

**Product name:**  
Amundi PEA S&P 500 ESG UCITS ETF

**Legal entity identifier:**  
969500TE32OM0ND12X66

## 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 a sustainable investment as its objective, it will have a minimum share of 15% in 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?

The Fund promotes environmental and/or social characteristics by replicating a Benchmark Index that incorporates an environmental, social and governance (ESG) rating.

The Benchmark Index is built using a "best-in-class" approach; in other words, companies with the highest ESG ratings in each sector (according to the Global Industry Classification Standard [GICS]) are selected to build the Benchmark Index.

The best-in-class approach aims to prioritise the best-performing companies within a universe, a sector or a class. With this "best-in-class" filter, the Fund follows an engaging non-financial approach that allows it to reduce the size of the Investment Universe by at least 20% (in terms of the number of issuers).

**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?***

S&P Global ESG scores are used to measure the attainment of each of the environmental and/or social characteristics promoted by the Fund. S&P Global provides environmental, social and governance (ESG) scores (collectively known as the "S&P Global score") to measure overall company performance with regard to financially important ESG factors.

S&P Global ESG score combines three different scores for: Environmental, 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 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.

More information about S&P Global ESG scores is available at the following link:

<https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-esg+-indices.pdf>

The S&P 500 ESG+ index is an "equity" index calculated and published by the international index provider Standard & Poor's. ("S&P"). It has the following characteristics:

- An investment universe that is identical to the S&P 500 (the "Parent Index") designed to gauge the 500 large-cap securities listed and traded in the United States;

- Use of the following filters for the investment universe:

1. Exclusion of companies involved in controversial activities such as tobacco, controversial weapons, non-conventional oil and gas, drilling the Arctic and thermal coal; the exposure criteria set by S&P in the S&P 500 ESG+ Index is different for each of these activities;
2. Exclusion of companies that do not abide by the United Nations Global Compact principles (UNGC), as set out in the S&P 500 ESG+ Index methodology;
3. Exclusion of companies that do not have an S&P Global ESG score within the 25% lowest ESG scores for each GICS industrial group. The global universe for this classification is defined as the pooling of S&P Global LargeMidCap and S&P Global 1200 companies at the end of March in the previous year.

- The Index covers 75% of the float-adjusted market capitalisation for each industrial group within the Parent Index, using the S&P Global ESG score as the main characteristic. The components are selected by descending order of the S&P Global ESG score.

- The Index components are weighted by float-adjusted market capitalisation.

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 methodology for the S&P 500 ESG+ Index at: [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

● ***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.

● ***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.

**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 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 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.



**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 ESG+ Index (dividends reinvested) 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 S&P 500 ESG+ Index. The target for maximum tracking error between changes in the Fund's NAV and those in the euro-adjusted S&P 500 ESG+ 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 ESG+ 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 is a passively managed index-based ETF.

The Benchmark Index is the S&P 500 ESG+ Index (net dividends reinvested, i.e. the performance of the S&P 500 ESG+ Index includes the net dividends paid out by its constituent stocks).

The S&P 500 ESG+ Index is an "equity" index calculated and published by the international index provider Standard & Poor's. ("S&P"). It has the following characteristics:

- An investment universe that is identical to the S&P 500 (the "Parent Index") designed to gauge the 500 large-cap securities listed and traded in the United States;

- Use of the following filters for the investment universe:

1. Exclusion of companies involved in controversial activities such as tobacco, controversial weapons, non-conventional oil and gas, drilling the Arctic and thermal coal; the exposure criteria set by S&P in the S&P 500 ESG+ Index is different for each of these activities;
2. Exclusion of companies that do not abide by the United Nations Global Compact principles (UNGC), as set out in the S&P 500 ESG+ Index methodology;
3. Exclusion of companies that do not have an S&P Global ESG score within the 25% lowest ESG scores for each GICS industrial group. The global universe for this classification is defined as the pooling of S&P Global LargeMidCap and S&P Global 1200 companies at the end of March in the previous year.

- The Index covers 75% of the float-adjusted market capitalisation for each industrial group within the Parent Index, using the S&P Global ESG score as the main characteristic. The components are selected

by descending order of the S&P Global ESG score.

- The Index components are weighted by float-adjusted market capitalisation.

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 methodology for the S&P 500 ESG+ Index at: [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

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

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

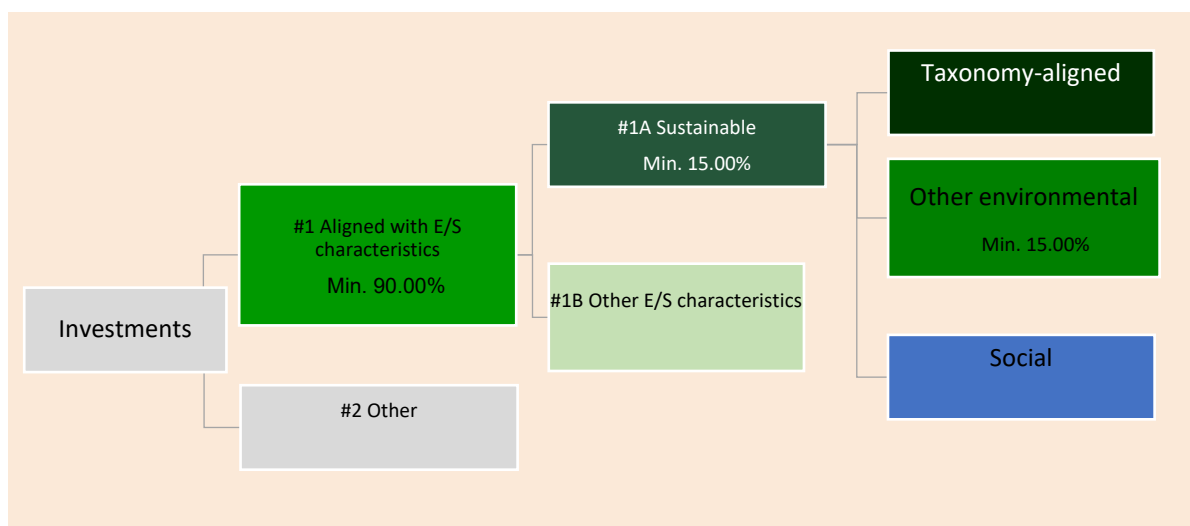
 **What is the asset allocation planned for this financial product?**

**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 15 % 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 management 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.

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

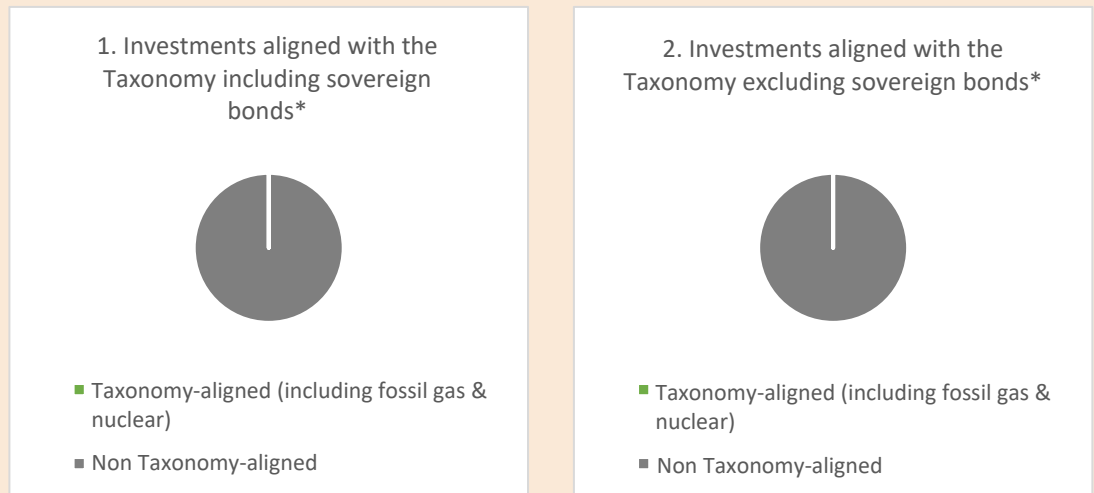
● ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?***

- Yes:
- In fossil gas      In nuclear energy
- No

<sup>1</sup> 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.

corresponding to the best performance.

**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.



**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.

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



## 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 investment universe of the S&P 500 ESG+ Index is identical to the S&P 500 Index (which gauges the performance of the 500 large-cap securities listed and traded in the United States) and aims to mirror the performance of equities aligned with sustainability criteria while maintaining a similar global sector weighting to the S&P 500 Index. The S&P 500 ESG+ Index is weighted by float-adjusted market capitalisation.

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

[eu.spindices.com](http://eu.spindices.com)



## Where can I find more product-specific information online?

More product-specific information can be found on the website: [www.amundiETF.com](http://www.amundiETF.com)

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