S&P 500 Sustainability Enhanced Industrials Index will be reduced with regard to the minimum between (i) the carbon intensity of the Parent Index and ii) the carbon intensity of the S&P Industrials Index, combining the S&P 500, S&P 400 and S&P 600 universes.

For more information about the S&P Global ESG score, ESG controversies and the criteria used to classify whether a company aligns with UNGC principles or not, please see the Index methodology available at: www.spglobal.com/spdji/.

The Fund follows an engaging non-financial approach enabling a minimum 30% reduction in carbon intensity compared to the Parent Index.

The performance followed by the Fund is the closing price of the S&P 500 Sustainability Enhanced Industrials Index.

● ***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?***

Sustainable investments seek to invest in companies that meet two criteria:

- 1) they follow best environmental and social practices; and
- 2) they do not generate products and services that are harmful to the environment and society.

The definition of a "best-performer" company is based on Amundi's proprietary methodology aiming to measure a company's ESG performance. To be considered a "best-performer", a company must be scored the highest among the top three ratings (A, B or C, on a rating scale from A to G) in its sector on a least one major environmental or social factor. Some major environmental and social factors are identified at the sector level. These factors are identified through Amundi's ESG analysis framework which combines non-financial data and qualitative analysis of related sector and sustainability themes. Factors identified as material account for more than 10% of the overall ESG score. For the energy sector for example, the material factors are: emissions and energy, biodiversity and pollution, health and safety, local communities and human rights.

To contribute to the above objectives, the investee company must not have significant exposure to activities that are incompatible with these criteria (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticide production, manufacture of single-use plastics).

The sustainability of an investment is assessed at the investee company level.

By applying the definition of sustainable investments described above to the components of the Index for this passively managed ETF product, Amundi has determined that this financial product offers the minimum share of sustainable investments referred to on page 1. Nevertheless, we stress that Amundi's

sustainable investment methodology is not implemented in the methodology for the index replicated by this financial product.

Further information on the criteria used to determine whether an investment does no significant harm can be found in the document entitled "Amundi Sustainable Finance Disclosure Statement", which is available at the following website: https://www.amundi.fr/fr_part/Local-content/Footer/Quicklinks/Informations-reglementaires/Amundi-Asset-Management.

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

To ensure that sustainable investments do not cause significant harm (the "do no significant harm" or "DNSH" principle), Amundi uses two filters:

- the first DNSH filter is based on monitoring the mandatory indicators for the Principal Adverse Impacts set out in Table 1 of Annex I of the RTS (e.g. the greenhouse gas or GHG intensity of companies) through a combination of indicators (e.g. carbon intensity) and specific rules or thresholds (e.g. the carbon intensity is not in the bottom decile for the sector). Amundi already takes into account the specific Principal Adverse Impacts in its exclusion policy as part of its General Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal and tobacco.

- In addition to specific sustainability factors covered by the first filter, Amundi has defined a second filter which does not take the mandatory indicators for the Principal Adverse Impacts into account, in order to verify that a company does not perform poorly from an overall environmental or social standpoint compared to other companies within its sector. This corresponds to an environmental or social score of E or higher on the Amundi rating scale.

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

As explained above, the adverse impact factors are taken into account in the first DNSH (Do No Significant Harm) filter: this is based on the monitoring of the mandatory indicators of the Principal Adverse Impacts in Annex 1, Table 1 of the RTS where reliable data are available through the combination of the following indicators and specific rules or thresholds: - a CO2 intensity that is not in the bottom decile of companies in the sector (only applies to high-intensity sectors), and
- a board diversity that is not in the bottom decile of companies in its sector, and
- the absence of any controversy regarding working conditions and human rights, and
- the absence of any controversy regarding biodiversity and pollution. Amundi already takes into account the specific Principal Adverse Impacts in its exclusion policy as part of its General Responsible Investment Policy. These exclusions, which are applied in addition to the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of United Nations Global Compact principles, coal and tobacco.

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

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into Amundi's ESG rating methodology. The proprietary ESG rating tool evaluates issuers using data available from data providers. For example, the model includes a dedicated criterion called "Community engagement and human rights". This is applied to all sectors

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.

together with other human rights criteria, including socially responsible supply chains, working conditions and industrial relations. In addition, controversy monitoring is carried out at least once a quarter and includes companies that have been flagged for human rights violations. When controversies arise, analysts assess the situation and assign a score to the controversy (using the proprietary scoring methodology) to determine the best course of action. Controversy scores are updated quarterly to keep track of trends and remediation efforts.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives. It 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 takes into account the mandatory indicators for the Principal Adverse Impacts set out in Table 1 of Annex 1 of the RTS applicable to the strategy of the UCI. It relies on a combination of exclusion policies (norm-based and sector-based), the integration of the ESG ratings within the investment process, engagement and voting policies:

- Exclusion: Amundi has defined rules for norm-based exclusions by activity and sector, covering some of the main sustainability indicators listed in the Disclosure Regulation.

- Engagement: engagement is an ongoing, targeted process aimed at influencing the activities or behaviour of companies. The aim of engagement can be divided into two categories: engaging with an issuer to improve how it integrates the environmental and social aspects, and engaging with an issuer to improve its impact on environmental, social and human rights issues or other sustainability issues of importance to society and the global economy.

- Voting: Amundi's voting policy is based on a holistic analysis of all the long-term issues that could influence value creation, including material ESG issues (Amundi's voting policy is available on its website).

- Controversy monitoring: Amundi has developed a controversy monitoring system that uses three external data providers to systematically monitor controversies and their level of severity. This quantitative approach is reinforced by an in-depth assessment of each severe controversy by ESG analysts and a periodic review of any developments. This approach is applied to all Amundi funds.

No



What investment strategy does this financial product follow?

The Fund is a passively managed index-based UCITS.

The Fund's investment objective is to track the performance in euro of the S&P 500

Sustainability Enhanced Industrials Index (see "Benchmark Index" section) as closely as possible, whether it rises or falls.

The Fund is managed so as to achieve the smallest possible gap between changes in its net asset value and changes in the value of the euro-adjusted S&P 500 Sustainability Enhanced Industrials Index (hereinafter the "S&P 500 Sustainability Enhanced Industrials Index" or the "Index"). The target for maximum tracking error between changes in the Fund's NAV and those in the euro-adjusted S&P 500 Sustainability Enhanced Industrials Index is 2%.

If the tracking error should exceed 2%, the aim would nevertheless be to remain below 15% of the volatility shown by the euro-adjusted S&P 500 Sustainability Enhanced Industrials Index.

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 Fund's Benchmark Index is the S&P 500 Sustainability Enhanced Industrials Index, denominated in USD, net dividends reinvested (net total return).

The S&P 500 Sustainability Enhanced Industrials Index is an "equity" index calculated and published by the international index provider Standard & Poor's.

The securities comprising the S&P 500 Sustainability Enhanced Industrials Index are (i) issued by large-cap US companies active in the industrial sector and (ii) selected and weighted to attain environmental objectives, improve the ESG score and reduce the carbon intensity of the Index with regard to the S&P 500 Capped 35/20 Industrials Index (the "Parent Index"). The industrial sector comprises capital goods manufacturers and distributors (e.g. aerospace, defence, construction products, electrical equipment and machinery, construction and engineering service businesses), commercial and professional service providers (e.g. printing, environmental and installation services, office supply services, security and alarm services, human resources and recruitment services, research and advice services) and companies providing transport services.

More specifically, the S&P 500 Sustainability Enhanced Industrials Index has the following characteristics:

a) An investment universe that matches the components of the Parent Index, designed to gauge the performance of mid- and large-cap companies listed and traded in the United States and active in the consumer staples sector.

b) An issuer exclusion policy

i. Exclusion of companies particularly involved in the following activity sectors: controversial weapons, military contracts, thermal coal, tobacco, oil sands and shale, shale gas, Arctic drilling, Arctic oil and gas, light weapons, energy production based on fossil fuels; the exposure criteria set by S&P in the Index methodology are different for each of these activities;

ii. Exclusion of companies identified as contravening the United Nations Global Compact (based on methodology set by the data provider Sustainalytics) or not covered by Sustainalytics

iii. Exclusion of companies where the data provider Trucost is unable to calculate their carbon intensity

iv. Exclusion of companies without an S&P Global ESG score or whose S&P Global ESG score is among the lowest 5% in the investment universe

v. Exclusion of companies without an S&P Global ESG environmental score or whose S&P Global ESG environmental score is among the lowest 5% in the investment universe

vi. Exclusion of controversial companies as determined by S&P

The non-financial coverage rate represents over 90% of the securities comprising the S&P 500 Sustainability Enhanced Industrials Index.

c) An optimisation process to:

- Reduce the carbon intensity by at least 30% in comparison to the Parent Index
- Improve the S&P Global ESG score by at least 10 % with regard to the Parent Index
- Improve the S&P Global ESG environmental score by at least 10% with regard to the Parent Index

(the "optimised universe")

d) Where the optimised universe comprises fewer than 20 securities, the securities from the consumer staples sector belonging to the S&P 400 Index, classified by descending order of their market capitalisation and to which the Issuer Exclusion Policy applies as set out in b) above, are added to the optimised universe in order to reach the 20 equities to constitute the Index.

If after this stage the optimised universe still fails to reach 20 securities, the mechanism is repeated based on the S&P 600 Index.

Where applicable, the carbon intensity of the S&P 500 Sustainability Enhanced Industrials Index will be reduced with regard to the minimum between (i) the carbon intensity of the Parent Index and ii) the carbon intensity of the S&P Industrials Index, combining the S&P 500, S&P 400 and S&P 600 universes.

For more information about the S&P Global ESG score, ESG controversies and the criteria used to classify whether a company aligns with UNGC principles or not, please see the Index methodology available at: www.spdji.com.

The Fund follows an engaging non-financial approach enabling a minimum 30% reduction in carbon intensity compared to the Parent Index.

The performance followed by the Fund is the closing price of the S&P 500 Sustainability Enhanced Industrials Index

The investment strategy for the financial product also relies on a combination of systematic exclusions (norm-based and sector-based), as set out in Amundi's General Responsible Investment Policy.

● ***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 committed minimum rate to reduce the scope of these investments.

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

The management team applies Amundi's ESG rating methodology. The rating is based on a proprietary ESG analysis framework which takes into account 38 general and sector-based criteria, including governance criteria. For the governance aspect, Amundi assesses the issuer's ability to provide an effective corporate governance framework that enables it to attain its long-term objectives (e.g. maintaining the issuer's value over the long term). The governance sub-criteria taken into account are: the board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy.

Amundi's ESG rating scale consists of seven ratings, ranging from A to G, where A is the best rating and

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

G is the worst. G-rated companies are excluded from the investment universe.



What is the asset allocation planned for this financial product?

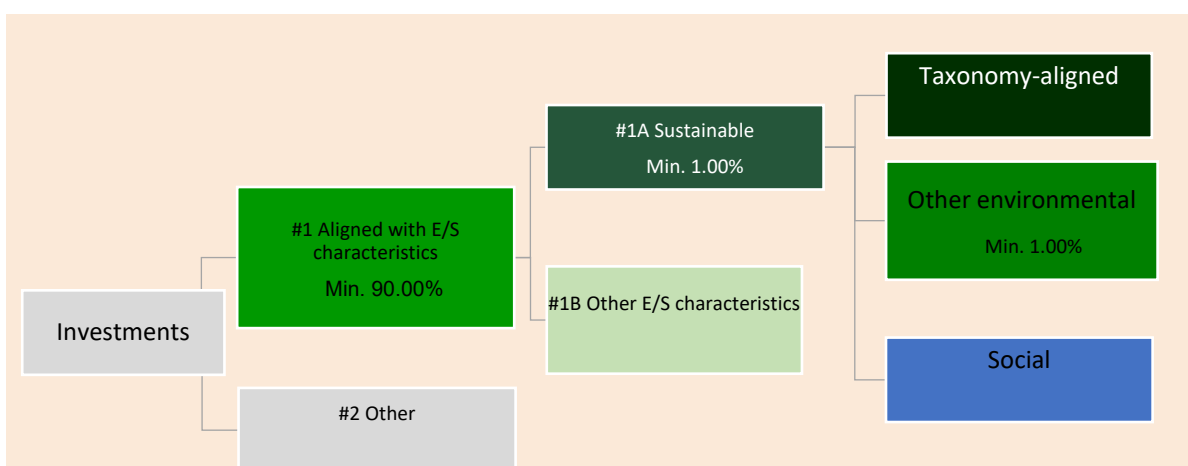
Asset allocation

describes the share of investments in specific assets.

At least 90% of the UCI's securities and instruments undergo ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in line with the binding elements of the investment strategy. In addition, the UCI undertakes to hold a minimum of 1% (on a net asset basis) of sustainable investments, as indicated in the table below.

Taxonomy-aligned activities are expressed as a percentage of:

- **turnover** reflecting the proportion of revenue from green activities of companies in which the financial product is invested;
- **capital expenditure** (CapEx) showing the green investments made by companies in which the financial product is invested, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of companies in which the financial product is invested.



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

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covering sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covering 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?**

The environmental or social characteristics promoted by the financial product are attained through using total return swap(s). In order to achieve the highest possible correlation with the performance of the Benchmark Index, the Fund will attain its investment objective through an indirect replication method. This means the Fund will sign one or several OTC swap futures enabling it to attain its investment objective.



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

The UCI does not currently have any minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy.

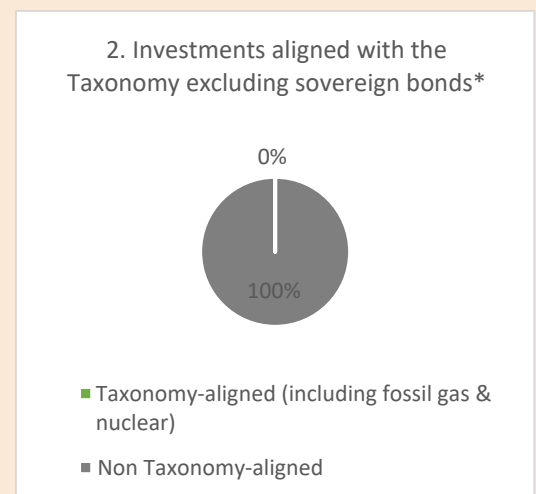
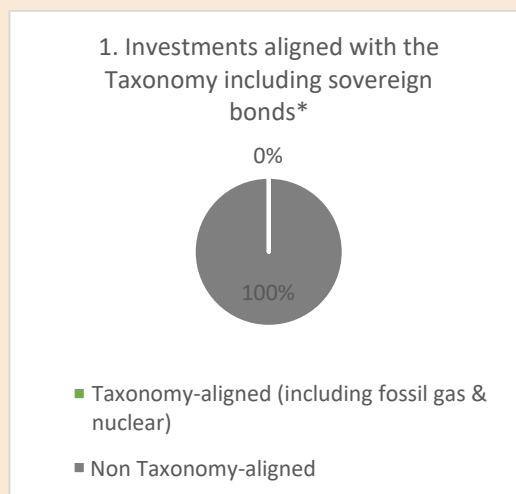
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

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?

The UCI has no commitment with respect to a minimum proportion of investments in transitional and enabling activities.

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 objectives – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The UCI does not currently have any minimum commitment to sustainable investments with an environmental objective not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The UCI does not have a 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?

The "#2 Other" category includes cash, derivatives and the instruments not covered by an ESG analysis (which may include securities for which data needed to measure the attainment of environmental or social characteristics are 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?

Yes, the Benchmark Index has been designated as such to determine whether the financial product aligns with the environmental and/or social characteristics it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

According to applicable regulations, index sponsors (including BMR) must establish appropriate controls when defining and/or using regulated index methodologies.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The Fund's investment objective is to track the upward and downward movements of the Benchmark Index, while reducing the tracking error between the Fund's performance and that of the Benchmark Index to a minimum.

- ***How does the designated index differ from a relevant broad market index?***

The S&P 500 Sustainability Enhanced Industrials Index is an equity index (i) the S&P 500 Capped 35/20 Industrials Index (the Parent Index), (ii) designed to gauge the performance of large-cap companies listed and traded in the United States and active in the industrial sector, (iii) selected and weighted to attain

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

environmental objectives, improve the ESG score and reduce the carbon intensity of the Index with regard to the Parent Index.

- ***Where can the methodology used for the calculation of the designated index be found?***

www.spglobal.com/spdji/.



Where can I find more product-specific information online?

More product-specific information can be found on the website: www.amundiETF.com