

Product name: BNY Mellon Blockchain Innovation Fund**Legal entity identifier: 213800550EJYI8WPBT81****Environmental and/or social characteristics**

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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 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 type="checkbox"/> It will make a minimum of sustainable investments with a social objective ___%	<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 10.00% of sustainable investments <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 checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

**What environmental and/or social characteristics are promoted by this financial product?**

The environmental and/or social characteristics promoted are:

- Investment in companies that align with the Investment Manager's proprietary carbon red line
- Avoid investment in companies that have material unresolvable issues relating to human rights, labour, the environment, and corruption
- Investment in companies proactively seeking to manage social and environmental factors well
- Investment in companies that benefit from increased efficiency and transparency of business operations, with implications for resource use and environmental footprints of companies e.g., companies that provide, financial services to the underbanked, improved personal property and digital security, and increased access to and efficiency of digital services worldwide, among others.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

No more than 5% of Net Asset Value in companies that:

- Are in heavy emitting sectors as defined by the International Energy Agency (IEA); and
- Have a business incompatible with a scenario in which global temperatures rise more than 2 degrees above pre-industrial levels; and
- Do not have an adequate strategy to address emissions / climate change, or a credible transition plan.

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

In addition, where third party data is not available to assess these criteria or indicates that specific companies meet these criteria, the Investment Manager retains discretion to determine alignment with this sustainability indicator solely on the basis of its qualitative review process.

0% of Net Asset Value in investee companies that have been involved in violations of the UNGC principles.

A weighted average ESG risk rating of 'medium' or better at the portfolio level. Such rating to be determined using third party data.

Innovation in supply chain as indicated through qualitative case studies.

Access to improved digital security, and increased access to and efficiency of digital services worldwide as indicated through qualitative case studies.

● **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 objectives of the SFDR Sustainable Investments that the Sub-Fund intends to make are to provide solutions to the most pressing social and environmental needs, whose products, services or technologies address underserved areas. The SFDR Sustainable Investments contribute to the sustainable investment objectives by, for example, providing financial services to the underbanked, and increasing the efficiency and transparency of business operations (with implications for resource use and environmental footprints of companies). Additionally, the objectives of the SFDR Sustainable Investments that the Sub-Fund intends to make may also include the internal environmental and/or social sustainability of a company, for example, implementing circular economy initiatives, working to improve labour standards in the supply chain, and undertaking efforts to increase diversity in the workplace.

● **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 Investment Manager determines that SFDR Sustainable Investments in the Sub-Fund do not significantly harm any environmental or social objectives by assessing each SFDR Sustainable Investment's involvement in areas deemed to be harmful from an environmental or social perspective. Investments that have involvement in activities deemed to be harmful from an environmental or social perspective are excluded from investment. Involvement in such activities is monitored on an ongoing basis. SFDR Sustainable Investments are also assessed against the principal adverse impacts on sustainability factors on a pre-investment basis.

● *How have the indicators for adverse impacts on sustainability factors been taken into account?*

All mandatory principal adverse impact indicators ("PAI") [per Table 1 of Annex I] are taken into account where possible when identifying SFDR Sustainable Investments for the Sub-Fund, as well as a subset of voluntary indicators [from Tables 2 and 3 of Annex I]. It should also be noted that while each indicator in Table 1 of Annex I of the Commission Delegated Regulations is considered, it is currently not possible to calculate the carbon footprint of each potential sustainable investment as envisaged in Annex I.

The relevance of voluntary indicators is based on the Investment Manager's view as to the materiality of the indicator to the sector or region.

The following voluntary indicators are taken into account for all investments:

- Investments in companies without carbon emission reduction initiatives
- Lack of a human rights policy
- Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws

Indicators for adverse impacts on sustainability factors are taken into account by using quantitative data and internal qualitative assessments. The levels at which principal adverse impact metrics are deemed to do significant harm varies depending on, among other factors, asset class, sector, region and country.

Whilst the Investment Manager applies quantitative thresholds against each PAI indicator, the Investment Manager may in certain scenarios use qualitative research and judgment to disregard or disapply these thresholds in cases where the Investment Manager disagrees with the quality or

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, anticorruption and antibribery matters.

accuracy of the data, or in cases where the data is not representative of the company's positive environmental or social initiatives or forward-looking developments. For the avoidance of doubt, the ultimate determination as to whether an investment does significant harm to any environmental or social objective lies with the qualitative judgment of the Investment Manager. PAI metrics are assessed on an ongoing basis to ensure that investments that are classified by the Investment Manager as SFDR Sustainable Investments do no significant harm to any environmental or social objectives.

PAI Data Availability

The Investment Manager is dependent upon information and data from third party data providers in order to be able to consider principal adverse impacts on sustainability factors. The availability and quality of such data impacts the extent to which each such PAI can be taken into account. In particular, the lack or incomplete reporting of metrics by some issuers means that there is currently only limited data on some adverse indicators. As such for some of the mandatory PAIs listed above, data coverage may be very low. The Investment Manager's analysis of adverse indicators relies on this third-party information and data, and where such information is not available or is incomplete, the Investment Manager's analysis of adverse indicators is necessarily limited. The Investment Manager does not currently make assumptions where data coverage is low. This means that for some mandatory PAIs no analysis of the DNSH test will be possible in respect of investments classified by the Investment Manager as SFDR Sustainable Investments. As the data availability improves over time, it is expected that PAIs can be applied to a greater portion of the Investment Manager's investable universe.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights (the "Responsible Business Practices") collectively cover a very broad range of areas of responsible business, encompassing everything from labour rights to consumer protection to support for internationally recognised human rights within a company's or issuer's sphere of influence. SFDR Sustainable Investments are considered aligned with the Responsible Business Practices unless the companies invested in do not pass screens provided by third parties which either directly cover one or more of the Responsible Business Practices or are considered appropriate proxies for one or more of the Responsible Business Practices; and the companies invested in pass the Investment Manager's own qualitative review process which takes into account the Responsible Business Practices.

In addition, where the companies invested in do not pass the relevant screens provided by third parties, the Investment Manager retains discretion to establish alignment with the Responsible Business Practices solely on the basis of its qualitative review process.

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 investments underlying the remaining portion of this financial product do not take into account the EU criteria for 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, The Sub-Fund considers principal adverse impacts on sustainability factors. The Investment Manager uses a combination of externally and internally sourced data and research to identify issuers that are involved in areas of material harm from an environmental or social perspective. The Investment Manager considers all mandatory PAIs as well as a selection of voluntary PAIs.

Where required, information on principal adverse impacts on sustainability factors will be made available in the annual report.

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

As further set out in the Supplement the Sub-Fund is an actively managed equity portfolio which aims to achieve long-term capital growth by investing primarily in digital assets companies that meet the Investment Manager's Environmental, Social and Governance ("ESG") and sustainability criteria. The Sub-Fund's investment universe is therefore limited to issuers that the Investment Manager deems to meet the ESG and sustainability criteria: when determining whether an issuer engages in sustainable business practices and meets the Investment Manager's ESG and sustainability criteria, the Investment Manager considers whether the issuer (i) engages in such practices in an economic sense (e.g. the durability of the issuer's strategy, operations and finances), and ii) takes appropriate account of the economic, political, governance and regulatory environment in which the issuer operates, which includes assessment of an issuer's environmental, social and/or governance practices. ESG considerations are integrated into the investment decision making process of the Sub-Fund. The Sub-Fund also adopts criteria to identify and avoid areas of harmful activity from an environmental or social perspective.

The Investment Manager selects investments from the investment universe by using proprietary models to evaluate companies against market expectations and fundamental analysis to ascertain the management of the relevant companies' ability and willingness to sustain and ideally grow value.

Investments are then ranked by using a system that qualitatively scores the extent to which the investment is likely to benefit from the emerging or ongoing revenue and/or cost savings opportunities offered by distributed ledger technology. The system scores potential investments to reflect whether the company being considered is expected to have future exposure to blockchain technology (anticipated exposure), is currently seeking exposure to blockchain technology (moderate exposure) or currently has exposure to blockchain technology (high exposure). The Investment Manager seeks to construct a portfolio which focuses on companies with high exposure while also investing in companies with moderate exposure and anticipated exposure.

The investment strategy is implemented in the investment process on a continuous basis by requiring the investments to comply with the binding elements described below both at time of purchase and on an ongoing basis.

● 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 Sub-Fund shall

- invest 10% in SFDR Sustainable Investments.
- exclude issuers that produce tobacco products
- exclude issuers that derive more than 10% of turnover from the sale of tobacco
- exclude issuers that generate revenues from the production of controversial weapons
- exclude issuers in breach of the Principles of the UN Global Compact (which includes principles relating to human rights, labour, environment and anti-corruption)
- invest at least 90% of the Net Asset Value of the Sub-Fund net of the Sub-Fund's exposure to cash and liquid near cash assets, money market funds, and currency related FDI and FDI used for hedging purposes (the "Non-ESG Assets") in companies that meet the Investment Manager's ESG and sustainability criteria at time of purchase and on an ongoing basis.
- invest at least 80% of the Net Asset Value of the Sub-Fund in digital assets companies. Digital asset companies are companies likely to benefit from the emerging or ongoing revenue and/or cost savings opportunities offered by blockchain technology (synonymously known as distributed ledger technology) or companies which enable blockchain technology. Blockchain technology, can be most simply defined as an integrated software and hardware that enables companies to independently maintain and exchange digitalised transactional data in a standardised format.

● 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 commitment to reduce the scope of the investments by a minimum rate.

● What is the policy to assess good governance practices of the investee companies?

Good governance of the investee companies is assessed by reference to a number of external and internal data sources that provide information a company's approach to corporate governance, including their management structures, employee relations, remuneration of staff and tax compliance.

Good governance practices include sound management structures, employee

relations, remuneration of staff and tax compliance.

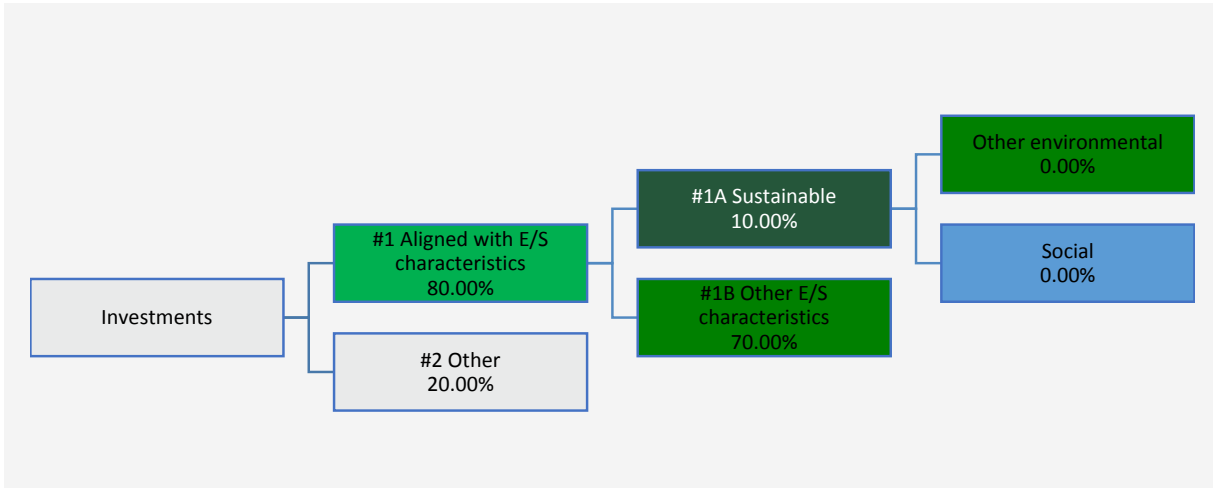
Additionally, the Investment Manager excludes from investment any company that breaches one or more principles of the UN Global Compact.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The asset allocation diagram below is intended to illustrate the planned asset allocation of this Sub-Fund and to reflect the minimum investments referred to elsewhere in this annex. A minimum of 80% of Net Asset Value will be used to meet the environmental or social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy. The Sub-Fund is committed to investing a minimum of 10% of Net Asset Value in SFDR Sustainable Investments which may have an environmental or social objective, but the asset allocation between environmental and social objectives is not fixed and as such, the Sub-Fund does not commit to invest a minimum percentage of Net Asset Value in SFDR Sustainable Investments which have specifically an environmental objective or specifically a social objective.



#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?

While the Sub-Fund may use derivatives (FDI) for investment purposes and consequently to attain the environmental or social characteristics promoted by the Sub-Fund, FDI are not typically used for the attainment of these characteristics. However, any FDI used for investment purposes would be required to meet the Investment Manager’s ESG and sustainability criteria in order to attain the environmental or social characteristics promoted by the Sub-Fund.



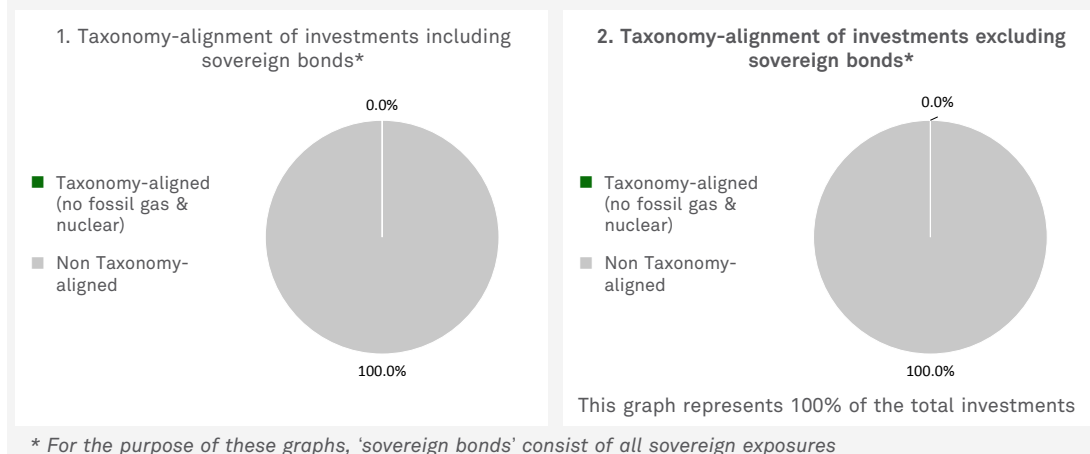
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which SFDR Sustainable Investments with an environmental objective held by the Sub-Fund are aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

- Yes:
 In fossil gas In nuclear energy
 No

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.



● **What is the minimum share of investments in transitional and enabling activities?**

Transitional activities: 0.00%
 Enabling activities: 0.00%

● **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 SFDR Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy. The Sub-Fund will invest a minimum of 10% of Net Asset Value in SFDR Sustainable Investments, it is anticipated that this is likely to include SFDR Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy.

Where the Sub-Fund invests in SFDR Sustainable Investments with an environmental objective, such investments will not be Taxonomy-aligned. This is because the Investment Manager does not currently take into account the EU Criteria for Environmentally Sustainable Economic Activities in determining whether economic activities contribute to an environmental objective or not.



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.

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.

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

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.



What is the minimum share of socially sustainable investments?

There is no minimum share of SFDR Sustainable Investments with a social objective. The Sub-Fund will invest a minimum of 10% of Net Asset Value in SFDR Sustainable Investments, it is anticipated that this is likely to include SFDR Sustainable 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?

The Sub-Fund invests a maximum of 20% of Net Asset Value in category #2 (other) which is comprised of liquidity and hedging instruments only, which may include (but not be limited to) cash, cash equivalents, currency positions, currency related FDI and FDI used for hedging purposes. There are no minimum environmental or social safeguards in place as the Investment Manager does not view environmental or social considerations as relevant for these instruments.



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?

Reference benchmarks are indexes 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?**
Not applicable.
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not applicable.
- **How does the designated index differ from a relevant broad market index?**
Not applicable.
- **Where can the methodology used for the calculation of the designated index be found?**
Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website: www.bnymellonim.com