

Product name: Ossiam World ESG Machine Learning UCITS ETF (the “Fund”)
Legal entity identifier: 635400PLNLPD7NMBPL43

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Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ____% <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 	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __73.0__% of sustainable investments <ul style="list-style-type: none"> <input checked="" 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
<input type="checkbox"/> It made sustainable investments with a social objective : ____%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



- The reduction of greenhouse gas (“GHG”) emissions; and
- Minimum social standards; and
- Active consideration of environmental issues.

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.

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● **How did the sustainability indicators perform?**

Sustainability Indicator	Value 2022 (Average of quarterly values)	Investment Universe Value 2022 (Solactive GBS World Developed Market Large & Mid Index)
ESG Score, interval from 0 to 100, with 100 being the best score.	66.6	66.2
Total GHG emissions (scope 1+2+3) tCO ₂ e	2,771	5,844

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not commit to investing in sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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 did this financial product consider principal adverse impacts on sustainability factors?

The Fund has opted to consider certain principal adverse impacts (“PAI”) as part of the Ethical Filter and portfolio optimisation and weighting process described in the Investment Strategy section of its Supplement.

Adverse Impact Indicator	Theme	Metric	Value	Fund policy
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	367 tCO ₂ e	- At each rebalancing date, calculations are made using security level data. Total GHG emissions of the portfolio must be 40% lower than the

		Scope 2 GHG emissions	345 tCO2e	emissions related to the Investment Universe. - Between rebalancing dates, discussions with companies and voting on pertinent resolutions, as described in Ossiam's engagement and voting policy, contribute to reducing the PAI on these sustainability factors.
		Scope 3 GHG emissions	2,060 tCO2e	
		Total GHG emissions	2,772 tCO23	
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	- At each rebalancing date, each company is selected for inclusion in the portfolio if assessed as not contributing to a PAI. - Between rebalancing dates, discussions with companies and voting on pertinent resolutions, as described in Ossiam's engagement and voting policy, contribute to reducing the PAI on these sustainability factors.
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
GILD UW Equity (Id :696)	Biotechnology	3%	USA
ST SP Equity (Id :2433)	Integrated Telecommunication Services	2%	JPN

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022-01-01 to 2022-12-30

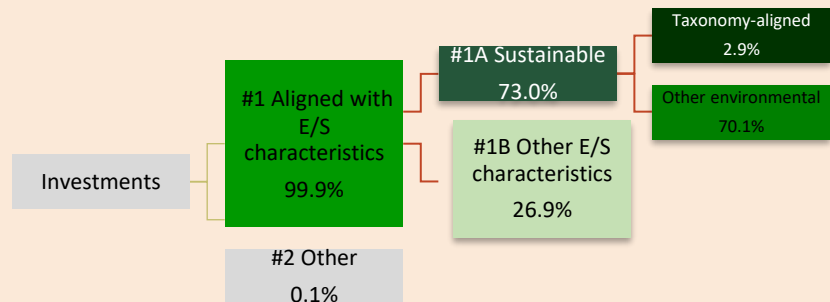
BDX UN Equity (Id :890)	Health Care Equipment	2%	USA
ELISA FH Equity (Id :265)	Integrated Telecommunication Services	2%	SGP
BMJ UN Equity (Id :679)	Pharmaceuticals	2%	USA
O2D GY Equity (Id :10441)	Integrated Telecommunication Services	1%	CAN
L CT Equity (Id :6846)	Food Retail	1%	JPN
ED UN Equity (Id :821)	Multi-Utilities	1%	FIN
PSA UN Equity (Id :1719)	Self Storage REITs	1%	USA
ITW UN Equity (Id :1621)	Industrial Machinery	1%	USA
8601 JT Equity (Id :2159)	Investment Banking & Brokerage	1%	USA
AMGN UW Equity (Id :674)	Biotechnology	1%	JPN
KEYS UN Equity (Id :45034)	Electronic Equipment & Instruments	1%	USA
DGX UN Equity (Id :1723)	Health Care Services	1%	USA
ICE UN Equity (Id :1623)	Financial Exchanges & Data	1%	USA



What was the proportion of sustainability-related investments?

● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● *In which economic sectors were the investments made?*

Sector	Weight
Health Care	20.4%
Communication services	16.8%
Information Technology	10.9%
Financials	13.3%
Consumers Staples	9.5%
Real Estate	6.9%
Industrials	7.7%
Materials	3.9%
Consumer Discretionary	2.5%
Utilities	10.7%
Energy	0.3%

Subsector	Weight
Pharmaceuticals, Biotechnology & Life Sciences	14.0%
Telecommunication Services	10.4%
Utilities	8.0%
Capital Goods	6.5%
Health Care Equipment & Services	6.4%
Media & Entertainment	6.4%

Real Estate	6.2%
Food & Staples Retailing	6.0%
Diversified Financials	5.3%
Software & Services	5.1%
Banks	4.6%
Insurance	4.2%
Technology Hardware & Equipment	3.8%
Materials	3.8%
Household & Personal Products	3.5%
Consumer Durables & Apparel	2.0%
Commercial & Professional Services	2.0%
Real Estate Management & Development	0.7%
Semiconductors & Semiconductor Equipment	0.4%
Retailing	0.3%
Consumer Services	0.2%
Energy	0.1%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

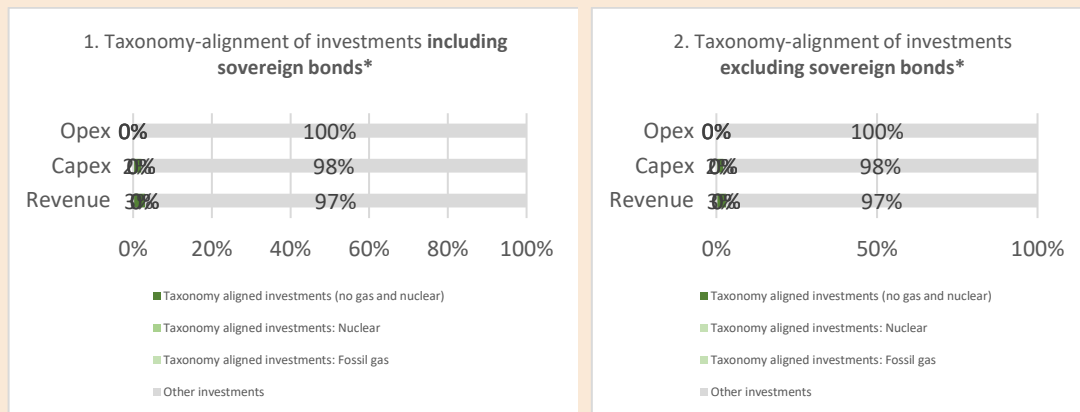
The proportion of investments classified as sustainable investments with an environmental objective aligned with the EU Taxonomy was 2.9%.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU taxonomy¹?**

Following the precisions given by a Q&A with the European Commission on failure to collect data, the Fund had 0% of EU Taxonomy-aligned fossil gas investments and 0% of EU Taxonomy-aligned nuclear energy investments for the reporting period.

¹ 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 fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?

Fund	Proportion of investments on transitional activities	Proportion of investments on enabling activities
Ossiam World ESG Machine Learning UCITS ETF	0.0%	0.0%



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

During the reporting period, the Fund's proportion of investments classified as sustainable investments with an environmental objective not aligned with the EU Taxonomy was 70.1%. The sustainability policy used to determine the classification of the Fund's sustainable investments considers themes currently out of scope of the EU taxonomy.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The investments included as "2 Other" consisted of:



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- Cash to the extent necessary for the proper day-to-day management of the Fund. As such, no environmental or social safeguard was required;
- Companies that the Fund may have been invested in as the result of corporate actions (such as spin-offs or M&A activities). Such companies may not be assessed as having proper governance and climate characteristics at the time the Fund is entitled to receive their securities. The Fund sells those securities as soon as reasonably practicable, in the investors' best interest. The Fund's limited exposure, both in terms of duration and volume, to those securities do not prevent the attainment of the environmental and social characteristics promoted by the Fund.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Management Company is an active steward of investments. It integrates ESG analysis in its investment strategies. It engages invested companies to promote sustainable approaches. It votes at the annual meetings in a way that promotes sustainable approaches and in line with the outcome of its conversations with invested companies. The last two items are described in Ossiam's Voting and Engagement Policy, which is available on the website.

Over the reference period, the onus has been placed on conversations with investee companies focusing on nutrition, prevention of biodiversity loss, the environment, and in particular climate change, and the introduction of sustainability metrics in companies' remuneration policies.

In addition, Ossiam has participated in collective initiatives urging companies to report on their emissions (with CDP), promoting a better approach to the production of animal protein (with FAIRR) and challenging companies facing severe social or environmental controversies (with ISS).

The Management Company publishes reports detailing and summarising its engagement and voting activities, which are available on its website.