

# Website disclosures

## PRODUCT NAME

MÉTROPOLE SÉLECTION

LEGAL ENTITY IDENTIFIER: 969500FF243JLNXXMD80

## SUMMARY

Does this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <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 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 sustainable investments <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 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 checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

## SUMMARY

ODDO BHF METROPOLE SELECTION promotes environmental and/or social characteristics that are reflected in the construction and weighting of the management team's internal ESG rating system. The fund does not have a sustainable investment objective. The so-called socially responsible criteria taken into account are analysed from four angles:

- corporate governance policy
- respect for the environment
- human capital management,
- relations with and management of the various stakeholders (suppliers, customers, local communities and regulations).

The objective of ODDO BHF METROPOLE SELECTION is to outperform the STOXX Europe Large 200 index, net dividends reinvested, over a 5-year period through active management. In addition

ODDO BHF METROPOLE SELECTION promotes, among other things, environmental and social characteristics, provided that the companies in which investments are made apply good governance practices in line with the United Nations' sustainable development objectives and the Paris Agreements.

The Fund's management team analyses portfolio positions according to ESG criteria. The Fund does not exclude investing in nuclear energy and/or fossil fuels. A minimum proportion of activities aligned with the EU taxonomy in the field of fossil gas and/or nuclear energy is not foreseen for the Fund.

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

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

## NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

## ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

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

The so-called socially responsible criteria taken into account are analysed from four angles:

- corporate governance policy
- respect for the environment
- human capital management,
- relations with and management of the various stakeholders (suppliers, customers, local communities and regulations).

These four pillars are equally weighted. They are then broken down into sub-pillars which are analysed exhaustively.

Environment: measuring the impact of the company's activities on the ecosystem.

- Impact of the production process on emissions
- Impact of the production process on resource consumption
- Impact of products

Social: measuring the impact of a company's activities on its human resources.

- Fundamental rights
- Quality of working conditions (arduousness, health and safety at work, etc.)
- Employee development and job insecurity (pay, training and promotion, etc.)

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

- Shareholder protection, CSR approach
- Board effectiveness
- Executive effectiveness

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

- Customers
- Suppliers
- Government and public authorities
- Civil society

A total of 150 indicators are taken into account, spread across the four pillars of analysis. The aim of this internal ESG analysis process is to select the best European companies in their sector in terms of ESG criteria ('Best-in-class' approach) or those that have a high development potential in these areas ('Best effort' approach). The 'Best-in-class' rating scale ranges from AAA+ to CCC-. The "Best effort" rating scale ranges from 1 to 5 stars.

The ESG rating selection constraints are as follows:

- Companies with a rating of BBB- or above may be selected without any "best effort" conditions,
- Companies with a rating of BB+ or below may be selected subject to a minimum Best effort +++ rating,
- Companies in the CCC category are excluded.

In addition, a set of indicators relating to climate change is taken into account in our proprietary rating model. More than 20% of the indicators monitored by the management team meet criteria relating to climate change and are spread across the 4 pillars of analysis. They form an integral part of the ESG rating system.

ESG controversies are the final ESG filter used to select stocks for inclusion in portfolios.

The investment universe is determined in this way but may change from day to day depending on market valuation trends and ESG transformations. The management team regularly adjusts the investable universe.

## INVESTMENT STRATEGY

Through active management, ODDO BHF METROPOLE SELECTION aims to outperform the STOXX Europe Large 200 index, net dividends reinvested, over a period of 5 years. In addition, ODDO BHF METROPOLE SELECTION promotes, among other things, environmental and social characteristics, provided that the companies in which investments are made apply good governance practices in line with the United Nations' sustainable development objectives and the Paris Agreements.

It is essentially made up of a selection of stocks offering investors a compartment of equities with favorable growth potential

in the geographical area of the countries of the European Union, the United Kingdom, Switzerland and Norway.

The strategy used consists of selecting the best-rated companies in terms of ESG criteria by reducing the investment universe using a "Best in class"/"Best effort" rating methodology for companies in the European Union, the United Kingdom, Switzerland and Norway, and then selecting stocks at a discount, based on rigorous financial analysis, knowledge of the management teams and the detection of one or two catalysts capable of reducing the discount within a period of 18 to 24 months.

The so-called socially responsible criteria taken into account are analyzed from four angles:

- corporate governance policy
- respect for the environment
- human capital management,
- stakeholder relations and management (suppliers, customers, local communities, and regulations).

Our initial investment universe is made up of European companies with a market capitalization of over €100 million, from which we remove all the exclusions listed in our exclusion policy, which is available on the <http://am.oddo-bhf.com> website. Our eligible universe thus constitutes the starting point for portfolio construction.

This universe is subject to a second reduction based on our 'Best in class'/'Best effort' ESG rating system, giving preference to companies with the best ratings in their sector of activity or companies making the greatest efforts to make the transition to best ESG practices, eliminating the worst-rated companies, and on the existence of current or past controversies, the assessment of which is the subject of a prevention and verification policy. This approach not only limits potential ESG risks, but also encourages companies to accelerate their transformation towards sustainable growth, and to seize the new opportunities offered by these transformations. The ESG rating selection constraints are as follows:

- companies with a rating of BBB- or above may be selected without any Best Effort conditions,
- Companies with a rating of BB+ or below may be selected subject to a minimum Best effort +++ rating,
- Companies in the CCC category are excluded.

The result is a smaller investment universe based on ESG rating criteria.

In addition, a set of indicators relating to climate change is taken into account in our proprietary rating model. More than 20% of the indicators we monitor meet criteria relating to climate change and are spread across the 4 pillars of analysis. They are an integral part of our ESG rating system.

Financial analysis and the selection of stocks at a discount to their industrial value constitute the third filter, again leading to a reduction in the universe. Catalysts designed to reduce the valuation discount and ESG controversies constitute the final filter used to select stocks for inclusion in portfolios.

The investment universe is determined in this way but may change from day to day depending on market valuation trends and ESG transformations. The management team regularly adjusts the investable universe.

Finally, an additional selection constraint is applied to portfolio construction: the overall ESG rating of the portfolio must be higher than the overall ESG rating of the benchmark universe, minus 20% of the lowest-rated securities.

This approach is complemented by :

- a commitment to companies through the exercise of voting rights and individual, thematic and collective dialogue.
- an analysis of the impact of our ESG approach.

All capitalizations in the investment universe may be included, and the sub-fund may invest in securities not included in the STOXX Europe Large 200, depending on opportunities. At least

90% of the stocks in the portfolio will benefit from a "Best in class"/"Best effort" ESG analysis and rating, as well as a commitment approach through the exercise of voting rights and individual, thematic and collective dialogue, which will be the subject of reports published annually on the <http://am.oddobhf.com> website.

Lastly, the Fund's maximum exposure to the various asset classes (equities, debt securities, UCIs and derivatives) may not exceed 120% of the Fund's net assets, it being specified that maximum exposure is the sum of net exposure to each of the markets (equities, fixed income, money market) to which the Fund is exposed (sum of long positions and hedged positions).

## PROPORTION OF INVESTMENTS

A minimum of 80% of net assets must be aligned with environmental and social characteristics. The Fund may hold up to 20% of its net assets in other investments that are neither aligned with environmental or social criteria nor considered to be sustainable investments.

The Fund does not have a minimum sustainable investment requirement. However, the Fund may hold investments aligned with environmental or social characteristics that are not considered to be sustainable investments.

The Fund has no minimum percentage of Taxonomy alignment, other environmental and/or social investments. However, the Fund may hold investments with these characteristics.

At least 90% of the issuers in the portfolio have an ESG rating after taking into account the weighting of each security.

## MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The controlling, investment management, and ESG teams of the Manager are collectively responsible for the internal control of the environmental or social characteristics promoted by the Fund that translate into binding elements. The indicators used to measure the attainment of each of those environmental or social characteristics are gathered by the investment and the ESG teams, and through external support.

## METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The methodologies to measure the promotion of the social and/or environmental characteristics of the Fund are dependent on the availability, consistency, quality, and comprehensiveness of the sustainability disclosures made available on the market.

## DATA SOURCES AND PROCESSING FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Manager ensures the data quality and consistency by having a regular dialog with its data providers in order to correct potential errors, make recommendations on potential improvements, and provide feedbacks to clients consultations. The data used to meet the environmental or social characteristics may be based on both reported and estimated data.

## LIMITATIONS TO METHODOLOGIES AND DATA

All rights in the data and reports provided by third-party licensors vest in such licensors and/or their content providers. None of such licensors or their affiliates, or their content providers, accept any liability for any errors, omissions or interruptions in such data/reports as to completeness, accuracy or timeliness. No copying or further distribution of such data/reports is permitted without such third-party licensors' express written consent. The Manager is regularly in contact with its data providers to ensure the quality and reliability of the data used.

## DUE DILIGENCE

The due-diligence is led by the portfolio managers through a detailed fundamental analysis complemented by external ESG ratings to ensure the mitigation of risks.

## ENGAGEMENT POLICIES

The engagement policies are available on the Manager's website.

## DESIGNATED REFERENCE BENCHMARK

The benchmark of the Fund has not been designated to attain the environmental and social characteristics promoted by the Fund.

