

Template 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

Product name:
Amundi PEA MSCI Emerging Latin America Selection UCITS ETF

Legal entity identifier:
969500SDJJG3ZE7ATM11

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 5 % 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 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 aligned with the Taxonomy or not.



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

The Fund promotes environmental and/or social characteristics through the replication of a reference benchmark incorporating an environmental, social and governance ("ESG") rating.

The reference benchmark is constructed using a Best-in-Class approach, i.e., companies with the highest ESG ratings in each sector (according to the Global Industry Classification Standard [GICS]) are selected in order to construct the Reference Benchmark.

The Best-in-Class approach aims to favour the best performing companies within a universe, sector or class. With this Best-in-Class filter, the Fund adopts a non-financial approach based on a commitment making it possible to reduce the Investment Universe by at least 20% (by 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?**

The MSCI ESG Rating is used to measure the attainment of each of the environmental and/or social characteristics promoted by the financial product. The MSCI ESG Rating methodology uses a rules-based methodology designed to measure a company's resilience to the sector's significant long-term ESG risks. It is based on non-financial key ESG issues that focus on the intersection between a company's core business and issues specific to its sector that may create significant risks and opportunities for the company. The key ESG issues are weighted based on their impact and the timeframe for the risk or opportunity. Key ESG issues include water stress, carbon emissions, workforce management and business ethics. Further information about the MSCI ESG Rating is available at:

<https://www.msci.com/documents/1296102/21901542/ESG-Ratings-Methodology-Exec-Summary.pdf>

Further information about the MSCI ESG Controversy Score is available at:

<https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Controversies+Executive+Summary+Methodology+---+July+2020.pdf/b0a2bb88-2360-1728-b70e-2f0a889b6bd4>

Specifically, the Fund's reference benchmark is the MSCI EM Latin America Selection 20/35% Capped Index (the "**Index**").

The Index is an equity index calculated and published by the international index provider MSCI Inc. ("MSCI").

The equities which make up the Index are taken from the biggest securities universe in the equities markets of Latin American emerging countries.

Specifically, the Index has the following characteristics:

a) An identical "Investment Universe" to the MSCI Emerging Markets Latin America Index (the "Parent Index"). The Parent Index measures the overall performance of Latin American emerging markets. It is made up of countries classified as "emerging countries" by MSCI (in April 2023: Brazil, Chile, Colombia, Mexico and Peru), and covers approximately 85% of the market capitalisations of each of these countries. The weight of each security in the Parent Index is adjusted according to its float-adjusted market capitalisation. As a result, the number of securities in the basket of constituents of the Parent Index may change over time;

b) ESG approach:

i. Exclusion of specific activities based on ESG criteria (determined using the MSCI ESG Research methodology): alcohol, gambling, tobacco, nuclear energy, conventional weapons, nuclear weapons, controversial weapons, civilian firearms, thermal coal and unconventional oil and gas;

ii. Rating of the remaining companies based on their ability to manage their ESG risks and opportunities; the rating determines whether they are eligible for inclusion in the Index:

- Companies that are not existing components of the Index must have an MSCI ESG rating of BB or higher and an MSCI ESG Controversies score of 3 or higher to be eligible;

- Components of the Index must have an MSCI ESG rating of BB or higher and an MSCI ESG Controversies rating of 1 or higher to be eligible.

iii. The Index is then constructed using a Best-in-Class approach applied to the remaining eligible securities within the selected universe: only securities of companies with the highest ESG ratings and accounting for 50% of the market capitalisation within each sector of the Global Industry Classification Standard (GICS) of the Parent Index are included in the Index. The Best-in-Class approach aims to favour the best performing companies within a universe, sector or class. With this Best-in-Class filter, the Fund adopts a non-financial approach based on a commitment making it possible to reduce the Investment Universe by at least 20% (by number of issuers).

The MSCI ESG rating methodology is based on rules designed to measure companies' resilience to the long-term material ESG risks in their sector. It is based on non-financial key ESG issues, focused on the friction that may exist between a company's core business and the issues specific to its sector of activity that may generate significant risks and opportunities. The key ESG issues are weighted according to their impact and the time frame of the risk or opportunity. Examples may include issues relating to water stress, carbon emissions, workforce management or business ethics.

The non-financial coverage rate accounts for more than 90% of the securities that make up the Index.

The full methodology for constructing the Index is available on the MSCI website at [msci.com](https://www.msci.com).

Tracked performance is the performance of the Index closing prices.

● ***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 consist of investing in companies that satisfy two criteria:
1) follow best environmental and social practices; and
2) not generate products and services that harm the environment and society.

The definition of "best performing" company is based on a proprietary Amundi ESG methodology that aims to measure a company's ESG performance. To be considered "best performing", a company must obtain the best score from the first three scores (A, B or C, on a rating scale of A to G) in its sector on at least one material environmental or social factor. Material environmental and social factors are identified at sector level. The identification of these factors is based on Amundi's ESG analysis framework, which combines non-financial data with a qualitative analysis of the associated sector and sustainability themes. Factors identified as material make a contribution of over 10% to the overall ESG score. For the energy sector, material factors are emissions and energy, biodiversity and pollution, health and safety, local communities and human rights.

In order to contribute to the above objectives, the investee company should not have any significant exposure to activities (e.g., tobacco, weapons, gambling, coal, aviation, meat production, fertiliser and pesticides manufacturing, single-use plastic production) that are not compatible with these criteria.

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

By applying the above definition of sustainable investments to the index components of this passively managed ETF, Amundi has determined that this financial product has a minimum proportion of sustainable investments as mentioned on page 1. However, we would like to draw your attention to the fact that Amundi's sustainable investment methodology is not implemented in the index methodology 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 any significant harm ("DNSH" or Do No Significant Harm principle), Amundi uses two filters:

- the first "DNSH" filter is based on the monitoring of mandatory indicators of the Principal Adverse Impacts in Annex 1, Table 1 of the RTS (for example, the greenhouse gas or GHG intensity of companies), using a combination of indicators (for example, carbon intensity) and specific thresholds or rules

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.

(e.g. carbon intensity is not within the last decile in the sector). Amundi already considers specific Principal Adverse Impacts in its exclusion policy, as part of its Responsible Investment Policy. These exclusions, which apply in addition to the tests detailed above, cover the following topics: exclusions concerning controversial weapons, violations of the United Nations Global Compact Principles, coal and tobacco.

- Apart from the specific indicators of the sustainability factors covered by the first filter, Amundi has defined a second filter which does not take into account the mandatory indicators of the Principal Adverse Impacts above, in order to check that a company does not present an overall poor environmental or social performance compared to other companies in its sector, which 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 detailed above, the adverse impact indicators are taken into account in the first DNSH filter (do no significant harm): this is based on the monitoring of the mandatory indicators of the Principal Adverse Impacts in Annex 1, Table 1 of the RTS when reliable data are available through a combination of the following indicators and specific thresholds or rules:

- having a CO2 intensity that does not fall within the last decile of companies in the sector (applies only to high intensity sectors), and
- having board gender diversity that does fall within the last decile of companies in its sector, and
- being free from any controversy regarding labour conditions and human rights
- being free from controversies regarding biodiversity and pollution.

Amundi already considers specific Principal Adverse Impacts in its exclusion policy, as part of its Responsible Investment Policy. These exclusions, which apply in addition to the tests detailed above, cover the following topics: exclusions concerning controversial weapons, violations of the 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 incorporated into Amundi's ESG rating methodology. The proprietary ESG scoring tool assesses issuers, using data available from data providers. For example, the model includes a dedicated criterion called "Community involvement and human rights" which is applied to all sectors in addition to other human rights criteria, including socially responsible supply chains, working conditions and labour relations. In addition, controversies are monitored on at least a quarterly basis, and this includes companies identified for human rights violations. When controversies arise, analysts assess the situation and apply a score to the controversy (using the proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly, in order to track the trend and remediation efforts.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and 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 considers the mandatory Principal Adverse Impact indicators in accordance with Annex 1, Table 1 of the RTS applying to the UCI's strategy, and relies on a combination of exclusion policies (normative and sector-based), the incorporation of the ESG rating into the investment process, engagement and voting approaches:

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

- Engagement: engagement is a continuous and focused process aimed at influencing companies' activities or behaviour. The objective of engagement can be divided into two categories: to engage an issuer in improving the way it incorporates the environmental and social factor, and to engage an issuer in improving its impact on environmental, social and human rights issues or other sustainability issues that are important to society and the global economy.

- Voting: Amundi's voting policy responds to a holistic analysis of all long-term issues that may influence value creation, including material ESG issues (Amundi's voting policy can be found on its website).

- Monitoring controversies: Amundi has developed a controversy monitoring system that relies on three external data providers to systematically monitor controversies and their level of severity. This quantitative approach is then enriched by an in-depth assessment of each severe controversy, conducted by ESG analysts, and a periodic review of progress. This approach is applied to all Amundi funds.

No



What investment strategy does this financial product follow?

The Fund is a passively managed index-tracking UCITS.

The Fund's management objective is to replicate the performance in euros of the MSCI EM Latin America Selection 20/35% Capped Index (see "Reference Benchmark" section) as closely as possible, irrespective of how it changes, either positively or negatively.

The management aims to obtain as small a difference as possible between changes in the net asset value of the Fund and in the net asset value of the Index counter-valued in euros. Therefore, the target maximum tracking error between changes in the net asset value of the Fund and in the net asset value of Index is 2%.

If, despite everything, the tracking error were to be higher than 2%, the objective would be to remain at a level below 15% of the volatility of the 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 ETF.

The Fund's Benchmark Index is the MSCI EM Latin America Selection 20/35% Capped Index, net dividends reinvested (net return), denominated in US dollars.

The Index is an equity index calculated and published by the international index provider MSCI Inc. ("MSCI"). The equities which make up the Index are taken from the biggest securities universe in the equities markets of Latin American emerging countries.

Specifically, the Index has the following characteristics:

a) An identical "Investment Universe" to the MSCI Emerging Markets Latin America Index (the "Parent Index"). The Parent Index measures the overall performance of Latin American emerging markets. It is made up of countries classified as "emerging countries" by MSCI (in April 2023: Brazil, Chile, Colombia, Mexico and Peru), and covers approximately 85% of the market capitalisations of each of these countries. The weight of each security in the Parent Index is adjusted according to its float-adjusted market capitalisation. As a result, the number of securities in the basket of constituents of the Parent Index may change over time;

b) ESG approach:

i. Exclusion of specific activities based on ESG criteria (determined using the MSCI ESG Research methodology): alcohol, gambling, tobacco, nuclear energy, conventional weapons, nuclear weapons, controversial weapons, civilian firearms, thermal coal and unconventional oil and gas;

ii. Rating of the remaining companies based on their ability to manage their ESG risks and opportunities; the rating determines whether they are eligible for inclusion in the Index:

- Companies that are not existing components of the Index must have an MSCI ESG rating of BB or higher and an MSCI ESG Controversies score of 3 or higher to be eligible;

- Components must have an MSCI ESG rating of BB or higher and an MSCI ESG Controversies score of 1 or higher to be eligible.

iii. The Index is then constructed using a Best-in-Class approach applied to the remaining eligible securities within the selected universe: only securities of companies with the highest ESG ratings and accounting for 50% of the market capitalisation within each sector of the Global Industry Classification Standard (GICS) of the Parent Index are included in the Index. The Best-in-Class approach aims to favour the best performing companies within a universe, sector or class. With this Best-in-Class filter, the Fund adopts a non-financial approach based on a commitment making it possible to reduce the Investment Universe by at least 20% (by number of issuers).

The MSCI ESG rating methodology is based on rules designed to measure companies' resilience to the long-term material ESG risks in their sector. It is based on non-financial key ESG issues, focused on the friction that may exist between a company's core business and the issues specific to its sector of activity that may generate significant risks and opportunities. The key ESG issues are weighted according to their impact and the time frame of the risk or opportunity. Examples may include issues relating to water stress, carbon emissions, workforce management or business ethics.

The non-financial coverage rate accounts for more than 90% of the securities that make up the Index.

The full methodology for constructing the Index is available on the MSCI website at [msci.com](https://www.msci.com).

A full description of the Index and its complete construction methodology and information on the

composition and respective weightings of the Reference Benchmark components are available online at www.msci.com.

Tracked performance is the performance of the Index closing prices.

The investment strategy for the financial product is also based on a set of systematic exclusions (normative and sector-based), as described in Amundi's 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.

Good governance

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

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

The management team relies on Amundi's ESG rating methodology. This rating is based on a proprietary ESG analysis framework, which takes into account 38 general and sector-specific criteria, including governance criteria. For the Governance factor, Amundi assesses an issuer's ability to ensure an effective corporate governance framework guaranteeing the attainment of its long-term objectives (e.g. ensuring the value of the issuer in the long term) The governance sub-criteria considered are: board structure, audit and control, remuneration, shareholder rights, ethics, tax practices and ESG strategy.

Amundi's ESG rating scale comprises seven ratings, ranging from A to G, with A being the highest rating and G, the lowest. Companies rated G are excluded from the investment universe.



What is the asset allocation planned for this financial product?

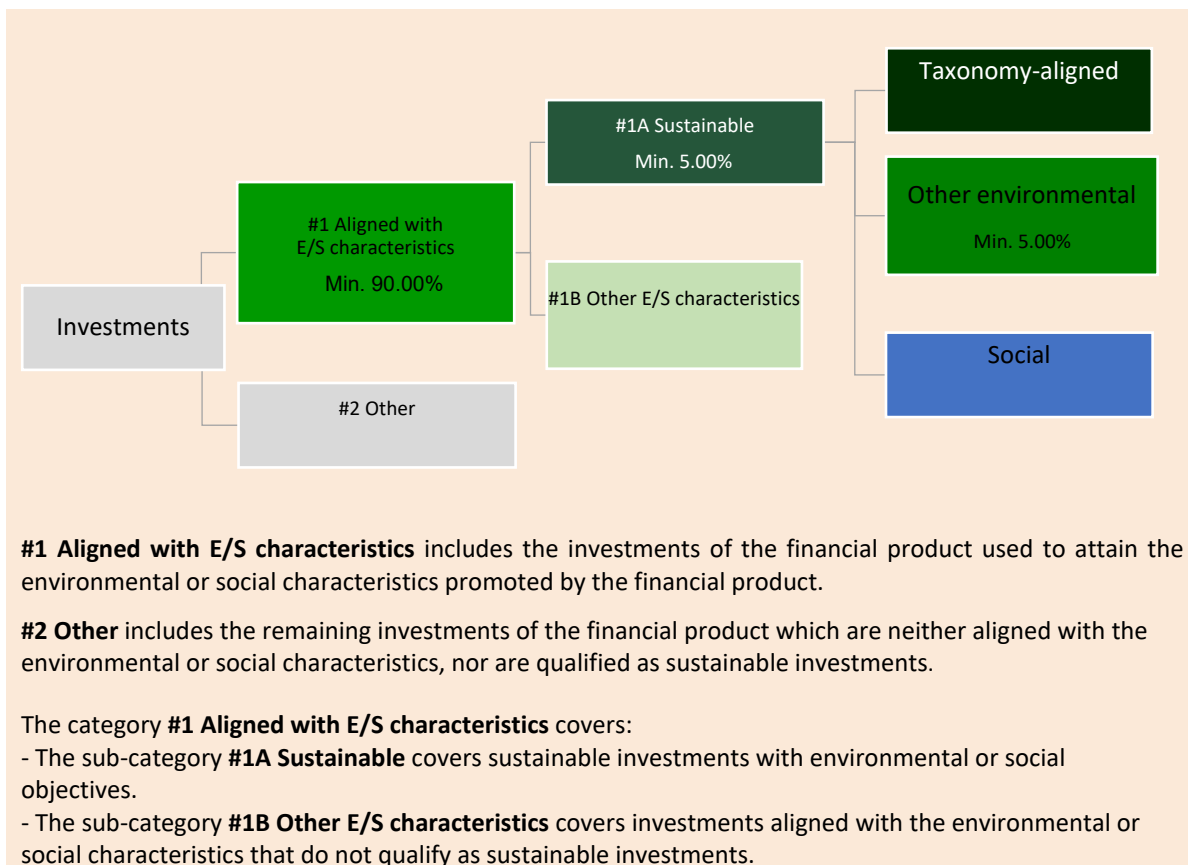
At least 90% of the UCI's securities and instruments are subject to an ESG analysis and are therefore aligned with the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy. In addition, the UCI undertakes to hold a minimum of 5% in sustainable investments, as shown in the table below.

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.



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

This financial product uses total return swap(s) in order to attain the environmental or social characteristics that it promotes. In order to achieve the highest possible correlation with the performance of the Reference Benchmark, the Fund will employ an indirect replication method, which means that it will enter into one or more OTC swap contracts enabling it to achieve its investment objective.



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

The UCI currently has no 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

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

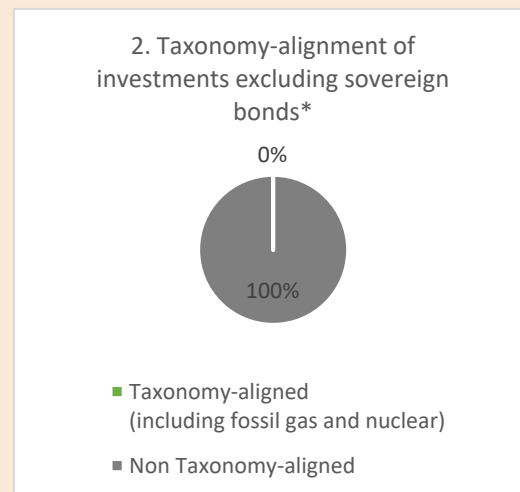
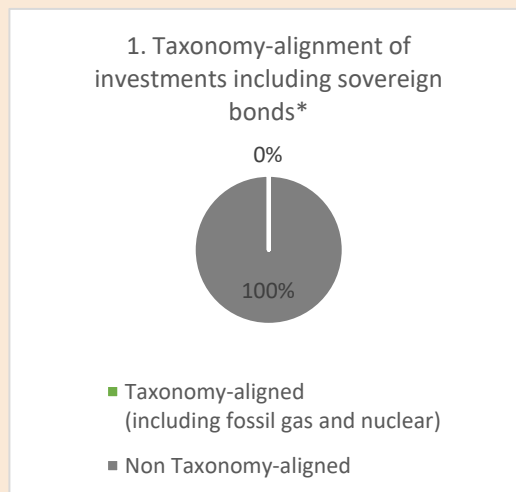
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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 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 in terms of a minimum share of investments in transitional and 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 UCI currently has no minimum commitment in favour of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

 **What is the minimum share of socially sustainable investments?**

The UCI has no 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 following are included under "#2 Other": cash, derivatives and instruments not covered by an ESG analysis (which may include securities for which the data necessary for measuring 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 reference benchmark was constructed as a benchmark to determine whether this financial product is aligned 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?**

In accordance with the regulations applicable to index sponsors (including the BMR), index sponsors must define appropriate controls when defining and/or using the index methodologies of regulated indices.

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

The management objective of the Fund is to replicate the changes, both positive and negative, in the Reference Benchmark, while minimising the Tracking Error between the performance of the Fund and the performance of its Reference Benchmark as much as possible.

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

The MSCI EM Latin America Selection 20/35% Capped Index is an equity index based on the MSCI EM Latin America Index ("Parent Index"), representative of the large- and mid-cap stocks from Latin American emerging countries (as described in the MSCI methodology) and issued by companies with the highest ESG scores in each sector (according to the Global Industry Classification Standard (GICS)).

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

[msci.com](https://www.msci.com).



Where can I find more product specific information online?

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

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