Website Product Disclosures further to art. 10(1) of the Sustainable Finance Disclosure Regulation for art. 8 sub-funds

Name: Lyxor MSCI Digital Economy ESG Filtered (DR) UCITS I **Legal entity identifier**: 549300628R8CYYOL0Q97

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment

This financial product commits to making sustainable investments.

To ensure sustainable investments do no significant harm ('DNSH'), Amundi utilizes two filters:

The first DNSH filter relies on monitoring the mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS where robust data is available (e.g. GHG intensity of investee companies) via a combination of indicators (e.g. carbon intensity) and specific thresholds or rules (e.g. that the investee company's carbon intensity does not belong to the last decile of the sector).

Amundi already considers specific Principle Adverse Impacts within its exclusion policy as part of Amundi's Responsible Investment Policy. These exclusions, which apply on the top of the tests detailed above, cover the following topics: exclusions on controversial weapons, violations of UN Global Compact principles, coal and tobacco.

Beyond the specific Principal Adverse Impacts indicators sustainability factors covered in the first filter, Amundi has defined a second filter, which does not take the mandatory Principal Adverse Impact indicators above into account, in order to verify that the company does not badly perform from an overall environmental or social standpoint compared to other companies within its sector which corresponds to an environmental or social score superior or equal to E using Amundi's ESG rating.

The indicators for adverse impacts have been taken into account as detailed in the first do not significant harm (DNSH) filter above:

The first DNSH filter relies on monitoring of mandatory Principal Adverse Impacts indicators in Annex 1, Table 1 of the RTS where robust data is available via the combination of following indicators and specific thresholds or rules:

- Have a CO_2 intensity which does not belong to the last decile compared to other companies within its sector (only applies to high intensity sectors), and
- Have a Board of Directors' diversity which does not belong to the last decile compared to other companies within its sector, and
- Be cleared of any controversy in relation to work conditions and human rights and
- Be cleared of any controversy in relation to biodiversity and pollution.

Sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles and Human Rights. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are integrated into our ESG scoring methodology. Our proprietary ESG rating tool assesses issuers using available data from our data providers. For example, the model has a dedicated criteria called “Community Involvement & Human Rights” which is applied to all sectors in addition to other human rights linked criteria including socially responsible supply chains, working conditions, and labor relations. Furthermore, we conduct controversy monitoring on a, at minimum, quarterly basis which includes companies identified for human rights violations. When controversies arise, analysts will evaluate the situation and apply a score to the controversy (using our proprietary scoring methodology) and determine the best course of action. Controversy scores are updated quarterly to track the trend and remediation efforts.

Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and/or social characteristics through among others, replicating an Index integrating an environmental, social and governance (“ESG”) rating.

The Index methodology is constructed using a “Best-in-class approach”: best ranked companies 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 Index follows an extra-financial approach significantly engaging that permits the reduction by at least 20% of the initial investment universe (expressed in number of issuers).

Investment strategy

The investment objective of Lyxor Index Fund – Lyxor MSCI Digital Economy ESG Filtered (DR) UCITS ETF (the “Sub-Fund”) is to track both the upward and the downward evolution of the MSCI ACWI IMI Digital Economy ESG Filtered Net Total Return Index (the "Index") denominated in US Dollars (USD) while minimizing the volatility of the difference between the return of the Sub-Fund and the return of the Index (the “Tracking Error”).

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

MSCI ACWI IMI Digital Economy ESG Filtered Net Total Return Index (the "Index") aims to represent the performance of companies that are expected to derive significant revenues from the digital economy value chain and to exclude companies which are Environmental, Social and Governance (“ESG”) laggards relative to the theme universe. It selects companies which are assessed to have high exposure to business activities such as: Digital payments, Robotics, Cybersecurity, E-commerce, Sharing Economy, Social Media, Cloud Computing.

The Index is an equity index calculated and published by the international index provider MSCI. The Index features the following characteristics:

a) Same investment universe as the MSCI ACWI Investable Market Index (IMI) (the "Parent Index"); i.e. including large, mid and small cap stocks across developed and emerging countries.

b) A set of relevant words and phrases derived from the above business activities is used to identify companies (the "Eligible Universe") which could benefit from the increased adoption and utilization of products and services focused on digital technology.

c) Companies from the Eligible Universe with a "Relevance Score" (as defined by MSCI) above 25% constitute the "Selected Universe".

d) Further liquidity/size/country/sectorial filters are applied to the Selected Universe.

e) An ESG negative screening is performed on the Selected Universe as defined in the methodology in order to exclude:
- Companies with exposure to controversial businesses such as controversial weapons, conventional weapons, tobacco, thermal coal, civilian firearms, oil sands, nuclear weapons or companies in violation of UN Global Compact; and
- Companies with no "ESG Rating" (as defined by MSCI).

f) A filtered universe is constructed using a "Best-in-class" approach (the "Filtered Universe"): bottom quartile companies by an industry-adjusted ESG Rating (as defined by MSCI) are excluded from the filtered Selected Universe. "Best-in-class" approach is an approach where leading or best-performing investments are selected within a universe, industry sector or class.

MSCI ESG Rating methodology uses a rules-based methodology designed to measure a company's resilience to longterm, industry material ESG risks. It is based on extra-financial ESG key issues that focus on the intersection between a company's core business and the industry-specific issues that may create significant risks and opportunities for the company. The ESG key issues are weighted according to impact and time horizon of the risk or opportunity. The ESG key issues include for instance, but are not limited to, water stress, carbon emissions, labor management or business ethics. Using such Best-in-class approach, the Sub-Fund follows an extra-financial approach significantly engaging that permits the reduction by at least 20% of the initial investment universe (expressed in number of issuers). Limits of the extra-financial approach are mentioned in the section "Principal risks" of the prospectus. The extra-financial data coverage is 100% of the eligible securities of the Parent Index. Non ESG rated companies are excluded from the selection process of the Index.

g) The top half in terms of Relevance Score of the Filtered Universe constitutes the Index composition.

h) The Index is weighted in proportion of an aggregate score combining the normalized value of three fundamental criteria: the percentage of sales spent on R&D and capex, return on invested capital and one year sales growth.

i) An iterative downweighing ensure that the carbon intensity and the weighted average of board independence of the Index are respectively lower and higher than the ones of the MSCI ACWI IMI Digital Economy Index.

For further information in relation to the general and specific environmental, social and governance (ESG) objectives targeted by the Sub-Fund, please refer to the Transparency Code of the Sub-Fund available on https://www.amundietf.com/. Environmental and/or social characteristics promoted by the Sub-Fund are met through the MSCI ESG Rating methodology (as described above).

The Product strategy is also relying on systematic exclusions policies (normative and sectorials) as further described in Amundi Responsible Investment policy.

To assess good governance practices of the investee companies, we rely on Amundi ESG scoring methodology. Amundi's ESG scoring is based on a proprietary ESG analysis framework, which accounts for 38 general and sector-specific criteria, including governance criteria. In the Governance dimension, we assess an issuer's ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives (e.g., guaranteeing the issuer's value over the long term) The governance sub-criteria considered are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy.

Amundi ESG Rating scale contains seven grades, ranging from A to G, where A is the best and G the worst rating. G-rated companies are excluded from our investment universe.

Proportion of investments

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 1% 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).
The planned proportion of other environmental investment represents a minimum of 1% (i) and may change as the actual proportions of Taxonomy-aligned and/or Social investments increase.

Monitoring of environmental or social characteristics

All ESG data, either externally or internally processed, is centralised by the Responsible Investment Business line, which is responsible for controlling the quality of the inputs and processed ESG outputs. This monitoring includes an automated quality check as well as a qualitative check from ESG analysts who are specialists of their sectors. ESG scores are updated on a monthly basis within Amundi's proprietary tool Stock Rating Integrator (SRI) module.

Sustainability indicators used within Amundi rely on proprietary methodologies. These indicators are continuously made available in the portfolio management system allowing the portfolio managers to assess the impact of their investment decisions.
Moreover, these indicators are embedded within Amundi's control framework, with responsibilities spread between the first level of controls performed by the Investment teams themselves and the second level of controls performed by the Risk teams, who monitor compliance with environmental or social characteristics promoted by the fund on an ongoing basis.

Methodologies

The Amundi ESG rating used to determine the ESG score is an ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). In the Amundi ESG Rating scale, the securities belonging to the exclusion list correspond to a G. For corporate issuers, ESG performance is assessed globally and at relevant criteria level by comparison with the average performance of its industry, through the combination of the three ESG dimensions:

- Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity;
-Social dimension: these measures how an issuer operates on two distinct concepts: the issuer's strategy to develop its human capital and the respect of the human rights in general;
- Governance dimension: This assesses capability of the issuer to ensure the basis for an effective corporate governance framework and generate value over the long-term.

The methodology applied by Amundi ESG rating uses 38 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. Amundi ESG ratings are likely to be expressed globally on the three E, S and G dimensions or individually on any environmental or social factor.

Data sources and processing

Amundi's ESG scores are built using Amundi's ESG analysis framework and scoring methodology. We source data from the following sources for ESG scores: Moody, ISS-Oekem, MSCI, and Sustainalytics.

Data quality controls of external data providers are managed by the Global Data Management unit. Controls are deployed at different steps of the value chain, from pre-integration controls, post-integration ones, to post calculation ones like controls on proprietary scores for instance.

External data are collected and controlled by the Global Data Management team and are plugged into the SRI module.

The SRI module is a proprietary tool that ensures the collection, quality check and processing of ESG data from external data providers. It also calculates the ESG ratings of issuers according to Amundi proprietary methodology. The ESG ratings in particular are displayed in the SRI module to portfolio managers, risk, reporting and the ESG teams in a transparent and user-friendly manner (issuer's ESG rating together with the criteria and the weights of each criterion).

For ESG ratings, at each stage of the calculation process, the scores are normalised and converted into Z-scores (difference between the company's score and the average score in the sector, as a number of standard deviations). Hence each issuer is assessed with a score scaled around the average of their sector, enabling to distinguish best-practices from worst practices at sector level (Best-in-Class approach). At the end of the process, each issuer is assigned an ESG score (approximately between -3 and +3) and the equivalent on a letter scale from A to G, where A is the best, and G the worst.

Data is then disseminated via Alto front office to portfolio managers and is monitored by the risk team.

ESG scores utilize data derived from external data providers, internal ESG assessment/research conducted by Amundi, or through a regulated third party recognised for the provision of professional ESG scoring and assessment. Without mandatory ESG reporting at company level, estimations are a core component of data providers' methodology.

Limitations to methodologies and data

Our methodology limitations are by construction linked to use of ESG data. The ESG data landscape is currently being standardised 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.

Due diligence

Each month, the ESG scores 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 that may include (but are not limited to): the main significant variations of the ESG score, the list of the new names with a bad score, the main divergence of score between 2 providers. After this review the analyst can override a score from the calculated score which is validated by the management of the team and is documented by a note stored in Amundi database iPortal. This can also be subject to a validation of the ESG Rating Committee.

The investment management team is responsible for defining the investment process of the product, including the design of the appropriate risk framework in collaboration with the investment risk teams. In this context, Amundi has an investment guideline management procedure as well as a breach management procedure applying across all operations. Both procedures reiterate strict compliance with regulations and contractual guidelines. Risk managers are in charge of monitoring breaches on a day-to-day basis, alerting fund managers and requiring that portfolios are brought back into compliance as soon as possible and in the best interest of investors.

Engagement policies

Amundi engages investee or potential investee companies at the issuer level regardless of the type of holdings held (equity and bonds). Issuers engaged are primarily chosen by the level of exposure to the subject of engagement, as the environmental, social, and governance issues that companies face have a major impact on society, both in terms of risk and opportunities.

Designated reference benchmark

Yes, the 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.

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.

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Additional information on the Index can be found at https://www.msci.com/index-methodology