

Environmental and/or social characteristics

Product name: ODDO BHF METROPOLE SELECTION

Legal entity identifier: 969500FF243JLNXXMD80

DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?

<input checked="" type="radio"/> <input checked="" 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 sustainable investments with an environmental objective: N/A <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 <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: N/A	<input 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 N/A of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input 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 <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments.

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?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund promotes environmental and/or social characteristics that are reflected in the construction and weighting of the management team's internal rating system.

Socially responsible investment criteria are analysed from four angles:

- corporate governance policy,
- respect for the environment,
- human resource management,
- relations with, and management of, different parties (suppliers, clients, local communities and regulators).

These four areas are equally balanced. They are then divided into sub-areas that are analysed exhaustively.

Environmental: measuring the impact of the business's operations on the ecosystem.

Impact of the production process on emissions

Impact of the production process on resource usage

Impact of products

Social: measuring the impact of the business's operations on its human resources.

Fundamental rights

Quality of working conditions (demands of the job, health and safety at work, etc.)

Staff development and insecurity (pay, training and progression, etc.)

Governance: measuring the quality of relations between managers, shareholders and the board of directors

Shareholder protection, CSR approach

Effectiveness of the Board of Directors

Effectiveness of the Executive Board

Stakeholders: measuring the quality of relations with contractual and external stakeholders

Clients

Suppliers

Government and authorities

Civil society

A total of 150 indicators are considered, spread between the four areas of analysis.

The aim of this internal ESG analysis process is to select the European companies that are the best in their sector for ESG criteria (best-in-class approach) or have bold ambitions for progress on such issues (best-efforts approach). The best-in-class rating scale goes from AAA+ to CCC-. The best effort rating scale goes from 1 to 5 stars.

The selection constraints relating to ESG scores are as follows:

- Companies scoring BBB- or better can be chosen without a best-efforts requirement,
- Companies scoring BB+ or worse can be chosen if they have a best effort score of at least +++,
- CCC companies are excluded.

A set of climate change indicators is also taken into account in our proprietary scoring model. More than 20% of the indicators that the management team tracks relate to climate change criteria, and are spread over four areas of analysis. They form an integral part of the ESG scoring system.

ESG controversies are the fourth screen for selecting companies that may be added to portfolios.

The investment universe is thus determined, but may change overnight based on fluctuations in market prices, and ESG developments. The management team regularly adjusts the investable universe.

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

The management team's ESG model uses all of the characteristics and indicators mentioned in the paragraph above, and the monthly ESG report currently shows indicators that demonstrate their attainment as follows:

The portfolio's weighted internal ESG rating to measure the overall attainment of environmental, social and governance characteristics.

The Fund's carbon intensity (total scope 1 and 2 CO₂ emissions divided by total revenue of the companies in which the Fund invests).

The Fund also has two indicators of outperformance relative to its benchmark index. These are:

Percentage of women on the Board of Directors

Number of independent members on the Board of Directors

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 does not have a sustainable investment objective.

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 does not have a sustainable investment objective.

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

Regulation (EU) 2020/852 establishes certain areas of concern that may have an adverse impact ("PAI").

The management team applies pre-trade rules to three PAIs:

- exposure to controversial weapons (PAI 14 and zero tolerance)
- activities negatively affecting biodiversity sensitive areas (PAI 7 and zero tolerance)
- serious violations of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises (PAI 10 and zero tolerance)

The management team also considers other PAIs in its ESG analysis for companies when the information is available, but without strict testing rules. PAI data is collected to determine the final ESG rating.

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.

ESG analysis covers monitoring of greenhouse gas emissions (PAI 1), carbon intensity (PAI 3), the share of non-renewable energy consumption and production (PAI 5), energy consumption intensity per high impact climate sector (PAI 6), lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), and board gender diversity (PAI 13). The management company also takes into account the lack of a human rights policy (PAI 9).

If the Fund has sovereign investments, the manager's ESG model includes the two main PAIs in the ESG analysis: greenhouse gas intensity (PAI 15) and investee countries subject to social violations (PAI 16).

More detailed information on the management company's consideration of PAIs is available at www.am.oddobhf.com

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 Fund does not have a sustainable investment objective.

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.oddobhf.com.

☐ No



WHAT INVESTMENT STRATEGY DOES THIS FINANCIAL PRODUCT FOLLOW?

ODDO BHF METROPOLE SELECTION seeks to outperform the STOXX Europe Large 200 index with net dividends reinvested, through active management over a five-year period. ODDO BHF METROPOLE SELECTION promotes, inter alia, environmental and social characteristics, provided that the companies in which investments are made follow sound governance practices, in line with the UN sustainable development goals and the Paris Agreements.

Investors are essentially provided with a selection of promising equities in the European Union, United Kingdom, Switzerland and Norway.

The strategy consists of selecting companies with the best ESG scores, narrowing down the investment universe by applying a best in class/best effort approach to EU, UK, Swiss and Norwegian companies, then selecting discounted stocks through a rigorous financial analysis, knowledge of management teams, and the identification of one or more catalysts that could reduce the discount over an 18-24-month horizon.

Socially responsible investment criteria are analysed from four angles:

- corporate governance policy,

- respect for the environment,
- human resource management,
- relations with, and management of, different parties (suppliers, clients, local communities and regulators).

Our initial investment universe comprises European companies with a market capitalisation of more than EUR 100 million, from which we eliminate companies according to our exclusion policy, available at <http://am.oddobhf.com>. Our eligible universe is the starting point for constructing the portfolio.

This universe is narrowed down further on the basis of our best in class/best effort scoring system, which prioritises companies with the highest ratings in their sector and those making the biggest efforts to adopt best ESG practices; the worst rated companies are eliminated. We also apply our Policy of Controversies Prevention and Verification to any ongoing or past controversies. This approach limits any ESG risks and also encourages companies to accelerate their transition towards sustainable growth while seizing the opportunities presented. The selection constraints relating to ESG scores are as follows:

- companies scoring BBB- or better can be chosen without a best effort requirement,
- companies scoring BB+ or worse can be chosen if they have a best effort score of at least ++,
- CCC companies are excluded.

This gives us a narrowed down investment universe based on ESG criteria.

A set of climate change indicators is also taken into account in our proprietary scoring model. More than 20% of the indicators that we track relate to climate change criteria, and are spread over four areas of analysis. They are an integral part of our ESG scoring system.

Financial analysis and the selection of stocks trading below their industry value form the third screen for our universe. Catalysts likely to reduce the discount, and ESG controversies, are the fourth screen for selecting companies that may be added to portfolios.

The investment universe is thus determined, but may change overnight based on fluctuations in market prices, and ESG developments. The management team regularly adjusts the investable universe.

One final selection requirement has been established for constructing the portfolio: the portfolio's overall ESG rating must exceed that of the reference universe after deducting the 20% of securities with the lowest rating.

This approach is supplemented by:

- engagement with companies through the exercise of voting rights as well as individual, topical and group dialogue,
- an ESG impact analysis.

All caps from the investment universe may be concerned. The Sub-fund may invest in stocks that are not included in the STOXX Europe Large 200, depending on the opportunities that arise. At least 90% of the companies held in the portfolio will be analysed and receive a best in class/best effort ESG score. The management will engage with them by exercising voting rights and entering into individual, topical and collective dialogue, reports on which will be published each year on <http://am.oddobhf.com>

The Fund's maximum exposure to the different asset classes (equities, debt securities, funds and derivatives) may not exceed 120% of net assets, it being understood that the maximum exposure is the sum of the net exposures to each of the markets (equity, fixed income, money) to which the Fund is exposed (the sum of long and hedging positions).

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?

The Fund has two indicators of outperformance relative to its benchmark index. These are:

- Percentage of women on the Board of Directors
- Number of independent members on the Board of Directors

The Fund also applies selection constraints relating to ESG scores:

- Companies scoring BBB- or better can be chosen without a best-efforts requirement,
- Companies scoring BB+ or worse can be chosen if they have a best effort score of at least ++,
- CCC companies are excluded.

One final selection requirement has been established for constructing the portfolio: the portfolio's overall ESG rating must exceed that of the reference universe after deducting the 20% of securities with the lowest rating

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?

The management team takes into account non-financial criteria through a selectivity approach leading to the elimination of at least 20% of this universe. The approach described above reduces the scope of investments according to applicable sector exclusions and on the basis of the ESG analysis carried out on, and ESG ratings assigned to, eligible issuers.

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.



WHAT IS THE ASSET ALLOCATION PLANNED FOR THIS FINANCIAL PRODUCT?

The Fund's net assets are made up of equities.

At least 80% of net assets must be aligned with environmental and social characteristics. The Fund may hold up to 20% of its net assets in the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The Fund does not have a minimum sustainable investment objective. However, the Fund may hold investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund does not have a minimum Taxonomy alignment for other environmental and/or social investments. However, the Fund may hold investments that present these characteristics.

At least 90% of the issuers in the portfolio are subject to an ESG rating after consideration of the weighting of each share.

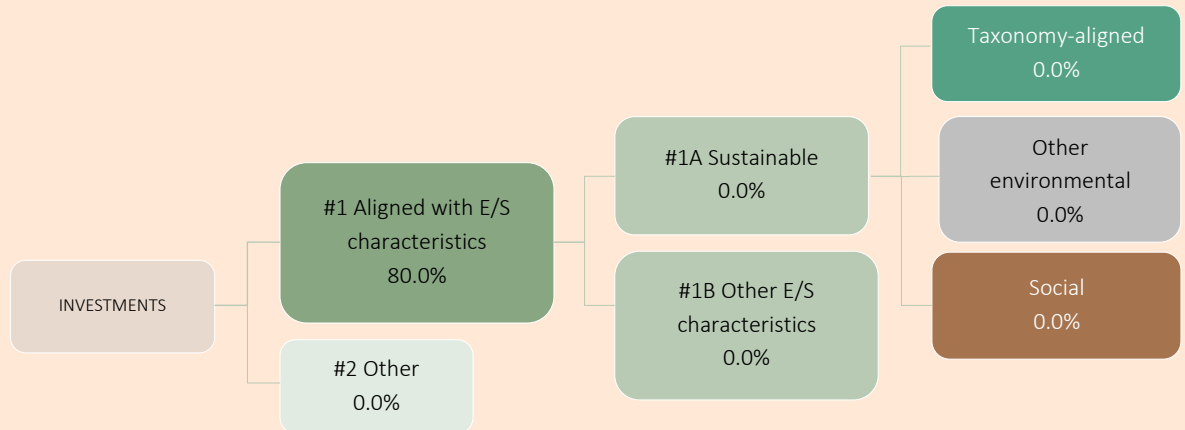
Asset allocation describes the share of investments in specific assets.

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 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

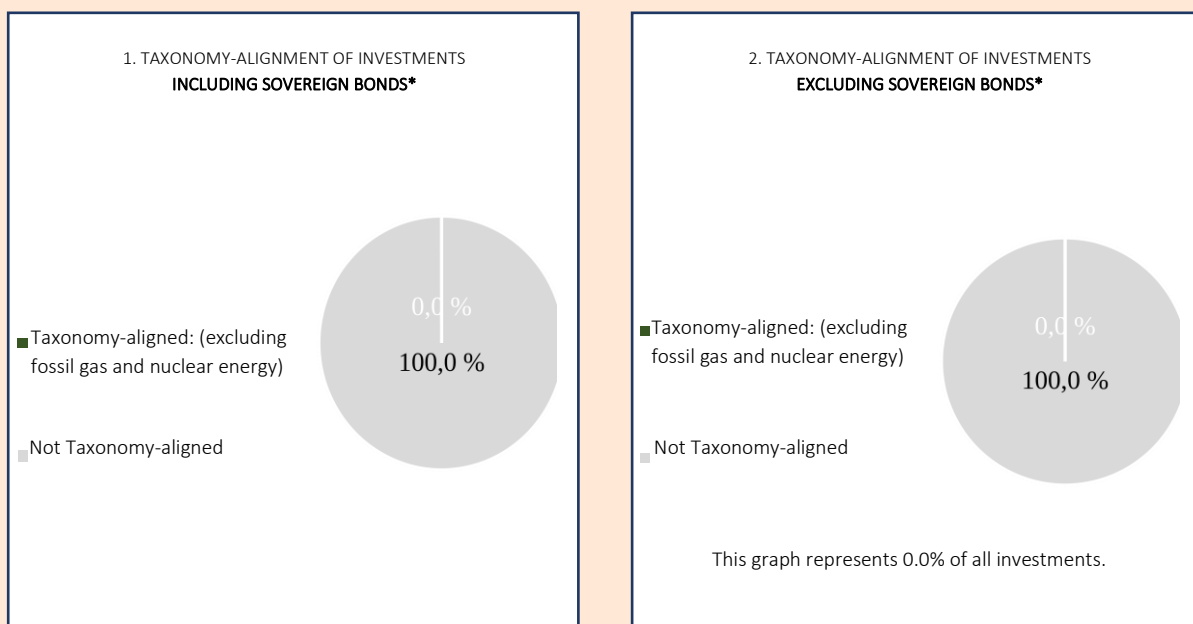
☐ In fossil gas

☐ In nuclear

☒ No

The Fund management team analyses the portfolio's positions on the basis of ESG criteria. The Fund does not rule out investing in nuclear energy and/or fossil gas activities. 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.



* 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 percentage is not yet known.



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



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

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



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 benchmark is the STOXX Europe Large 200 with net dividends reinvested.

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 STOXX website: www.stoxx.com.



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

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