

Website Product Disclosures further to art. 10(1) of the Sustainable Finance Disclosure Regulation for art. 9 financial products

SUMMARY

Name: AMUNDI MSCI USA ESG LEADERS UCITS ETF

Legal entity identifier: 2138004GEWJQ4ON8I480

Sustainable investment objective of the financial product

The Sub-Fund seeks to promote the following environmental and social characteristics: 1) reduction of carbon emission intensity; 2) reduction in environmental harm derived from water stress, fossil fuel, thermal coal, oil and gas or uranium; 3) reduction in the production of controversial and nuclear weapons; and 4) reduction in social harm derived from labor management or business ethics. The Sub-Fund promotes these environmental and social characteristics through among others, replicating the MSCI USA ESG Leaders Select 5% Issuer Capped Index (the "Index") by integrating an environmental, social and governance ("ESG") rating. The Index is selected by applying a range of filters based on ESG ratings as well as certain environmental and social exclusions, such as companies that are involved in controversial weapons, nuclear weapons, gambling and adult entertainment. As further described below, the application of these filters excludes from the Index, companies which do not meet certain ESG standards, and the characteristics promoted by the Sub-Fund. The Index is constructed using a "Best-in-class approach": best ranked companies in each sector are selected to construct the Index. "Best-in-class" is an approach where leading or best-performing investments are selected within a universe, industry sector or class. Using such Best-in-class approach, the Sub-Fund follows an extrafinancial approach significantly engaging that permits the reduction by at least 20% of the initial investment universe (expressed in number of issuers).

Proportion of investments

90% of the Sub-Fund's securities and instruments will meet the promoted environmental or social characteristics in accordance with the binding elements of the Index methodology, Furthermore, the Sub-Fund commits to have a minimum of 20% of Sustainable Investments as per the below chart.

Monitoring, methodologies, data sources and their limitations, due diligence and engagement policies

The proportion of the portfolio that is invested in use-of-proceeds Green, Social and Sustainable (GSS) bonds is monitored on an ongoing basis within Amundi's proprietary portfolio management system

Alto, relying on Bloomberg data for the categorization of the securities as green bonds and on Amundi's proprietary analysis for the verification of Amundi GSS requirements as performed by Amundi's ESG analysts. In case a bond loses its GSS bond status after inclusion in the portfolio, it is removed from the portfolio within 90 days by default. Amundi's Risk function performs second-level monitoring by checking that the investment constraint in terms of minimum share of the portfolio to be invested in green bonds is met at all times, requiring immediate adjustments in case of breach.

The DNSH (including Minimum Safeguards) and Good Governance (where relevant) tests based on "Amundi Sustainable Investment Framework" are carried out on the issuers of the green bonds before and after trading, on an ongoing basis, by the portfolio managers and the Risk function. These tests are based on Amundi's proprietary ESG scores and controversy screening methodology. ESG scores – including those leading to exclusions based on the monitoring of severe controversies – are updated on a monthly basis within Amundi's proprietary module Stock Rating Integrator (SRI). Whenever an issuer whose green bonds are included in the portfolio is found to no longer meet the DNSH and Good Governance (where relevant) tests, the associated securities are removed from the portfolio within 90 days by default.

The "Amundi Sustainable Investment Framework" comprises a set of criteria and indicators used to assess:

- A. Economic activity contribution to an environmental or social objective;
- B. Investments' compliance with the requirement not to significantly harm that objective;
- C. Whether investee companies follow good governance practices.

This framework enables Amundi and its subsidiaries to assess whether investments can be considered as 'Sustainable Investments', and accounted for when disclosing the proportion of investment in 'Sustainable Investment' and monitoring the compliance with fund level commitments.

Amundi relies on Bloomberg and Climate Bonds Initiative as a source of information regarding the alignment of green, social, sustainable and sustainability-linked bonds with ICMA principles, their use of proceeds, and their impact reporting. These data sources also inform the analysis of our ESG analysts for the compliance of the bonds with Amundi GSS framework, in addition to reported data from issuers. To carry out the Contribution test, the DNSH test and the Good Governance tests described in the "Methodologies" section, we source data from the following sources: Moody's, ISS-Oekom, MSCI, Trucost, CDP, Verisk Maplecroft, Refinitiv, RepRisk and Sustainalytics. In addition to direct access of our ESG analysts to reported data from issuers.

Our methodology limitations are by construction linked to use of ESG data. The ESG data landscape is currently being standardized, which can impact data quality; data coverage also is a limitation. Current and future regulation will improve standardized reporting and corporate disclosures on which ESG data rely. We are aware of these limitations which we mitigate by a combination of approaches: the monitoring of controversies, the use of several data providers, a structured qualitative assessment by our ESG research team of the ESG scores, the implementation of a strong governance.

Each month, the ESG score are recalculated according Amundi quantitative methodology. The result of this calculation is then reviewed by the ESG analysts who perform a qualitative "sampling control" on its sector based on various checks.

Amundi engages investee or potential investee companies at the issuer level regardless of the type of holdings held (equity and bonds).