

# Environmental and/or social characteristics

Product name: Pilotage Sélection Défensive

Legal entity identifier: 969500ZSXVM384STH366

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 <b>sustainable investments with an environmental objective</b>: N/A</p> <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> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: N/A</p>	<p><input checked="" type="checkbox"/> It <b>promotes 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 8.0% of sustainable investments</p> <ul style="list-style-type: none"> <li><input 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> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>.</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 SFDR Article 8 and/or Article 9 funds. SFDR article 8 funds promote environmental and/or social characteristics, while SFDR article 9 funds have a sustainable investment objective.

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

The funds must qualify as SFDR article 8 or article 9 funds in order to be selected by the Fund. No specific sustainability indicator is used to measure the attainment of each of the environmental or social characteristics promoted by this financial product. SFDR article 8 or article 9 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' ESG policies.

## 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 invests at least 8% 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).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the 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.

#### 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 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. 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 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, in accordance with the provisions of Article 8 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), the Management Company takes sustainability risks into account by integrating ESG (Environmental and/or Social and/or Governance) criteria into its investment decision-making process, as set out in the "Investment Strategy" section. This process also makes it possible to assess the management team's ability to manage the adverse impacts of their business activities on sustainable development. For more information, please refer to the Fund prospectus, which is available on the Management Company's website: [am.oddo-bhf.com](http://am.oddo-bhf.com).

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 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 asset allocation (choice between money market instruments, government and corporate bonds, and equities); and the portfolio's construction according to a quantitative and qualitative analysis of the funds.

Funds are selected from a broad investment universe of several thousand funds. The manager undertakes to invest at least 75% of the net assets in SFDR article 8 or 9 funds. The Fund will hold at least 8% of its net assets in SFDR article 9 funds and/or green bonds.

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?

At least 75% of the net assets must be invested in SFDR article 8 or 9 funds.  
The Fund will hold at least 8% of its net assets in SFDR article 9 funds and/or in green bonds.

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

#### 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 invest at least 75% of the Fund's net assets in SFDR Article 8 or 9 funds, which may not follow our good governance policy.



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

The Fund invests at least 75% of its net assets in funds classified as SFDR article 8 and/or article 9 funds.

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

At least 0% of the Fund's assets will be sustainable investments and at least 75% of the Fund's assets will be aligned with environmental or social characteristics, but may not qualify as sustainable investments.

At least 0% of the Fund's assets will be taxonomy-aligned.

There is no minimum commitment for environmental or social investments.

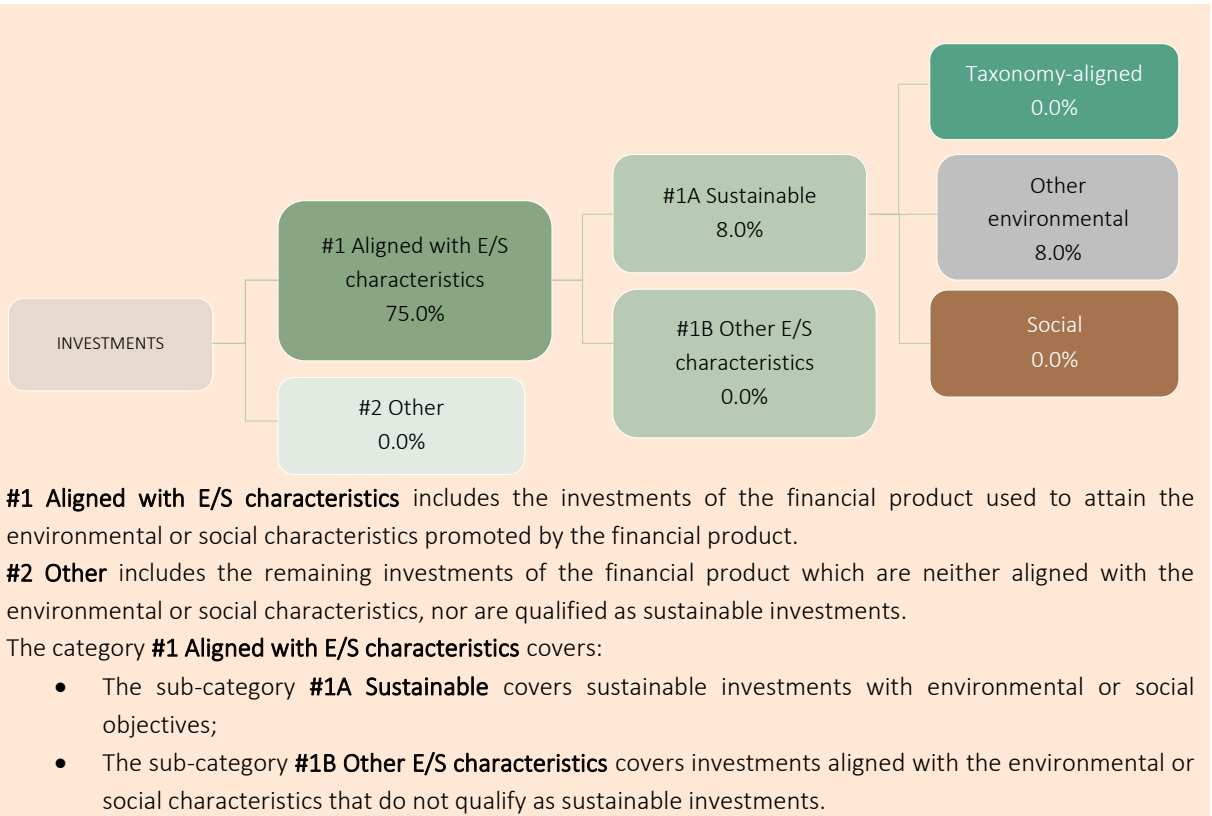
**Asset allocation** describes the share of investments in specific assets.

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

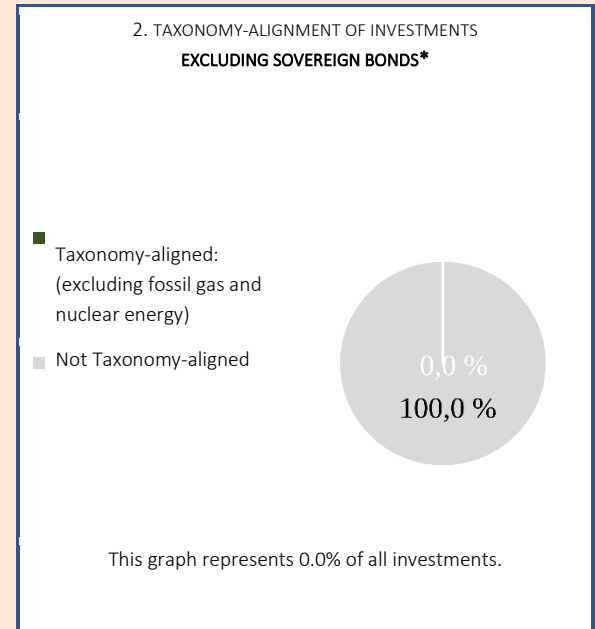
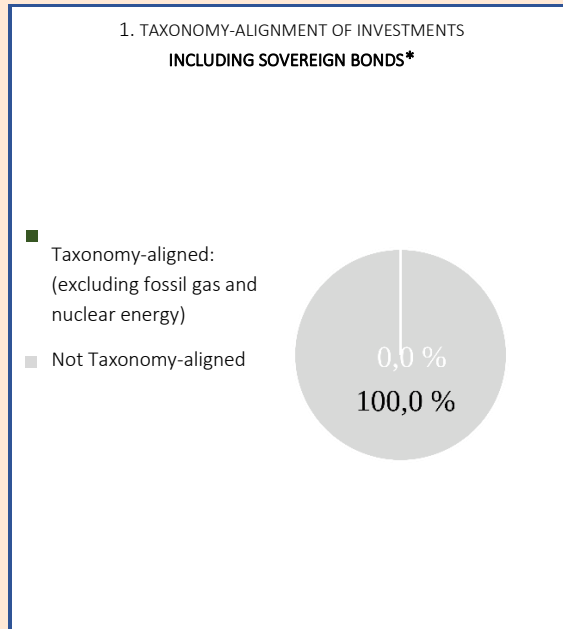
No

The Fund management team analyses funds according to their SFDR classification. The Fund does not rule out investing 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 8% 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?

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



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 World and JPM Global Euro Hedged.

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.

**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.

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

For a description of the method used to calculate the index, please visit the index websites:

- JPM Global Euro Hedged: [www.jpmorgan.com/pages/jpmorgan/investbk/solutions/research/indices/product](http://www.jpmorgan.com/pages/jpmorgan/investbk/solutions/research/indices/product)
- MSCI World: [www.msci.com/resources/fact\\_sheet/](http://www.msci.com/resources/fact_sheet/)



#### WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

More detailed information on the product is available at: [am.oddo-bhf.com](http://am.oddo-bhf.com)