

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability

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

Product name:

AMUNDI EURO GOVERNMENT TILTED GREEN BOND

Legal entity identifier:

54930086L1BR8DOJL973

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: __%

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

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

☐ It will make a minimum of **sustainable investments with a social objective**: __%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25% 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**

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

The Sub-Fund promotes environmental and/or social characteristics through among others, replicating the Bloomberg Euro Treasury Green Bond Tilted Index (the "Reference Benchmark") an Index of EMU government bonds where the Green Bonds are overweighted with respect to a standard market-value EMU government bond index.

The Reference Benchmark includes standard bonds and green bonds issued by EMU governments. The bonds considered "Green Bonds" are identified using data provided by Bloomberg.

The Green Bonds in the Index are bonds whose net bond proceeds will be entirely designated for market-accepted green activities based on the classification by Bloomberg (for example but not only : Renewable Energy, Energy Efficiency, green Buildings, others). See www.bloomberg.com for further details on eligible project categories.

The Green Bonds are reviewed by Bloomberg to ensure they meet the minimum criteria to be classified appropriately. The criteria are reflective of the Green Bond Principles which include:

- Use of proceeds
- Project selection process
- Management of proceeds

- Reporting

All green bond securities are reviewed on an annual basis to confirm proceeds are used to support green projects. Bonds with proceeds that are not confirmed to be used for green purposes within 18 months of its last review will be removed from the index. Bonds with proceeds confirmed not to be used for green will also be removed from the index.

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

The percentage of the fund allocated to bonds considered as "Green Bonds" by Bloomberg is used to measure the attainment of each of the environmental and or social characteristic promoted by this financial product.

More precisely, the methodology of the Bloomberg Euro Treasury Green Bond Tilted Index (the "Reference Benchmark") The index respects the following criteria:

- Eligible bonds have at least EUR 300 mn outstanding nominal and are issued by Eurozone countries with at least EUR 50 bn in issuance. The list of countries eligible for the index is reviewed on an annual basis.
- Countries must be rated investment grade (Baa3/BBB-/BBB-) or higher to enter the index using the middle rating of Moody's, S&P and Fitch.
- Maturity must be at least one year until final maturity, regardless of optionality.
- Principal and interest must be denominated in EUR.
- The index is rebalanced monthly. Prior to the end of the month, the index composition for the following month is determined based on the Parent Index values in order to set the total weight of green bonds to at least 30%, and maintain a comparable risk profile with the one of the Parent Index.

Additionally, the index excludes sovereign issuers designated as "Not Free" by Freedom House.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments is to invest in Green Bonds issued by EMU governments which meet the do not significant harm criteria and minimum safeguards as specified in the index methodology.

● ***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 sustainable investments do no significant harm ('DNSH'), the index methodology excludes countries designated as "Not Free" by Freedom House. In addition, the fund will not invest in securities issued by sovereign issuers included in the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions), after formal review and validation from Amundi's Rating Committee

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

PAI 15 "GHG intensity" is taken into account by overweighting the Green Bonds with respect to a standard market-value government bond index. Green Bonds are issued in order to fund projects that have positive environmental outcomes based on Bloomberg's methodology.

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

PAI 16 "Investee countries subject to social violations" is taken into account through the exclusion from the sub-fund of countries on the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions), after formal review and validation from Amundi's Rating Committee. In addition, the Reference Benchmark excludes sovereign issuers categorized as "Not Free" by Freedom House.

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

Not applicable to sovereign issuers.

The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significantly 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, The PAI 15 "GHG intensity" is taken into account by overweighting the Green Bonds with respect to a standard market-value government bond index. Green Bonds are issued in order to fund projects that have positive environmental outcomes.

The PAI 16 "Investee countries subject to social violations" is taken into account through the exclusion from the sub-fund of countries on the European Union (EU) sanction list with a sanction consisting of asset freezing, and a sanction index at the highest level (considering both United States and EU sanctions), after formal review and validation from Amundi's Rating Committee. In addition, the Reference Benchmark excludes sovereign issuers categorized as "Not Free" by Freedom House.

☐ No



What investment strategy does this financial product follow?

The Sub-Fund tracks the performance of Bloomberg Euro Treasury Green Bond Tilted Index (the "Reference Benchmark"), and minimizes the tracking error between the net asset value of the sub-fund and the performance of the Index.

The Bloomberg Euro Treasury Green Bond Tilted Index is based on the Euro Treasury 50bn Bond Index (the "Parent Index"), and measures the performance of investment grade, EUR-denominated, fixed-rate government debt. The Index is tilted such that, on a rebalancing date, at least 30% of the Index's market value is allocated to securities classified as Green Bonds and the remaining percentage is allocated to non-Green Bonds, and the risk profiles of the Index and the Parent Index are comparable.

- ☐ **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**

The Investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices

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

product?

This is a passively managed ETF. Its investment strategy is to replicate the Reference Benchmark while minimizing the related tracking error.

More precisely, Bloomberg Euro Treasury Green Bond Tilted Index (the "Reference Benchmark") meets the following criteria:

- Eligible bonds have at least EUR 300 mn outstanding nominal and are issued by Eurozone countries with at least EUR 50 bn in issuance. The list of countries eligible for the index is reviewed on an annual basis.
- Countries must be rated investment grade (Baa3/BBB-/BBB-) or higher to enter the index using the middle rating of Moody's, S&P and Fitch.
- Maturity must be at least one year until final maturity, regardless of optionality.
- Principal and interest must be denominated in EUR.
- The index is rebalanced monthly. Prior to the end of the month, the index composition for the following month is determined based on the Parent Index values in order to set the total weight of green bonds to at least 30%, and maintain a comparable risk profile with the one of the Parent Index.

The Product strategy is also relying on systematic exclusions policies (normative and sectorials) as further described in Amundi 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 the investments considered prior to the application of that investment strategy.

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

Not applicable to sovereign issuers.



Asset

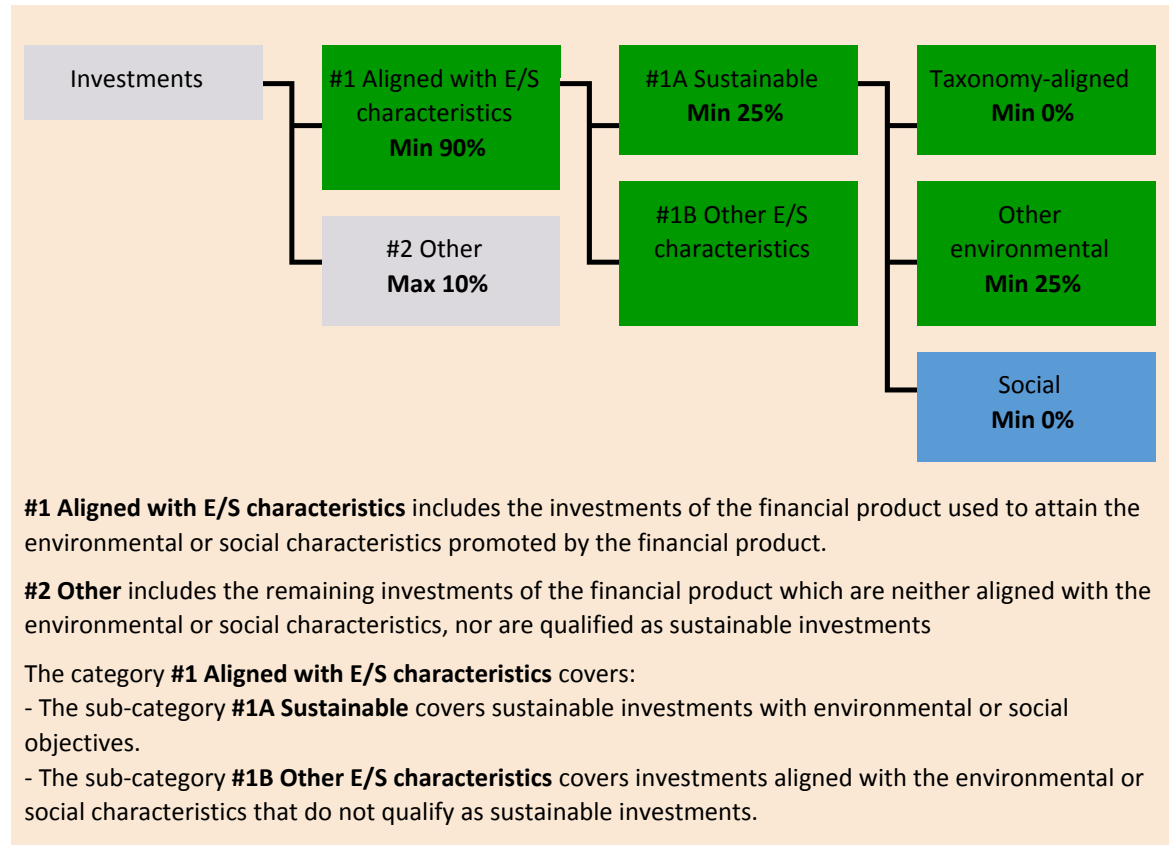
allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

At least 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 25% of sustainable investments as per the below chart. Investments aligned with other E/S characteristics (#1B) will represent the difference between the actual proportion of investments aligned with environmental or social characteristics (#1) and the actual proportion of sustainable investments (#1A).



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental and social characteristics promoted by the Sub-Fund.

Enabling

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

Transitional activities

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



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

The sub-fund currently has no minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy. The Sub-Fund does not commit to make taxonomy-compliant investments in fossil gas and/or nuclear energy as illustrated below. Nevertheless, as part of the investment strategy, it may invest in companies that are also active in these industries. Such investments may or may not be taxonomy aligned.

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

☐ Yes :

☐ In fossil gas

☐ In nuclear energy

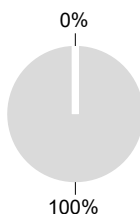
☒ No

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.*

1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy-aligned
(no fossil gas and
nuclear)

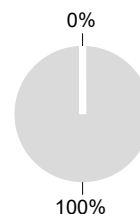
■ Non
Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy-aligned
(no fossil gas and
nuclear)

■ Non
Taxonomy-aligned



This graph represents 0% of the total investments.**

* For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures

** This percentage is purely indicative and may vary.

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

The funds has no minimum proportion of investment in transitional or enabling activities.



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 Sub-Fund will have a minimum commitment of 25% of Sustainable Investments with an environmental objective as indicated in this Annex with no commitment on their alignment with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Sub-Fund has no minimum share of socially sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Included in “#2 Other” are cash and instruments for the purpose of liquidity and portfolio risk management.



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

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 Bloomberg Euro Treasury Green Bond Tilted Index has been designated as a reference benchmark to determine whether the Sub-Fund is aligned with the environmental and/or social characteristics that 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 to index sponsors (including BMR), index sponsors should define appropriate controls/diligence when defining and/or operating index methodologies of regulated indexes.

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

The investment objective of the Sub-Fund is to track both the upward and downward evolution of the Index, while minimising the difference between the return of the Sub-Fund and the return of the Index.

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

The Index is based on a standard market-value EMU government bond universe with modified weights in order to overweight the Green Bonds. As a consequence performance will not be the same than the parent's.

More precisely, the Bloomberg Euro Treasury Green Bond Tilted Index is based on the Euro Treasury 50bn Bond Index (the "Parent Index"), and measures the performance of investment grade, EUR-denominated, fixed-rate government debt. The Index is tilted such that, on a rebalancing date, at least 30% of the Index's market value is allocated to securities classified as Green Bonds and the remaining percentage is allocated to non-Green Bonds, and the risk profiles of the Index and the Parent Index are comparable.

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

Additional information on the Index can be found at <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits>



Where can I find more product specific information online?

Additional information on the Sub-Fund can be found at www.amundiethf.com.

Disclaimer

15/04/2024.