



Template - Pre-contractual disclosures for financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

# Environmental and/or social characteristics

Product name: ODDO BHF Leading Global Trends

Legal Entity Identifier (LEI): 529900C37P6P6TXZLH70

DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?

**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.

<input type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : N/A <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : N/A	<input checked="" type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.0% of sustainable investments. <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics but <b>will not make any sustainable investments</b> .



## WHAT ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS ARE PROMOTED BY THIS FINANCIAL PRODUCT?

The Fund promotes environmental characteristics. This is reflected in the construction and weighting of the portfolio on the basis of MSCI ESG Ratings, exclusions and monitoring of controversies by the Fund Manager.

## WHAT SUSTAINABILITY INDICATORS ARE USED TO MEASURE THE ATTAINMENT OF EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT?

The Fund's monthly ESG report currently includes the following indicators:

- The portfolio's weighted MSCI ESG rating to assess overall achievement of environmental and social characteristics;
- The weighted MSCI score to assess the quality of corporate governance;
- The weighted MSCI score to assess human capital;
- The Fund's carbon intensity.

## 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 Fund's sustainable investments pursue the following objectives:

1. **EU Taxonomy:** Contribution to climate change adaptation and mitigation and the four other environmental objectives of the EU Taxonomy. This contribution is demonstrated by the weighted total amount of EU Taxonomy-aligned revenues of each investment in the portfolio and based on the data published by investee companies. If there is no available data on investee companies, MSCI research can be used.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**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.

2. **Environmental:** Contribution to environmental impacts as defined by MSCI ESG Research through the "sustainable impact" section in relation to environmental objectives. This includes impacts on the following categories: alternative energy, energy efficiency, green building, sustainable water, pollution prevention and control, sustainable agriculture.

#### 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?

The following approach is defined to be consistent with Article 2(17) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (SFDR).

1. Rating exclusions: The Fund does not invest in issuers with an MSCI ESG rating of CCC or B.
2. Sector and standard-related exclusions: The exclusion policy is applied to exclude sectors that have the greatest adverse impact on the sustainability objectives. This exclusion policy is consistent with or complements the Fund's specific exclusions and includes coal, UNGC, unconventional oil and gas, controversial weapons, tobacco, biodiversity destruction and fossil fuel production in the Arctic.
3. - Consideration of the main adverse impacts: The fund manager sets (pre-trade) control rules for certain selected significantly harmful activities: Exposure to controversial weapons (PAI 14 and zero tolerance), activities that negatively affect biodiversity-sensitive areas (PAI 7 and zero tolerance) and serious violations of the principles of the UNGC and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10 and zero tolerance).

For the other adverse impacts (1. GHG emissions, 2. Carbon footprint, 4. Exposure to companies active in the fossil fuel sector, 5. Share of non-renewable energy consumption and energy production, 6. Energy consumption intensity per high impact climate sector, 8. Emissions to water, 9. Hazardous and radioactive waste ratio, 11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises, 12. Unadjusted gender pay gap, 13. Board gender diversity, 15. GHG intensity, 16. Investee countries subject to social violations - the fund manager has not set any explicit control rules. These adverse impacts are only considered in the context of the MSCI ESG Scores for individual companies or countries, where applicable.

4. Dialogue, engagement and voting: Our policy of dialogue, engagement and voting supports the goal of avoiding significant harm by identifying key risks and making our voices heard to drive change and improvement.

#### HOW HAVE THE INDICATORS FOR ADVERSE IMPACTS ON SUSTAINABILITY FACTORS BEEN TAKEN INTO ACCOUNT?

Regulation (EU) 2020/852 defines certain areas that may in principle have an adverse impact (PAI). The fund manager applies pre-trade rules to three PAIs: Exposure to controversial weapons (PAI 14 and zero tolerance), activities that negatively affect biodiversity-sensitive areas (PAI 7 and zero tolerance) and serious violations of the principles of the UNGC and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10 and zero tolerance).

MSCI ESG ratings also incorporate environmental, social and governance issues when the use of other PAI core data for companies and governments can support their ESG rating. For companies, ESG analysis includes, where data is available, monitoring of greenhouse gas emissions (PAI 1), lack of processes and compliance mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises (PAI 11), and gender diversity in management and supervisory bodies (PAI 13). For government issuers, GHG intensity per capita (PAI 15, usually based on GDP rather than per capita) and investee countries subject to social violations (PAI 16) are also taken into account. However, the fund manager does not set specific objectives or defined control rules for these other core PAIs apart from those mentioned in the first paragraph.

For more information about MSCI ESG Ratings visit <https://www.msci.com/zh/esg-ratings>

#### 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 Management Company ensures that the UN Global Compact exclusion list is applied to the Fund's investments, as described in the Management Company's exclusion policy. Proven breaches of the OECD Guidelines for Multinational Enterprises and/or the United Nations Guiding Principles on Business and Human Rights also result in exclusion.

*The EU Taxonomy sets out a “do no 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.**

*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, in accordance with the provisions of Article 8 in conjunction with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR), sustainability risks are taken into account by incorporating ESG (environmental, social, governance) criteria into the investment decision-making process. The fund manager considers principal adverse impacts either via pre-trade exclusions or through the integration of ESG ratings, which reflect sustainability risks based on a number of criteria including data on principal adverse impacts.

Information in accordance with Article 11 of Regulation (EU) 2019/2088 can be found in the Fund's annual report, on the website: [am.oddo-bhf.com](http://am.oddo-bhf.com), and on request from the Company.

No



## WHAT INVESTMENT STRATEGY DOES THIS FINANCIAL PRODUCT FOLLOW?

The Fund invests in a broad range of issuers from across the world. The Fund equity exposure (direct or indirect via equity investment funds or exposure to equity (index) derivatives) is always in excess of 90%.

In accordance with Article 8 of the SFDR, the Fund Manager incorporates sustainability risks into its investment process by considering ESG (environmental, social and governance) characteristics in investment decisions as well as any principal adverse impacts that investment decisions may have on sustainability factors. The investment process is based on ESG integration, normative screening (including UN Global Compact, controversial weapons), sector exclusions and a best-in-class approach. The Fund's investments are therefore subject to environmental, social and governance restrictions. The Management Company observes the United Nations Principles for Responsible Investment (UN PRI) with respect to environmental, social and governance issues and applies the UN PRI in its commitments, e.g. by exercising voting rights, actively exercising shareholder and creditor rights and by engaging in dialogue with issuers. Issuers that materially violate the requirements of the UN Global Compact are excluded.

An ESG filter based on the data from MSCI ESG Research is applied to the investment universe, resulting in the exclusion of at least 20% of companies. At least 90% of the issuers in which the Fund invests are assessed on the basis of their ESG performance (investments in target funds and money market instruments are excluded from this process). The sub-fund focuses on companies and countries with a strong sustainability performance and targets an average MSCI ESG rating of A for the Fund assets.

The ESG filter is based on the following three assessments, among others, that are applied to the fund by the fund manager as follows:

a. The MSCI ESG Rating evaluates the exposure of companies to ESG related risks and opportunities on a scale of CCC (worst rating) to AAA (best rating). It is based on the sub-ratings on a scale of 0 (worst) to 10 (best) for the environment, social and governance areas.

The Fund does not invest in companies with an MSCI ESG Rating of CCC or B.

b. MSCI Business Involvement Screening provides an analysis of the turnover generated by companies in potentially critical sectors. The Fund does not acquire the securities of companies generating any turnover with controversial weapons (biological/chemical weapons, cluster munitions, blinding laser weapons, land mines, etc.), or more than a specified level of turnover with other weapons (proportion of total turnover generated from nuclear, conventional and non-military weapons), gambling, pornography, tobacco, coal mining or coal-fired power generation.

c. The MSCI ESG Controversies Score analyses and monitors corporate management strategies and their effectiveness in preventing breaches of international norms and standards. Compliance with the UN Global Compact principles is one of the issues monitored. Companies that do not comply with these principles based on the MSCI ESG Controversies Score are not acquired for the Fund.

Additional ESG assessments conducted by in-house research or by third parties may also be used.

The Management Company also observes the CDP (Carbon Disclosure Project). Furthermore, as part of its exclusion policy, the Company has implemented a tiered divestment strategy, under which it will no longer invest in issuers in the coal industry above certain thresholds. The aim is to reduce the thresholds to 0% by 2030 for issuers from EU and OECD countries and by 2040 for the rest of the world.

### WHAT ARE THE BINDING ELEMENTS OF THE INVESTMENT STRATEGY USED TO SELECT INVESTMENTS TO ATTAIN EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT?

The binding elements of the investment strategy are:

- Sector exclusions: Turnover with controversial weapons (biological/chemical weapons, cluster munitions, blinding laser weapons, land mines, etc.), or more than a specified level of turnover with other weapons (proportion of total turnover generated from nuclear, conventional and non-military weapons), gambling, pornography, tobacco, coal mining or coal-fired power generation.
- UN Global Compact (exclusion of companies that significantly violate the principles of the UNGC);
- Exclusion of issuers with an MSCI ESG Rating of CCC or B; we target an average rating of A for the Fund assets.
- A positive bias for issuers with lower sustainability risks (“best-in-class” approach);
- At least 90% of the weighted assets (excluding bank deposits, target funds and money market instruments) in the portfolio have – taking into account the weighting of the individual assets – an ESG rating;

### WHAT IS THE COMMITTED MINIMUM RATE TO REDUCE THE SCOPE OF THE INVESTMENTS CONSIDERED PRIOR TO THE APPLICATION OF THAT INVESTMENT STRATEGY?

The Fund Manager considers non-financial criteria by means of a selectivity-based approach that results in at least 20% of companies being excluded. The approach described above reduces the size of investments based on applicable sector exclusions and based on the MSCI ESG rating obtained and the ESG ratings assigned to eligible issuers.

### WHAT IS THE POLICY TO ASSESS GOOD GOVERNANCE PRACTICES OF THE INVESTEE COMPANIES?

The ODDO BHF Asset Management Global Responsible Investment Policy sets out our definition and assessment of good corporate governance and is published on the “am.oddo-bhf.com” website.



### WHAT IS THE ASSET ALLOCATION PLANNED FOR THIS FINANCIAL PRODUCT?

At least 80% of the Fund’s net asset value is aligned with environmental and/or social characteristics.

The Fund may hold up to 20% of its net asset value in “Other”, as defined below, which includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

At least 10% of the Fund’s net asset value is invested in sustainable investments. The Fund may also hold assets aligned with the environmental or social characteristics that do not qualify as sustainable investments.

At least 0.5% of the Fund’s net asset value is invested in Taxonomy-aligned investments. There is no minimum commitment for other environmental or social investments.

At least 90% of the issuers in the portfolio have an ESG rating, taking into account the weighting of the individual securities.

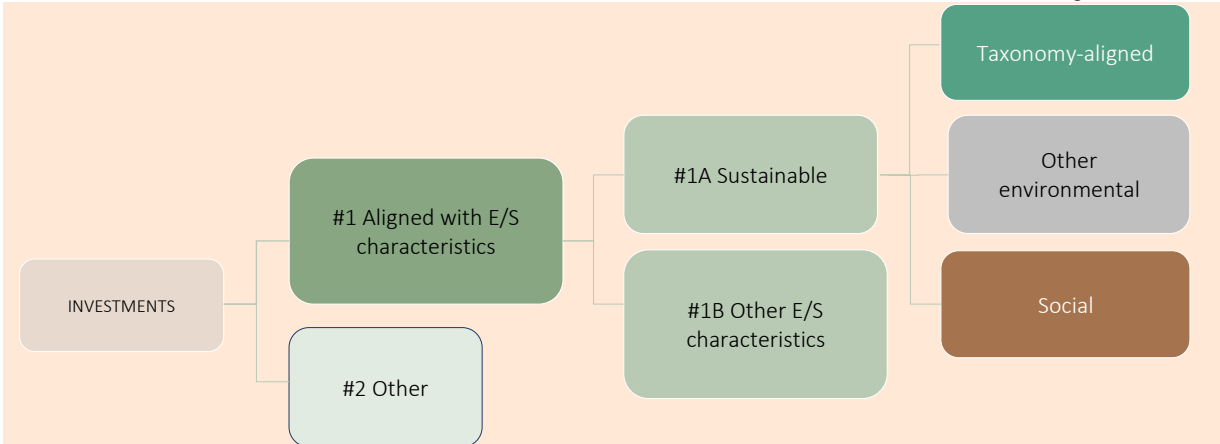
**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

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

**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.



**#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.

**HOW DOES THE USE OF DERIVATIVES ATTAIN THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT?**

Derivatives are not actively used to improve ESG alignment or reduce ESG risk.



**TO WHAT MINIMUM EXTENT ARE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?**

Taxonomy-aligned investments include debt and/or equity investments in environmentally sustainable economic activities aligned with the EU Taxonomy. At least 0.5% of the Fund’s net asset value is invested in Taxonomy-aligned investments. Data on Taxonomy alignment is provided by an external data provider; it is not certified by an auditor or verified by a third party. Currently, there is no method to determine the share of Taxonomy-aligned investments for government bonds. Therefore, no data are available on this.

**DOES THE FINANCIAL PRODUCT INVEST IN FOSSIL GAS AND/OR NUCLEAR ENERGY RELATED ACTIVITIES THAT COMPLY WITH THE EU TAXONOMY<sup>1</sup>?**

- Yes
- In fossil gas
- In nuclear energy
- No

The Fund Manager analyses portfolio positions based on ESG criteria. Investments in nuclear energy and fossil gas are not excluded for the fund. A minimum proportion of Taxonomy-aligned activities connected with investment in these areas is not intended for the Fund.

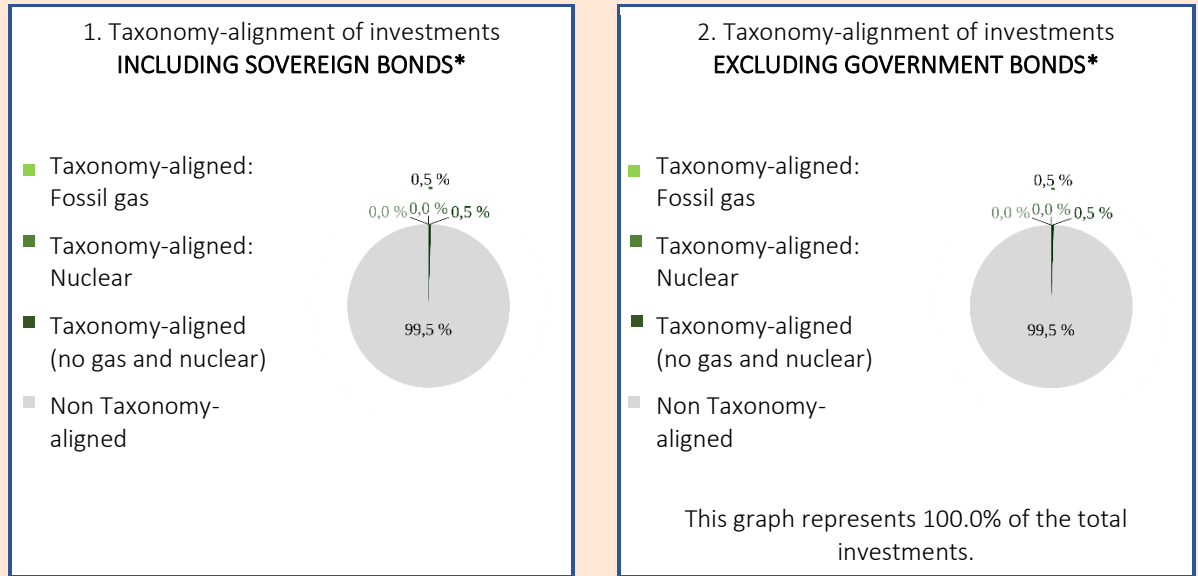
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for economic activities in the field of fossil gas and nuclear energy which are aligned with the EU Taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214

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.

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 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.



\* 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 minimum share is 0.00%.

**WHAT IS THE MINIMUM SHARE OF SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE THAT ARE NOT ALIGNED WITH THE EU TAXONOMY?**

The percentage of sustainable investments with an environmental objective must be at least 1.0%.

**WHAT IS THE MINIMUM SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?**

The minimum share is 0.00%.

**WHICH INVESTMENTS ARE INCLUDED UNDER “#2 OTHER”, WHAT IS THEIR PURPOSE AND ARE THERE ANY MINIMUM ENVIRONMENTAL OR SOCIAL SAFEGUARDS?**

The investments included in “#2 Other” are cash, derivatives, securities, target funds and other investments for which ESG data and ratings are not available. All direct investments acquired for the Fund are subject to the minimum exclusions applicable to the Fund, which guarantee a minimum level of environmental or social safeguards. However, there is no look-through for the assets of a target fund or certificates.

**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?**

The Fund has not been designated an index to use as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics it promotes.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

HOW IS THE REFERENCE BENCHMARK CONTINUOUSLY ALIGNED WITH EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT?

See above.

HOW IS THE ALIGNMENT OF THE INVESTMENT STRATEGY WITH THE METHODOLOGY OF THE INDEX ENSURED ON A CONTINUOUS BASIS?

See above.

HOW DOES THE DESIGNATED INDEX DIFFER FROM A RELEVANT BROAD MARKET INDEX?

See above.

WHERE CAN THE METHODOLOGY USED FOR THE CALCULATION OF THE DESIGNATED INDEX BE FOUND?

See above.



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

Further product-specific information is available at: [am.oddo-bhf.com](http://am.oddo-bhf.com)