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Product name: BNY Global Aggregate Bond Active UCITS ETF

Legal entity identifier: 213800NLWU11UN2O4L59

SUMMARY

This Sub-Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

- A minimum allocation to Sustainable Investments and
- A minimum environmental and/or social standard through the application of exclusions as detailed below. In applying these exclusions, the Sub-Fund shall promote:
  - i) respect for social norms by excluding sovereign issuers that are in breach of social violations including, but not limited to human rights issues and are subject to sanctions;
  - ii) a transition towards low-carbon energy by excluding issuers with material involvement in certain carbon intensive activities;
  - iii) the conduct of business in accordance with international norms by excluding corporate issuers that are in violation of the United Nations Global Compact ("**UNGC**") principles or the Organisation for Economic Cooperation and Development ("**OECD**") Guidelines for Multinational Enterprises, each of which covers human rights, labour standards, the environment and anti-corruption; and
  - iv) better health and social cohesion by excluding corporate issuers which are involved in, amongst others, the production of tobacco and controversial weapons production.

A reference benchmark has not been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

Information on:

(i) the investment strategy used to meet the environmental or social characteristics promoted by the Sub-Fund and the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

(ii) the proportion, if any, of the investments of the Sub-Fund in sustainable investments including, where relevant, the proportion of investments with direct exposure in investee entities and all other types of exposure to those entities;

(iii) a description of how the environmental or social characteristics promoted by the Sub-Fund and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the Sub-Fund are monitored throughout the lifecycle of the Sub-Fund and the related internal or external control mechanisms and the methodologies used to measure how the social or environmental characteristics promoted by the Sub-Fund are met;

(iv) a description of the data sources used to attain each of the environmental or social characteristics promoted by the Sub-Fund, the measures taken to ensure data quality, how data are processed and the proportion of data that are estimated; and

(v) any limitations to the methodologies and data used and how such limitations do not affect how the environmental or social characteristics promoted by the Sub-Fund are met.

is provided in the accompanying Full SFDR Website Disclosure document.

The Full SFDR Website Disclosure also provides a description of the due diligence carried out on the underlying assets of the Sub-Fund including the internal and external controls on that due diligence.

Engagement is not part of the environmental or social investment strategy and there are no management procedures applicable to sustainability-related controversies in investee companies.

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Sub-Fund.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This Sub-Fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

However, the Sub-Fund commits to investing 10% of Net Asset Value in SFDR Sustainable Investments.

The Sustainable Investments do not cause significant harm to any environmental or social sustainable investment objective because they are not categorised by external data provider(s) as "strongly misaligned'' to the UN SDGs, nor are they in breach of the principal adverse impacts ("PAIs") thresholds set by the Investment Manager, or where assessed under the EU Taxonomy, they must be compliant with the EU Taxonomy.

The PAI thresholds are set relative to the investment universe with the aim to limit exposure to the worst performing issuers in the allocation to Sustainable Investments. Identifying the worst performing issuers is done by way of setting a minimum threshold whereby at least 1% of investments may not be eligible to be considered as Sustainable Investments. These thresholds are updated periodically to reflect the dynamic nature of the investment universe. Further information regarding the PAI thresholds as set by the Investment Manager will be provided to Shareholders upon request.

The Sub-Fund takes into account the following PAIs from:

Table 1 of Annex I of the Commission Delegated Regulation:

1. GHG Emissions: Scope 1, 2 and 3.
2. Carbon Footprint: Scope 1, 2 and 3.
3. GHG Intensity of Investee Companies: Scope 1, 2 and 3.
4. Exposure to companies active in the fossil fuel sector.
5. Share of non-renewable energy consumption and production.
6. Energy consumption intensity per high impact climate sector: NACE A, B, C, D, E, F, G, H and L.
7. Activities negatively affecting biodiversity-sensitive areas.
8. Emissions to water.
9. Hazardous waste and radioactive waste ratio.
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
12. Unadjusted gender pay gap.
13. Board gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).
15. GHG intensity.
16. Countries subject to social violations.

The Sub-Fund's investment in an issuer is screened against the PAIs at the time of investment. Further, the PAIs are measured against certain defined thresholds set by the Investment Manager. After a PAI threshold has been crossed, the investment will be reviewed and may be excluded from the Sub-Fund's allocation to Sustainable Investments.

PAI Data Availability

The Investment Manager is dependent upon information and data from third party data providers in order to be able to consider principal adverse impacts on sustainability factors. The availability and quality of such data impacts the extent to which each such PAI can be taken into account. In particular, the lack or incomplete reporting of metrics by some issuers means that there is currently only limited data on some adverse indicators. As such for some of the mandatory PAIs listed above, data coverage may be very low. The Investment Manager's analysis of adverse indicators relies on this third-party information and data, and where such information is not available or is incomplete, the Investment Manager's analysis of adverse indicators is necessarily limited. As the data availability improves over time, it is expected that PAIs can be applied to a greater portion of the Investment Manager's investable universe. This will allow for enhanced insight into the adverse impacts caused by issuers.

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights (the "**Responsible Business Practices**") collectively cover a very broad range of areas of responsible business, encompassing everything from labour rights to consumer protection to support for internationally recognised human rights within a company's or issuer's sphere of influence.

Sustainable Investments are considered aligned with the Responsible Business Practices unless the issuer does not pass a broad controversy screen provided by a third party which either directly covers one or more of the Responsible Business Practices or is considered an appropriate proxy for one or more of the Responsible Business Practices. It should be noted that, in the absence of relevant data, Sustainable Investments will be assumed to be aligned with the Responsible Business Practices.

However, where the issuers invested in do not pass the screen referred to above, the Investment Manager retains discretion to establish alignment with the Responsible Business Practices solely on the basis of its own review of the issuer.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE SUB-FUND

The Sub-Fund promotes:

- A minimum allocation to Sustainable Investments and
- A minimum environmental and/or social standard through the application of exclusions as detailed below. In applying these exclusions, the Sub-Fund shall promote:

  i) respect for social norms by excluding sovereign issuers that are in breach of social violations including, but not limited to human rights issues and are subject to sanctions;

  ii) a transition towards low-carbon energy by excluding issuers with material involvement in certain carbon intensive activities;

  iii) the conduct of business in accordance with international norms by excluding corporate issuers that are in violation of the United Nations Global Compact ("**UNGC**") principles or the Organisation for Economic Cooperation and Development ("**OECD**") Guidelines for Multinational Enterprises, each of which covers human rights, labour standards, the environment and anti-corruption; and

  iv) better health and social cohesion by excluding corporate issuers which are involved in, amongst others, the production of tobacco and controversial weapons production.

A reference benchmark has not been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

INVESTMENT STRATEGY

As set out in the Supplement, the Sub-Fund aims to achieve its investment objective by investing at least 75% of its Net Asset Value in a global portfolio of Debt and Debt Related Securities, and related FDI. Further details on the Sub-Fund's strategy are set out in the "*Investment Strategy*" section of the Supplement.

When making investment decisions, the Investment Manager also uses a combination of external and/or internal ESG research to evaluate an investment and assesses the overall suitability of an issuer based on the Investment Manager's proprietary ESG ratings. External ESG research is sourced from third-party data providers.

ESG related requirements aim to prevent or permit investment in issuers that are dependent on sustainability-related characteristics. The controls in relation to the Sub-Fund as based on the below are coded against the Sub-Fund and updated from time to time after new information is processed:

– the minimum allocation to Sustainable Investments; and

– the Exclusion Policy.

The investment strategy is implemented in the investment process on a continuous basis by requiring the investments to comply with the binding elements described below both at time of purchase and on an ongoing basis.

Regarding good governance, whilst the SFDR references four key areas of good governance (sound management structures, employee relations, remuneration of staff and tax compliance), the Investment Manager considers that a good governance assessment of corporate issuers should cover a broad range of factors in relation to the system by which companies undertake their activities.

The Investment Manager considers this by way of an assessment with governance oversight and validation from relevant internal groups. The assessment can result in the exclusion of corporate issuers where they are deemed to fail the good governance assessment. The following factors are considered as part of this assessment:

– Firstly, where relevant data is available, the Investment Manager will assess whether there are any known controversies in relation to a corporate entity's practices which demonstrate a severe violation of established norms thereby indicating a failure of broader governance mechanisms.

– Secondly, the Investment Manager will also consider any corporate issuer which has the lowest overall fund-relevant ESG rating using the Investment Manager's own proprietary rating system. These ratings aim to provide, among other things, an overall view of the controls and processes that a company employs to govern its business.

– Thirdly, the Investment Manager will also consider any additional internal qualitative assessment in order to capture data gaps and quality issues and to assess good governance on a forward-looking basis.

– For the avoidance of doubt good governance is not assessed in relation to non-corporate issuers, for example Debt and Debt Related Securities issued by governments, supranationals and/or public international bodies.

The binding elements of the investment strategy used to select investments to attain each of the environmental or social characteristics promoted by the Sub-Fund are:

The binding elements of the investment strategy used to select investments to attain each of the environmental and/or social characteristics promoted by the Sub-Fund are the following:

1. The Sub-Fund shall invest a minimum of 10% of Net Asset Value in Sustainable Investments.
2. The Investment Manager will exclude direct investment in sovereign issuers that are in breach of social violations including, but not limited to, human rights issues and are exposed to sanctions. To determine such breaches the Investment Manager can use inputs including, but not limited to, the Freedom House Score, UN and EU sanction lists and the Fragile States Index.

The Investment Manager will exclude direct investments in sovereign issuers that, in the opinion of the Investment Manager, are highly carbon intensive, based on an analysis of country-level carbon emissions data or forward-looking climate indicators. Specifically, the Investment Manager will exclude a minimum of 10% of sovereign issuers that are considered worst in class in relation to carbon intensity and/or limit the Sub-Fund's allocation to sovereign issuers that are not committed to achieving net zero, by ensuring that such allocation does not exceed the Benchmark's allocation to those types of issuers.

The afore-mentioned exclusions for sovereign issuers shall not automatically apply where:

1. the issue purchased is a Use of Proceeds Impact Bond; and/or
2. the sovereign issuers are included in the International Monetary Fund Special Drawing Rights (including the US, UK, Japan, China and Germany, as may change from time to time). As part of the assessment of these issuers, the Investment Manager shall use a qualitative approach and consider their role in providing liquidity to the global economy.
3. The Sub-Fund excludes direct investment in corporate issuers which, in the opinion of the Investment Manager:
    - derive 5% or more of their revenue from the production of tobacco;
    - are involved in the production of controversial weapons (which is defined as anything above 0% of revenue in the production of controversial weapons);
    - derive 5% or more of their revenue from thermal coal mining and/or 10% or more of revenue from thermal coal power generation, unless: a) The issue purchased is a Use-of-Proceeds Impact Bond and/or b) The issuer has a clearly defined plan to exit coal mining and/or generation before (i) 2030 in the case of developed market domiciled issuers or (ii) 2040 in the case of emerging market domiciled issuers. A "defined plan" means that the issuer has announced publicly that it has a coal exit date by 2030 or 2040 in conjunction with the internal assessment of the Investment Manager that this date is achievable and the plan is viable;
    - are deemed to be involved in severe environmental, social or governance controversies (including significant violations of UN Global Compact Principles). For the avoidance of doubt whilst the Investment Manager relies on multiple external data sources for screening for controversies, the decision as to whether an issuer is deemed to be involved in a controversy or violation and whether such controversy or violation is ongoing is at the Investment Manager's sole discretion.
4. In relation to direct investment in ABS/MBS, the Sub-Fund will exclude those securities with the two lowest overall ESG ratings using the Investment Manager's own proprietary rating system (i.e. those rated 4 and 5 out of a scale of 1 -5, 1 being the highest rating and 5 being the lowest rating), as well as excluding unrated securities.

PROPORTION OF INVESTMENTS

A minimum 75% of Net Asset Value will be invested to meet the environmental or social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy.

The asset allocation diagram below is intended to illustrate the typical asset allocation of this Sub-Fund. The Sub-Fund is committed to investing a minimum of 10% of its NAV in Sustainable Investments which have an environmental objective and/or social objective. However, the asset allocation between environmental and social objectives is not fixed and as such, the Sub-Fund does not commit to invest a minimum percentage of NAV in Sustainable Investments which have specifically an environmental objective or specifically a social objective.

The Sub-Fund promotes environmental or social characteristics using both an exclusionary approach and allocations to certain Sustainable Investments and lower carbon intensity issuers. The figure in #1 represents a combination of both approaches. The minimum allocation to Sustainable Investments is referenced in #1A. The figure in #1B below represents the proportion of the portfolio that has excluded certain types of investments as further detailed in "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?" above and therefore such proportion of the portfolio is aligned with the environmental or social characteristics promoted by the Sub-Fund through the absence of those investments.

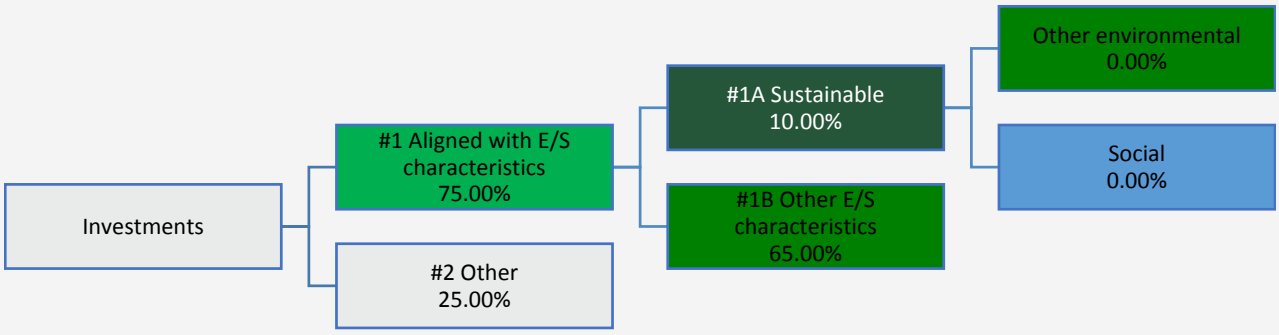
0%. There is no minimum share of Sustainable Investments with a social objective. While the Sub-Fund will invest a minimum of 10% of Net Asset Value in Sustainable Investments, it is anticipated that this is likely to include 1% of Net Asset Value in Sustainable Investments with a social objective but the Sub-Fund's asset allocation is not fixed and this may not be reflective of how the Sub-Fund is invested at any particular time.

0%. The EU Taxonomy Regulation introduced more prescriptive requirements to determine whether an activity qualifies as "environmentally sustainable" criteria for financial market participants. The Sub-Fund does not presently set a minimum proportion of its assets that must be invested in investments that contribute to (or do not contribute to) environmentally sustainable economic activities as defined by the EU Taxonomy Regulation. In the short-to-medium term, the Investment Manager anticipates that the necessary data may not be available on these types of investments to make a positive commitment to a minimum allocation.

Investments included under "#2 Other" are:

- Liquid and near-cash assets, generally held for liquidity management purposes that do not pass the exclusions as set out under the binding elements section of the Annex II.
- Collective investment schemes, generally held for liquidity purposes or for investment purposes on a temporary basis, that do not broadly pass the exclusions as set out under the binding elements section of the Annex II.
- Cash held at custody account(s) for liquidity management purposes.
- Derivatives (FDI), generally held for hedging purposes or investment purposes, that do not broadly pass the exclusions as set out under the binding elements section of the Annex II.

Derivatives (FDI) can be used to attain the environmental or social characteristics promoted by the Sub-Fund by providing indirect exposure that broadly passes the exclusion criteria as set out under the binding elements section of Annex II. For the avoidance of doubt, FDI are not used to gain exposure to Sustainable Investments.



#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.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Monitoring and oversight of the Sub-Fund's performance versus the environmental and/or social characteristics promoted and the sustainability indicators used to measure the attainment of the environmental or social characteristics is undertaken throughout the life cycle of the Sub-Fund by way of a regular review in an internal governance forum which uses a combination of internal and external data to assess positioning.

The internal control mechanisms used are:

- Pre-trade warnings which appear in the trade system prior to trading to inform fund managers of a prohibition or limit;
- Post-trade warnings will also be reviewed by the monitoring team and escalated as appropriate.
- Oversight of internal exclusions lists is provided by the Insight Ratings and Exclusions Group (“REG”) which is a Governance Committee within the Investment Manager

There are no specific external control mechanisms.

METHODOLOGIES

In order to assess, measure and monitor the environmental and/or social characteristics promoted by the Sub-Fund, the Sub-Fund will employ the following methodologies:

1. For SFDR Sustainable Investments and their alignment to UN SDGs: Each applicable security is assessed according to the Investment Manager's assessment framework, which is designed to ascertain the level of contribution to the UN SDGs.
   - Use of Proceeds Impact Bonds: The proceeds of such bonds will be or have been, as applicable, exclusively applied to finance or re-finance in part or in full projects with positive environmental and/or social impacts.
   - Securities issued by issuers that demonstrate meaningful alignment to environmental and/or social themes:
     a) in the case of corporate issuers: at least 20% of their revenue streams will be or have been, as applicable, are linked to positive environmental and/or social themes; or
     b) in the case of non-corporate issuers: issuers that have been assessed as best in class in relation to achieving the targets set by one or more of the UN Sustainable Development Goals
   - The Investment Manager may use 1) one or more of the UN Sustainable Development Goals or 2) the criteria for determining "environmentally sustainable" economic activities as defined by the EU Taxonomy Regulation, as applicable to define and measure positive environmental and/or social impacts or to define and measure alignment with environmental and/or social themes.
2. Exclusion Policy: Exclusion lists, based upon the Investment Manager's Exclusion Policy set out in the Sub-Funds investment policy, are generated using internal and/or external data. The exclusion lists are used to create pre-trade warnings which appear in the trade system prior to trading to inform fund managers of a prohibition. Post-trade warnings will also be reviewed by the monitoring team and escalated as appropriate. The Insight Ratings and Exclusions Group ("REG") is a Governance Committee within the Investment Manager, which acts as a point of escalation for issues arising from internal exclusion list construction.
3. ESG Rating: Monitoring is performed at the Sub-Fund level based off available data. Certain limits are coded within the Investment Manager's systems and any breaches which move the Sub-Fund outside the limit are flagged for pre and post trade checks to ascertain whether any additional action should be taken.

DATA SOURCES AND PROCESSING

1. Data Sources: The data sources used to attain the environmental or social characteristics promoted by the SubFund include externally sourced data including (but are not limited to) data from (i) external data providers including third party ESG data providers, universities, agencies, initiatives, and NGOs, (ii) relevant issuers including any publicly available information in relation to such issuers and (iii) internal data sourced by the Investment Manager's analysts or sustainability-focused research teams.
2. Measures taken to ensure data quality: In seeking to ensure the quality of data from external ESG data providers, the Investment Manager obtains such data from recognised and prominent data providers within the market based on its judgment and in accordance with its internal vendor selection process. Beyond this, the data is used broadly without further validation, except in exceptional cases as determined by the Investment Manager, where the Investment Manager may engage the data vendors or internal analysts to validate or revise the figures in question. For internally generated ratings, the REG aims to provide oversight over data inputs and outputs, including any collected data, to ensure identification of data quality issues, insofar as it is reasonably practicable, in the opinion of the Investment Manager.
3. How data is processed: Where external data is directly used, it will be received periodically via data feeds, and parsed into trade systems without cleansing. Where data is used to build proprietary systems including ratings and lists, data is processed by the Investment Manager's quantitative investment team and guideline monitoring team, depending on the nature of the data in question. Oversight of internally generated ratings and exclusions is provided by the REG.
4. The proportion of data that are estimated: Data estimation may be applied by external data providers. In this case, the proportion of estimated data varies depending on the datapoint. Data from third party vendors is in some cases limited, for example for the principal adverse impact indicators. Where there remain key data gaps, the Investment Manager may at times seek to estimate missing values according to its own proprietary methodology.

LIMITATIONS TO METHODOLOGIES AND DATA

Please see below the following limitations to the methodologies and data sources referred to in Article 24, point (g) and (h):

- General - Methodologies and data sources underpinning the evaluation of a security or issuers' ESG profile are sometimes owned by third party ESG Providers and may be incomplete, inaccurate, inconsistent, or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer in the context of the environmental and social characteristics being promoted.

- Methodologies - SFDR Sustainable Investments alignment with UN SDGs: There is no standard and widely accepted market definition for the alignment measurement of a SFDR Sustainable Investment with the UN SDGs. While the Investment Manager seeks to adopt a robust approach as part of its assessment framework, the Investment Manager's application of relevant methodologies is necessarily limited.
- Data - PAIs: The Investment Manager is dependent upon information and data from third party data providers in order to be able to consider principal adverse impacts on sustainability factors. The availability and quality of such data impacts the extent to which each such PAI can be considered. In particular, the lack or incomplete reporting of metrics by some issuers means that there is currently only limited data on some adverse indicators. As such for some of the mandatory PAIs, data coverage may be very low. The Investment Manager's analysis of adverse indicators relies on this third-party information and data, and where such information is not available or is incomplete, the Investment Manager's analysis of adverse indicators is necessarily limited. As the data availability improves over time, it is expected that PAIs can be applied to a greater portion of the Investment Manager's investable universe. This will allow for enhanced insight into the adverse impacts caused by issuers.

The limitations noted above do not affect how the environmental and/or social characteristics promoted by the Sub-Fund are met because:

The Investment Manager has performed due diligence on a market-expected standard for what constitutes a SFDR Sustainable Investment and is comfortable with the methodology assumed.

The Investment Manager has undertaken an internal review of the methodologies used by the third-party data providers against the Environmental and Social characteristics promoted and, in its opinion, the data reviewed is of sufficient quality for use as one part of the Investment Manager's holistic investment management process.

DUE DILIGENCE

The following due diligence is carried out on the underlying assets of the Sub-Fund:

1. SFDR Sustainable Investments: Each security is assessed according to the Investment Manager's assessment framework, which is designed to ascertain the level of contribution to the UN SDGs.
   - For Use of Proceeds Impact Bonds: The proceeds of such bonds will be or have been, as applicable, exclusively applied to finance or re-finance in part or in full projects with positive environmental and/or social impacts.
   - Securities issued by issuers that demonstrate meaningful alignment to environmental and/or social themes:
     a) in the case of corporate issuers: at least 20% of their revenue streams will be or have been, as applicable, are linked to positive environmental and/or social themes; or
     b) in the case of non-corporate issuers: issuers that have been assessed as best in class in relation to achieving the targets set by one or more of the UN Sustainable Development Goals
   - The Investment Manager may use 1) one or more of the UN Sustainable Development Goals or 2) the criteria for determining "environmentally sustainable" economic activities as defined by the EU Taxonomy Regulation, as applicable to define and measure positive environmental and/or social impacts or to define and measure alignment with environmental and/or social themes.
2. Good governance: The selection of investments is subject to due diligence processes to evaluate the system by which companies undertake their activities including their management structures, employee relations, remuneration of staff and tax compliance.
3. ESG Exclusions: Investment in any security should meet a minimum ESG standard defined by the exclusionary criteria to be eligible for consideration for investment.

The Sub-Fund follows a discretionary management approach and ESG factors are integrated into the underlying investment process. Analysts and portfolio managers are required to make a reasonable assessment of ESG risks and whether their materiality is represented in a security's price.

Internal controls are applied by the Responsible Investment Group, a governance group at the delegate Investment Manager which has overall oversight of ensuring effective implementation of ESG due diligence at asset class level. Internal audit and compliance functions also perform testing from time-to time. No specific external controls exist on the diligence.

ENGAGEMENT POLICIES

Engagement is not part of the environmental or social investment strategy of the Sub-Fund; however, engagement may form a part of the Investment Manager's overall ESG-integrated approach to investing.

DESIGNATED REFERENCE BENCHMARK

No reference has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Sub-Fund.