

Environmental and/or social characteristics

Product name: Pilotage Sélection Durable

Legal entity identifier: 96950025AGBIYKY15172

DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: N/A</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: N/A</p>	<p><input checked="" type="checkbox"/> 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 16.0% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments.</p>

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Fund promotes environmental and/or social characteristics that are reflected in the portfolio's selection of different SRI-labelled funds, which meet the relevant certification requirements in six categories:

- Considering ESG criteria when setting targets;
 - Using the tools and resources needed to describe the strategy for selecting and analysing the ESG performance of ESG investments;
 - Building and managing the portfolio by factoring the results of ESG analysis into investment decisions;
 - Engaging stakeholders through a voting policy, for example;
 - Giving investors clear and transparent information on its investment strategy and application of suitable measures for ensuring that commitments are upheld;
 - Assessing the ESG performance of the companies in which the funds invest.
- SRI-certified funds may have different analysis, investment and monitoring processes.

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

At least 90% of the funds selected must hold SRI certification. No specific sustainability indicator is used to measure the attainment of each of the environmental or social characteristics promoted by this financial product. This is because SRI-certified funds may follow different processes in terms of approach, non-financial criteria analysed, and management techniques. Fund selection may lead to inconsistencies between the underlying funds' SRI policies.

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.

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?

At least 90% of the funds selected must hold SRI certification. The Fund also invests at least 16% of its assets in SFDR article 9 funds and/or green bonds. SFDR article 9 funds have sustainable investment as an objective. However, fund selection may lead to inconsistencies between the underlying funds' ESG policies. Green bonds are used only to finance or refinance environmental projects (investments in energy efficiency, renewable energy, pollution prevention and control, the protection of biodiversity, clean transport, the sustainable management of water and waste water, climate change adaptation, the circular economy, the eco-efficiency of products, technologies or processes, and green building projects).

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?

At least 90% of the funds selected must hold SRI certification. The Fund also invests at least 16% of its assets in SFDR article 9 funds and/or green bonds. SFDR article 9 funds have sustainable investment as an objective. The Fund promotes environmental and/or social characteristics that are reflected in the portfolio's selection of different SFDR article 8 and/or article 9 funds, and/or SRI-certified funds. These funds may follow different processes in terms of approach, non-financial criteria analysed, and management techniques. Fund selection may lead to inconsistencies in the underlying funds' ESG policies, and does not allow the Management Company to check investments made by these funds directly. However, it can be assumed that these funds are required to implement strict exclusions for companies that do not comply with the UN Global Compact, as well as other sector exclusions. Furthermore, companies that are subject to severe controversies do not qualify as sustainable. 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.

HOW WERE THE INDICATORS FOR ADVERSE IMPACTS ON SUSTAINABILITY FACTORS TAKEN INTO ACCOUNT?

The Fund does not consider PAIs.

HOW ARE THE SUSTAINABLE INVESTMENTS ALIGNED WITH THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES AND THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS? DETAILED DESCRIPTION:

The Management Company is unable to ensure that the SRI-certified funds selected for the portfolio are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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 other underlying investments do not take into account EU criteria on 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,
 No



WHAT INVESTMENT STRATEGY DOES THIS FINANCIAL PRODUCT FOLLOW?

The Fund manager applies active, discretionary management aimed at achieving the investment objective by using different SRI-labelled investment funds, diversifying investments and using derivatives so that the portfolio is more efficiently exposed to or hedged against market risks.

The investment process is built around analysis of the global macroeconomic environment, changes in the markets and expected changes in the market, which will determine the regional allocation; once the allocation decisions have been made, the portfolio will be constructed according to a quantitative and qualitative analysis of the funds.

The fund selection is made within an investment universe of SRI-labelled investment funds. The manager will invest at least 16% of the assets in SFDR article 9 funds and/or green bonds.

The Fund must invest at least 90% in SRI-labelled funds that invest in equity markets of all global market capitalisations.

The Fund will invest in funds with an MSCI rating above or equal to BB (scale from CCC to AAA). The Fund may hold up to 10% of investment funds not rated by MSCI, or with an MSCI rating below BB.

MSCI ESG Fund Ratings are designed to measure the Environmental, Social and Governance (ESG) characteristics of an investment fund, making it possible to rank them on a AAA to CCC ratings scale.

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?

Funds must be SRI-certified, and funds whose MSCI rating is BB or lower (on a scale from CCC to AAA) are excluded. However, the Fund may hold up to 10% of its assets in investment funds not rated by MSCI, or with an MSCI rating below BB. The manager will invest at least 16% of the assets in SFDR article 9 funds and/or green bonds.

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

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

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

ODDO BHF's Responsible Investment Policy describes our definition and assessment of good governance practices. However, the investment strategy is to select SRI-certified funds, which may not follow our good governance policy.



WHAT IS THE ASSET ALLOCATION PLANNED FOR THIS FINANCIAL PRODUCT?

The Fund invests at least 90% of its net assets in SRI-certified funds.

The Fund may also hold cash and derivatives, representing up to 10% of the Fund's assets.

At least 16% of the Fund's assets will be sustainable investments and at least 90% of Fund's assets will be aligned with environmental or social characteristics; the Fund may hold up to 10% of its net assets in other investments which are neither aligned with environmental or social characteristics nor qualify as sustainable investments.

At least 0% of the Fund’s assets will be taxonomy-aligned.
There is no minimum commitment to social investments.

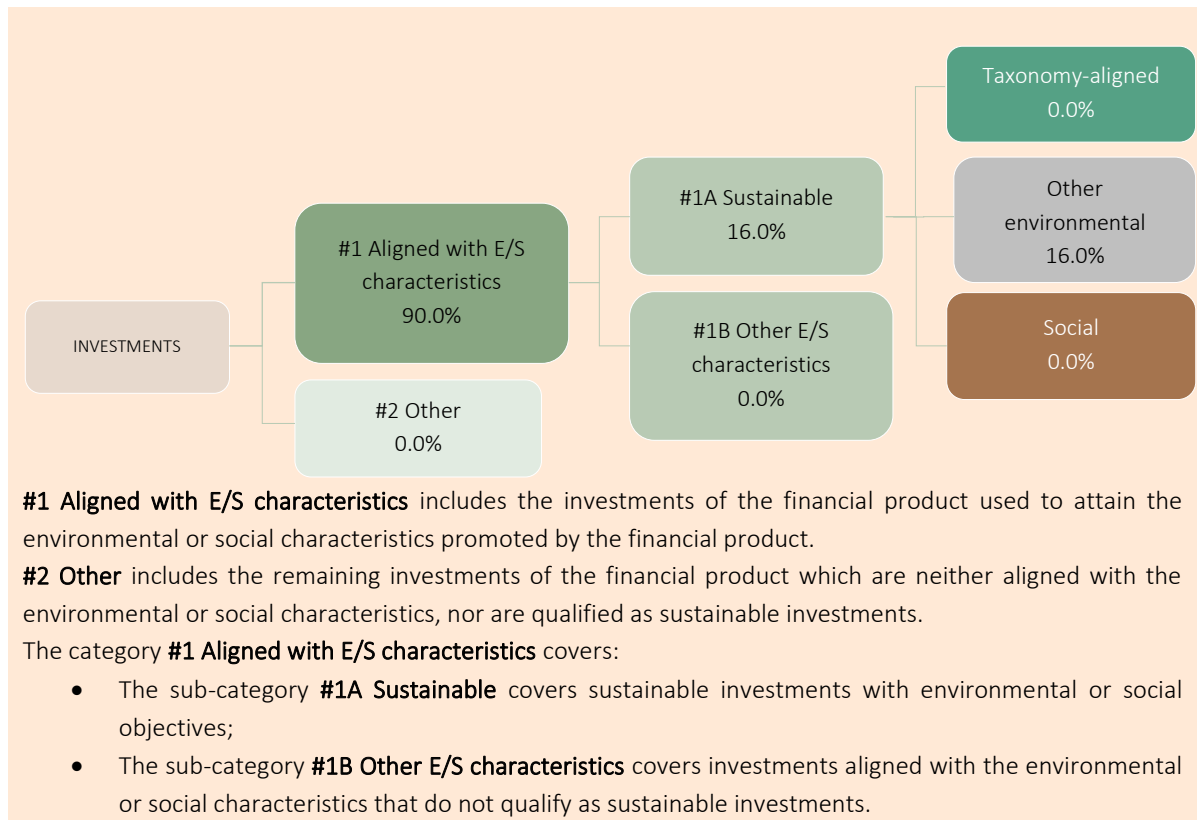
Asset allocation describes the share of investments in specific assets.

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?

Derivatives are not used to improve ESG alignment or reduce ESG risk. As part of the investment strategy, the Fund is authorised to use derivatives for hedging and exposure purposes.



TO WHAT MINIMUM EXTENT ARE 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 TAXONOMY?

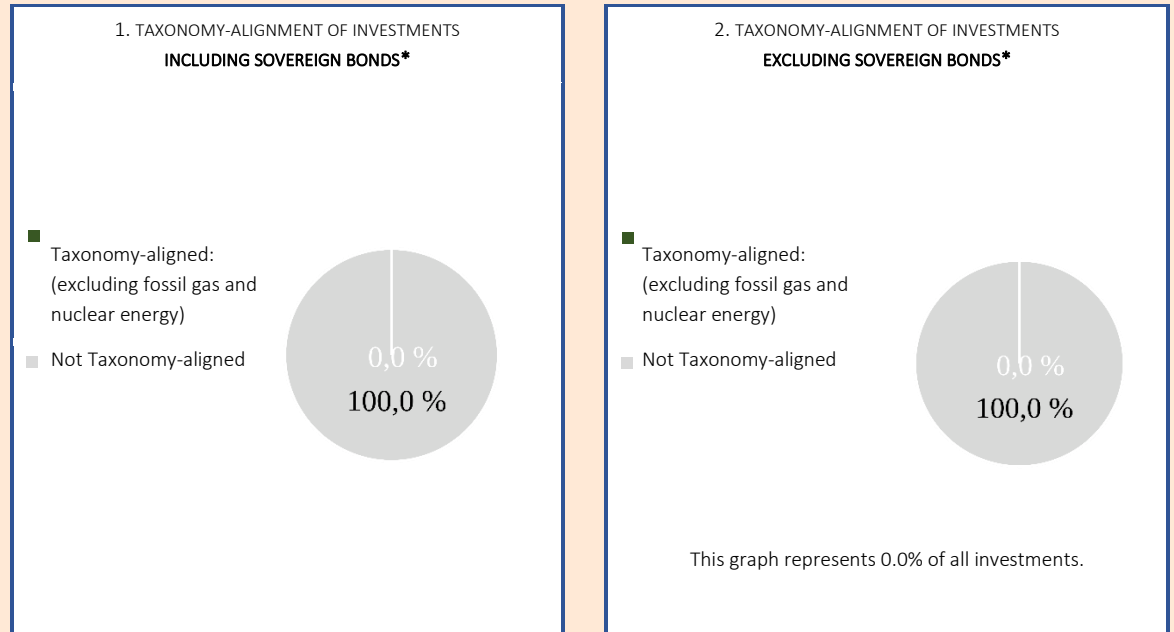
- Yes
- In fossil gas In nuclear
- No

The Fund management team analyses funds with SRI certification. The Fund does not exclude investments in nuclear energy and/or fossil gas. A minimum share of EU Taxonomy-aligned activities within the field of fossil gas and/or nuclear energy is not planned for the Fund.

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.

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?

No percentage is known as yet.

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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 16% of net assets.

WHAT IS THE MINIMUM SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

There is no minimum share of sustainable investments with a social objective, but the Fund may make 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?

Investments included under "#2 Other" are cash, derivatives and other ancillary assets.



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 benchmarks are the MSCI ACWI (All Country World Index) and the €STR.

This index is a broad market index that does not necessarily reflect, in its composition or method of calculation, the ESG characteristics promoted by the Fund.

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

Reference benchmarks are indices 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?

The benchmark is not aligned with the environmental or social characteristics promoted by the financial product. Environmental and social characteristics are covered only by the Fund's ESG investment strategy.

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

The benchmark administrator does not check ESG compliance of the index or its components. Issuers' ESG risks and their efforts to promote ESG objectives are factored into the Fund through its investment strategy.

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

The Fund's benchmark index is a broad market index. The Fund's ESG strategy does not depend on this index. For a description of the method used to calculate the index, please visit the index websites:

- MSCI ACWI: http://www.msci.com/resources/fact_sheet/
- EST€R: <https://www.emmi-benchmarks.eu/>

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



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

More detailed information on the product is available at: am.oddo-bhf.com