



**ODDO BHF**  
ASSET MANAGEMENT

# Responsible Investor Report

*ARTICLE 29 OF LAW N°2019-1147 (EN-  
ERGY-CLIMATE LAW – KNOWN AS  
“LEC”)*

ODDO BHF ASSET MANAGEMENT SAS

**JUNE 2025**

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The present report was established within the framework of the Article 29 of the Energy Climate Law (Decree No. 2021-663 of May 27, 2021). ODDO BHF Asset Management SAS presents the procedures for taking into account, in its investment strategies, the environmental, social and governance (ESG) criteria and the means implemented to contribute to the transition. The present report meets the disclosure obligations arising from Article 29 for the entity and funds. The Statement on principal adverse impacts of investment decisions on sustainability factors referred to in art. 4 of the SFDR is published separately. This report covers our listed and private assets.

All informational documents and general policies may be viewed on our web page devoted to sustainable investing<sup>1</sup>.

The shareholder engagement policy and reports may be viewed on our web page detailing regulatory information<sup>2</sup>.

All documents pertaining to funds may be viewed on our web page dedicated to our funds, after the desired fund has been selected<sup>3</sup>.

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<sup>1</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/ad/sustainability/1339/publication/1380](https://am.oddo-bhf.com/france/en/professional_investor/ad/sustainability/1339/publication/1380)

<sup>2</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)

<sup>3</sup> Except professional and dedicated funds [https://am.oddo-bhf.com/france/en/professional\\_investor/fundspage](https://am.oddo-bhf.com/france/en/professional_investor/fundspage)

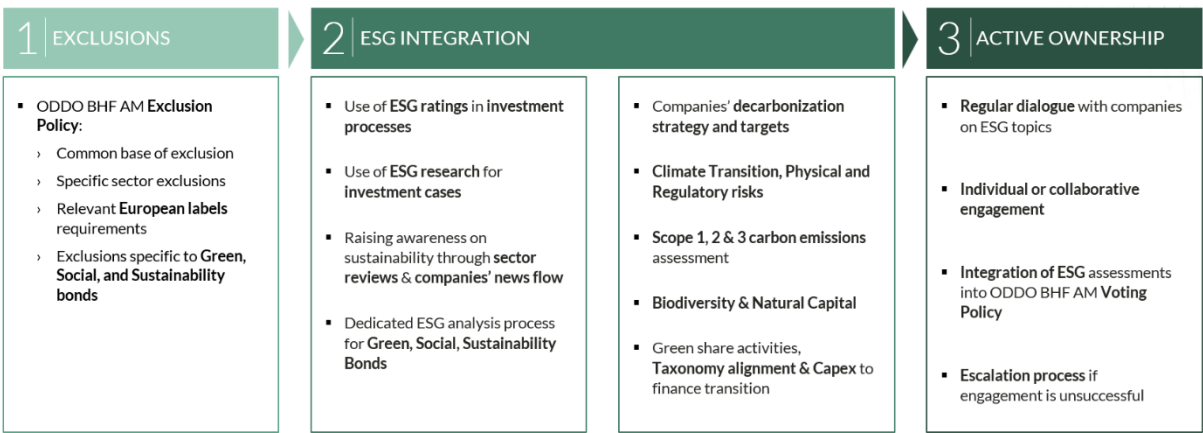
# 1° General approach of the entity

## 1. Entity's general approach to the consideration of environmental social and governance (ESG) criteria

### Listed assets

Our ESG approach is based on four pillars: exclusions, ESG integration, climate transition and active ownership.

#### The four fundamental pillars of our ESG approach for our listed assets



Source: ODDO BHF Asset Management, 2025

## Scope of application of ODDO BHF Asset Management’s ESG policies and processes for listed assets

		Open-ended funds Art. 6 SFDR	Open-ended funds Art. 8-9 SFDR	Dedicated funds and mandates Art. 6 SFDR	Dedicated funds and mandates Art. 8-9 SFDR
Exclusion Policy	Common base	✓	✓	~	~
	Specific sector exclusions	~	~	~	~
ESG integration	ESG rating, ESG research used for portfolio management	✗	✓	✗	✓
	ESG research used for portfolio management	✗	✓	✗	✓
Climate transition	Dialogue	~	✓	~	✓
	Individual engagement	✗	✓	✗	✓
Active ownership	Collaborative engagement	~	✓	~	✓
	Voting Minimum threshold	✓	✓	~	~

Yes
 Partially
 No

Source: ODDO BHF Asset Management, 2025

### 1.1 Exclusion policy

Our Exclusion Policy defines two categories:

- › **Common base of exclusions** that applies to all open-ended funds and delegated funds managers within the ODDO BHF Group except funds of funds on listed assets, listed derivative products, and ODDO BHF AIF PLC, regardless of their SFDR classification.
- › **Specific sector exclusions** that apply to some open-ended and dedicated funds, as well as to some mandates classified as SFDR Article 8 or 9.

The Exclusion Policy also states the exclusions that investment funds must comply with under the various labels or clients’ requirements.

For further information, our Exclusion Policy is available on our website<sup>4</sup>.

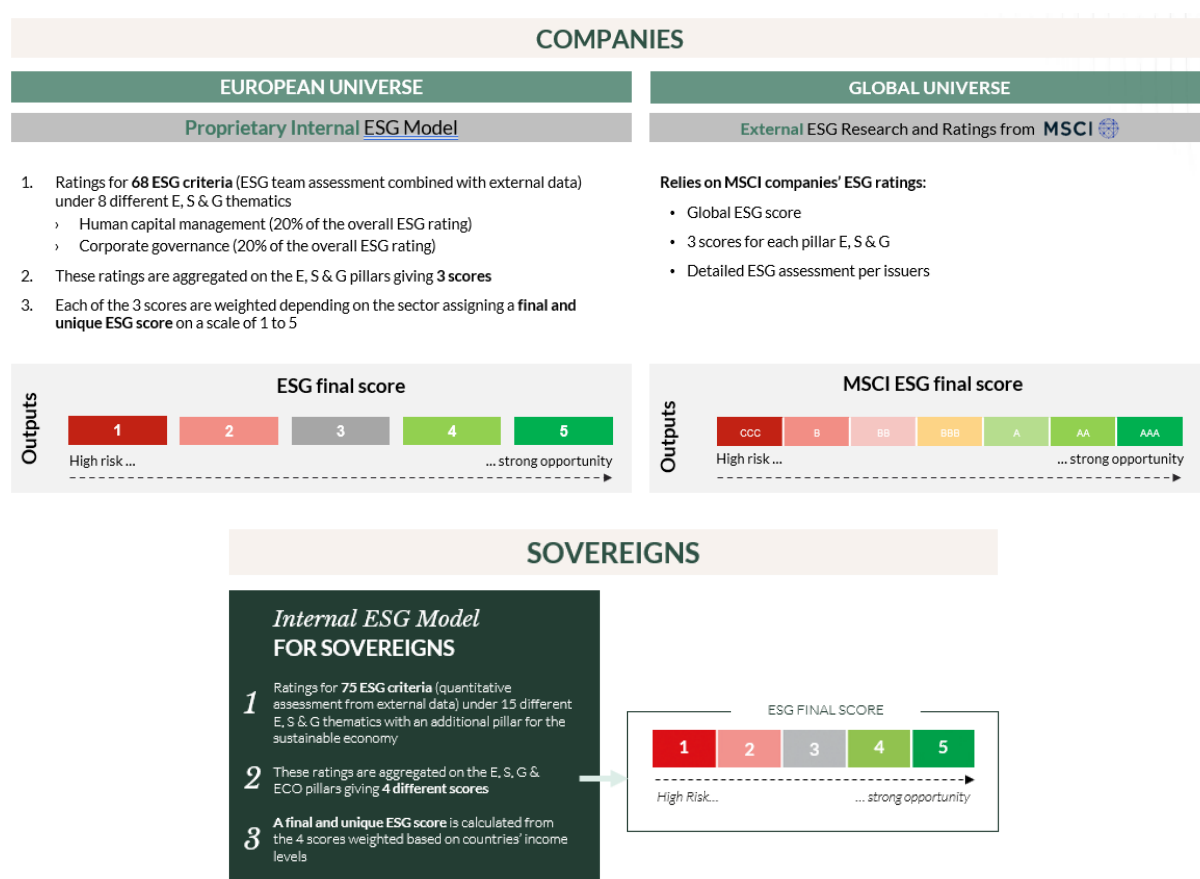
<sup>4</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/ad/sustainability/1339/transparency/1345](https://am.oddo-bhf.com/france/en/professional_investor/ad/sustainability/1339/transparency/1345)

## 1.2 ESG integration

Investments are analyzed by our fund management teams, supported by the ESG Research team. This approach allows us to identify companies’ actual and potential sustainability risks and to assess how financially material such risks are.

We have developed our own in-house ESG research and scoring model for corporates applicable to our European investment strategies art. 8-9 SFDR. For Global investment strategies we mostly rely on an MSCI ESG ratings. We have also developed a proprietary ESG model for sovereigns.

### Sustainability analysis processes for listed assets







Source: ODDO BHF Asset Management, 2025

#### 1.2.1 Our internal ESG model for companies

Our scoring model developed in-house by ODDO BHF Asset Management SAS is based on the United Nations Global Compact, of which ODDO BHF has been a signatory since 2015. The Global Compact is based on 10 principles dealing with human rights, labor rights, the environment, and the fight against corruption, and is based on major international norms and conventions.

## The 10 principles of the UN Global Compact

 <b>HUMAN RIGHTS</b>	<ol style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights;</li> <li>2. Make sure that they are not complicit in human rights abuses.</li> </ol>
 <b>LABOUR</b>	<ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>4. Contribute to the elimination of all forms of forced and compulsory labour;</li> <li>5. Contribute to the effective abolition of child labour;</li> <li>6. Contribute to the elimination of discrimination in respect of employment and occupation .</li> </ol>
 <b>ENVIRONMENT</b>	<ol style="list-style-type: none"> <li>7. Businesses should support a precautionary approach to environmental challenges;</li> <li>8. Undertake initiatives to promote greater environmental responsibility;</li> <li>9. Encourage the development and diffusion of environmentally friendly technologies.</li> </ol>
 <b>ANTI-CORRUPTION</b>	<ol style="list-style-type: none"> <li>10. Businesses should work against corruption in all its forms, including extortion and bribery.</li> </ol>

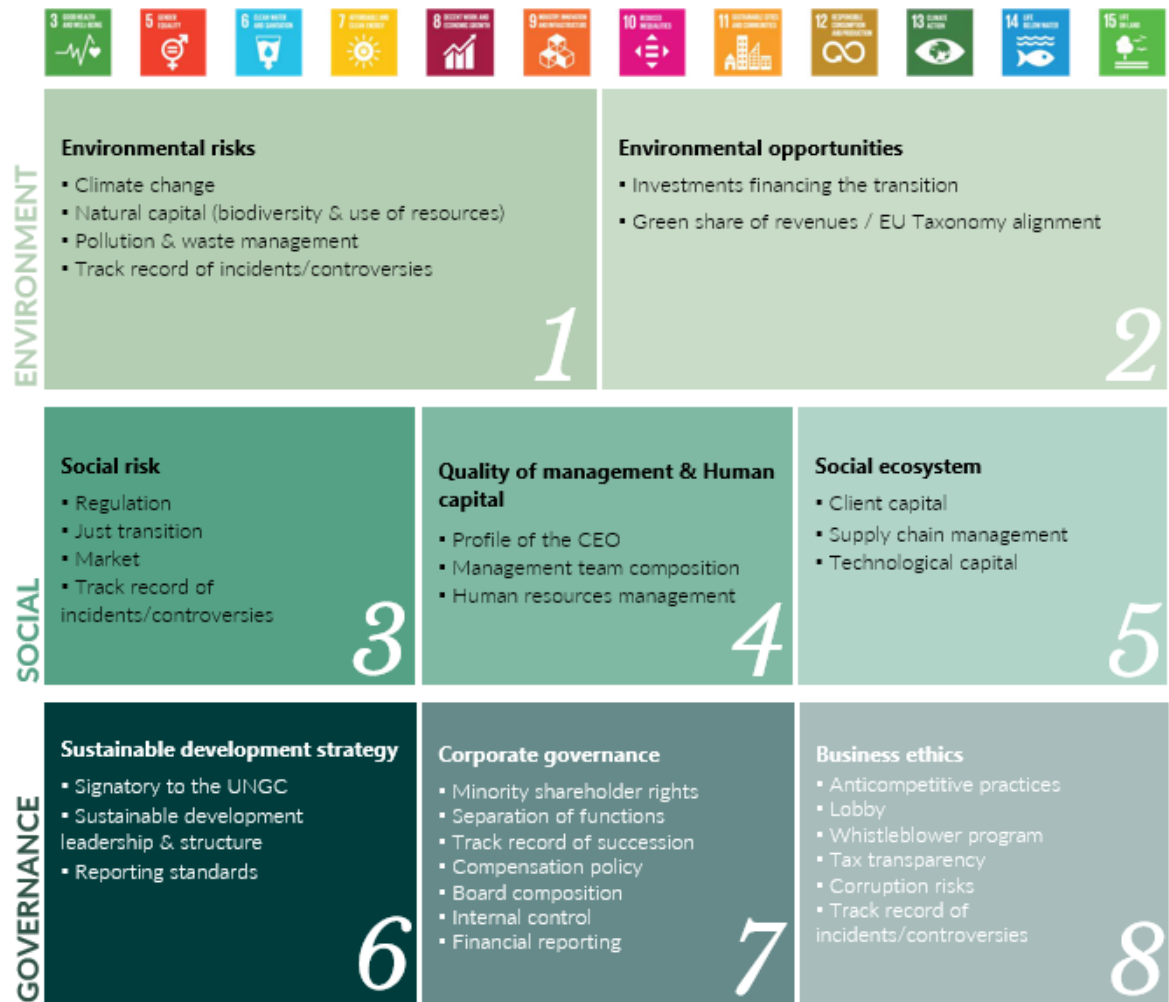
Source: United Nation

Our ESG model for companies is structured around 8 themes: two environmental, three social and three governance themes. The model encompasses some of the Principal Adverse Sustainability Impacts (PAI) as described in our Statement on principal adverse impacts of investment decisions on sustainability factors<sup>5</sup>.

<sup>5</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)



8 themes of the ESG research and rating model for listed companies linked to sustainable development goals



Source: ODDO BHF Asset Management, 2025

For each of the 8 themes, we define different categories for which we use a range of indicators to quantitatively and qualitatively assess companies' ESG profile. The model is built based on a double materiality approach for each of the three pillars, i.e. the external risks that weigh on the company as well as the impacts that the company might have on society and environment.

The weighting assigned to each of the “Environmental”, “Social” and “Governance” pillars is determined at the sectoral level according to long-term risks and opportunities. In practical terms, we use a grid that allows us to grasp each economic sector's degree of exposure to sustainable development challenges.

### Examples of pillar weighting by sector



Source: ODDO BHF Asset Management, 2025

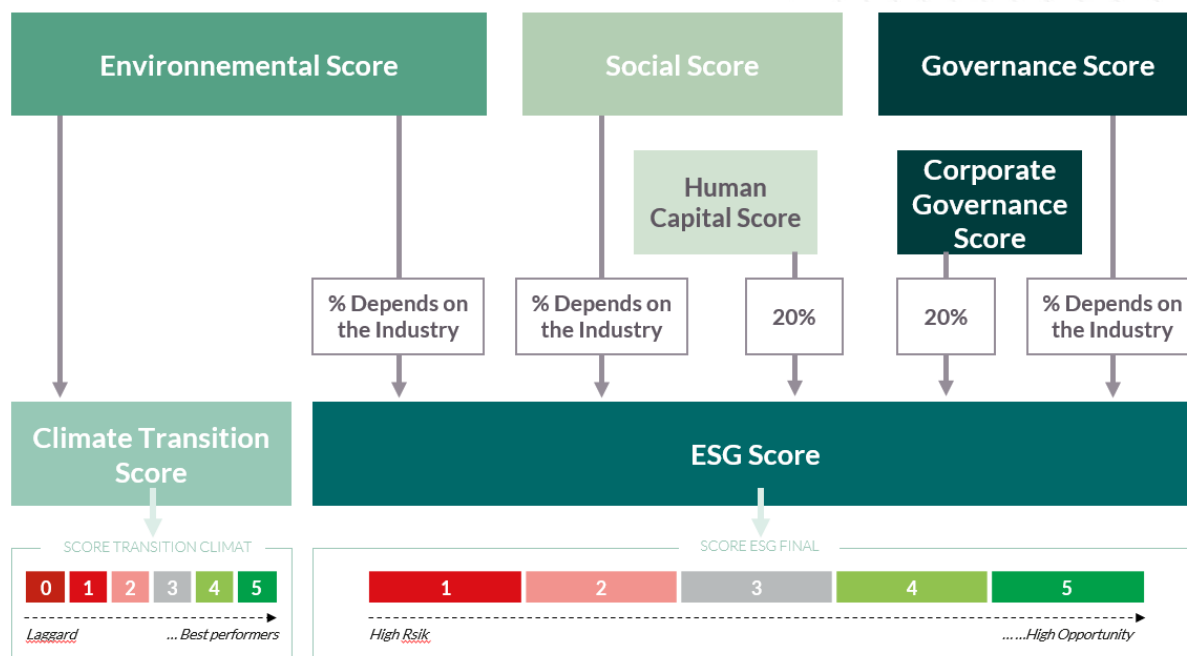
Each company that is analyzed obtains an absolute score out of 100 points for each of the three modules - E, S and G -, as well as two sub-scores for human capital management and corporate governance. An aggregate ESG score is calculated once each module has been weighted combined with the scores for human capital management and corporate governance accounting each for 20% of the overall ESG score. Scores obtained allows to classify companies on a scale of five levels: Strong Opportunity (5), Opportunity (4), Neutral (3), Moderate Risk (2) and High Risk (1). ESG scores are reviewed regularly and mainly for the following reasons: severe controversies, dialogue and/or engagement with the company, and deterioration of the ESG quality.

#### 1.2.2 Our internal Climate Transition model for companies

A “transition score” is also calculated to assess the risk that companies’ activities face regarding the environmental transition. This score is obtained through the combination of indicators on the E pillar. This transition score allows us to evaluate companies from a transition risk/opportunity perspective: carbon intensity measures (analysis of scopes 1, 2 and 3), alignment on a temperature trajectory, or even development of low carbon solutions. It is calculated considering several indicators such as the sector activity of the company, the decarbonization strategy and its credibility, the carbon footprint<sup>6</sup>, or transition, physical and reputational risks.

<sup>6</sup> Measure the total GHG emissions of a portfolio by summing all GHG emissions of the underlying holdings, proportional to the share of ownership.

### Scores derived from our proprietary model for listed assets



Source: ODDO BHF Asset Management, 2025

Our analysis model includes an assessment of ESG controversies based on information provided by MSCI, by SESAMm thanks to a partnership leveraging artificial intelligence, and proprietary research, which is fed into the research model and has a direct impact on the final ESG score assigned to each company depending on the severity of the controversy.

#### 1.2.3 Our Sustainable Debt Framework

Sustainable bonds, and more specifically Green and Sustainability bonds, play an important role to support and finance the transition to a low carbon economy. Our assessment of Green, Social and Sustainability bonds rely on a bottom-up approach to make sure that the bonds finance projects that provide clear environmental and/or social benefits. This includes making sure that the respective framework follows the Green, Social, Sustainability Bond Principles but also that the projects to be financed are eligible under the Climate Bonds Initiative (CBI) taxonomy. To this end, ODDO BHF Asset Management has developed a four-step analysis framework for each of the Sustainable bond. The aim of these framework is to ensure that only bonds that adhere to internationally accepted standards are eligible for being.

#### 1.2.4 MSCI model

The MSCI ESG Research is designed to measure a company's resilience to long-term environmental, social and governance risks material to the industry. The ESG Ratings range from leader (AAA, AA), average (A,

BBB, BB) to laggard (B, CCC). MSCI ESG Ratings model identifies the ESG risks (key issues) that are most material to a GICS® sub-industry or sector.

### Hierarchy of MSCI Research's ESG rating model

ESG (IVA) Rating									
Environmental Pillar				Social Pillar				Governance Pillar	
Climate change	Natural Capital	Pollution & Waste	Env. Opportunities	Human Capital	Product liability	Stakeholder Opposition	Social Opportunities	Corporate Governance	Corporate Behavior
Carbon emissions	Water stress	Toxic emissions & waste	Clean tech	Labor mgt	Product safety & quality	Controversial sourcing	Access to finance	Ownership	Business ethics
Product carbon footprint	Biodiversity & land use	Packaging material & waste	Green building	Health & safety	Chemical safety	Community relations	Access to health care	Board	Tax transparency
Financing env. impact	Raw material sourcing	Electronic waste	Renewable energy	Human capital development	Consumer financial protection		Opport. in nutrition & health	Pay	
Climate change vulnerability				Supply chain labor standards	Privacy & data security			Accounting	
					Responsible investment				

Source: MSCI ESG Key Issues

The MSCI ESG Ratings model measures:

- Risk exposure
- Risk management

Each of these two criteria are measured and then expressed in the form of scores, which are then combined, such that a higher level of exposure requires demonstrating higher management skills to obtain the same final Key Issue Score. Key Issue Scores are expressed on a scale of 0 to 10, where 0 means “very poor” and 10 means “very good”.

More information on the methodology used by MSCI ESG Research is available on their website<sup>7</sup>.

#### 1.2.5 Our internal ESG model for sovereigns

Our internal ESG model for sovereigns has been updated in 2022, based on the United Nations' Sustainable Development Goals (SDGs). The model is based on four pillars divided into 15 themes. 75

<sup>7</sup>

<https://www.msci.com/our-solutions/esg-investing/esg-ratings#:~:text=What%20is%20an%20MSCI%20ESG,those%20risks%20relative%20to%20peers>

indicators are assessed, some of which are specific to certain countries based on their income levels, as high- or medium-income countries do not face the same challenges. It uses multiple reference sources<sup>8</sup>.

#### The 15 themes of our ESG research and rating model for sovereigns linked to the SDGs

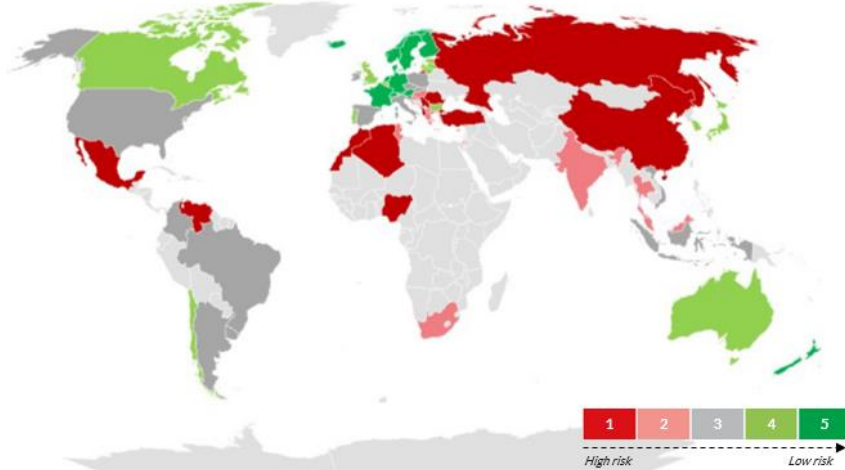


Source: ODDO BHF Asset Management, 2025

Sixty-five countries, plus the European Union, are assessed with this model. Each country receives a score ranging from 1 (= "high risk") to 5 (= "low risk"), as in our internal ESG model for companies.

<sup>8</sup> Amnesty International, Bündnis Entwicklung Hilft, Climate Watch, Convention on Biological Diversity, COP 21, COP 26, Financial Action Task Force, Food and Agriculture Organization, Freedomhouse, Garriga, International Energy Agency, International Labor Organization, International Monetary Fund, International Telecommunication Union, OECD, Population Reference Bureau, Programme for International Student Assessment, Transparency International, UNESCO, UNICEF, United Nations, Vision of Humanity, WHO, World Bank, World Intellectual Property Organization

### Short-/medium-term ESG risk by country



Source: ODDO BHF Asset Management SAS, 2023

### 1.3 Our active ownership approach

Please refer to the “Active Ownership” section below.

### Private assets

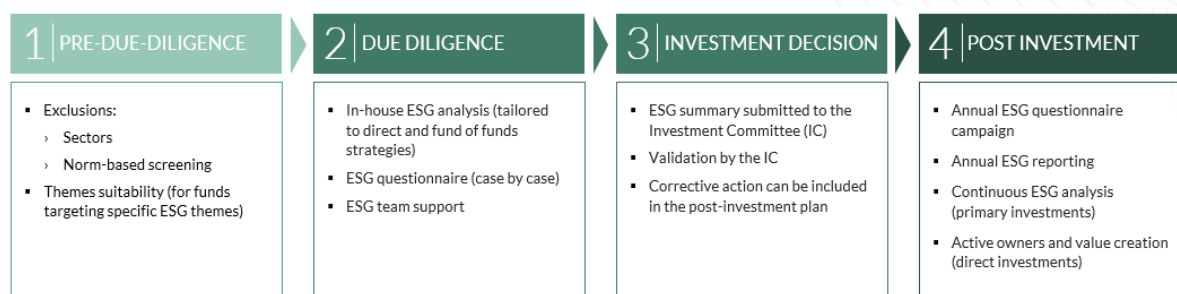
The Private Assets teams<sup>9</sup> acknowledge that identifying environmental, social, and governance (ESG) characteristics in our investment strategies can help better assess long-term risks, and effective mitigation of these considerations can have a material impact on value creation. The Private Assets teams also believe that developing innovative investment solutions is key to provide our clients with a full range of investment solutions to cater their sustainable investing needs, as described below:

PRIMARY INVESTMENTS	SECONDARY INVESTMENTS	DIRECT CO-INVESTMENTS	DIRECT INVESTMENTS
We develop long-term relationships with leading GPs with proven track records	We offer liquidity solutions to LPs and GPs	We co-invest alongside managers in their best portfolio companies	We make direct investments in French SMEs

ESG factors are taken into account according to the availability of information, the extent of our control over a given investment, and our ability to exert influence, which vary according to the type of investment (primary, secondary, co-investment, or direct investments). Our approach is based on four pillars.

<sup>9</sup> This relates to the Private Equity team, as Private Debt is not under the scope of this reporting.

## The four fundamental pillars of our ESG approach for our private assets



Source: ODDO BHF Asset Management SAS, 2025

Steps 1,2 and 3 are only applicable to SFDR Art. 8 Funds. For some of our SFDR Art. 6 funds, notably our Secondaries investment strategy, we apply the Step 4 and more precisely the Annual ESG questionnaire campaign and Annual ESG reporting.

### 1.4 Pre-investment due diligence

We recognize the importance of mitigating potentially adverse environmental or social impacts of our investments and aim to avoid investing in companies that breach normative and sectorial guidelines as outlined in the ODDO BHF Asset Management Exclusion Policy<sup>10</sup>. The exclusion list (ODDO BHF Asset Management common base of exclusions) is a component of the preliminary due diligence on investment opportunities and is applied every time it is feasible. It may vary according to each investment strategy as stated in the fund's legal documentation:

- Art. 8 Direct Private Assets Funds<sup>11</sup>: we apply our Common base of exclusion to all our Art. 8 funds
- Art. 8 Primaries, Secondaries, Co-Investment strategies (funds of funds):
  - For investments in funds as part of primary transactions, our Common base of exclusions may apply depending on the availability of data on existing transactions already made at the time of the due diligence.

<sup>10</sup> The ODDO BHF Asset Management exclusion policy is available at [https://am.oddo-bhf.com/france/en/professional\\_investor/ad/sustainability/1339/transparency/1345](https://am.oddo-bhf.com/france/en/professional_investor/ad/sustainability/1339/transparency/1345)

<sup>11</sup> Referring to funds managed by ODDO BHF Asset Management SAS



- For co-investments transactions as well as for some transactions with clear and strong visibility on the underlying assets (Continuation funds – Single assets), we apply our Common base of exclusions.
- For investments in funds as part of secondary operations, we strive to avoid investing in funds and companies that breach our Common base of exclusion. As such, the exclusion policy will be monitored on a best effort basis given the lack of visibility of underlying assets.

Some Art. 8 funds may apply additional exclusions that are listed in the respective fund legal documents. Further screening and exclusions can be applied on a case-by-case basis.

## 1.5 ESG Due diligence

If the investment opportunity passes the ESG pre-due diligence step, the ESG team, with the support of the Deal team, will do an ESG due diligence, for investments in Art. 8 SFDR funds, which aims to identify and analyze the main ESG challenges, risks and opportunities of the investment target. The approach may differ depending on the fund’s strategy.

### 1.5.1 Due diligences for funds of funds investments

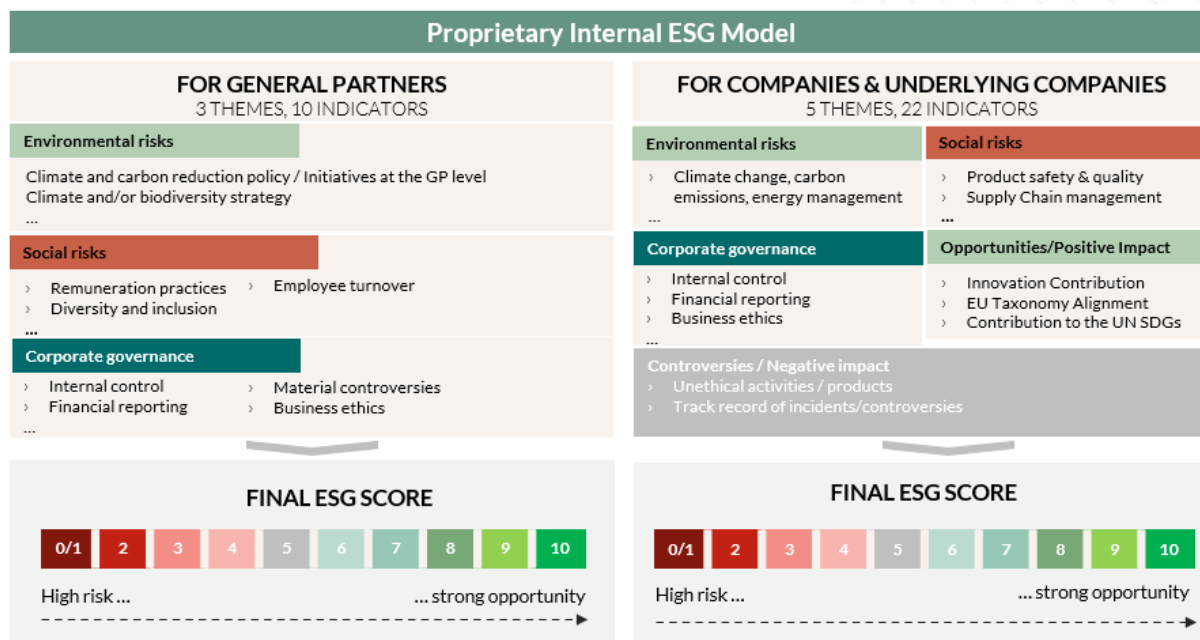
The breadth and depth of the ESG analysis necessarily depends on the availability of information, the extent of our control over a given investment, and our ability to exert influence as investors. We evaluate the ESG practices of General Partners (GPs) and their sustainability commitments and aim to ensure that GPs to whom we allocate capital have adequate ESG policies and procedures. We then evaluate the underlying company(ies), for co-investments or if investments have been made. However, for secondary transactions, we may have to take a broader view on the ESG analysis.

### 1.5.2 Due diligences for direct investments

The due diligence is focused on analyzing companies’ ESG practices, depending on the sector and discussions with the management. Areas for value creation and improvement are identified in the ESG analysis.



## Proprietary internal ESG model for Private Equity Art. 8



Source: ODDO BHF Asset Management SAS, 2025

Each GP and/or company that is being analyzed obtains an absolute score out of 10. For direct investments, only the model for companies is applicable.

This approach fits the investment teams' specific needs where access to information on sustainability may be limited.

The internal ESG due diligence for both GPs and companies may rely on external recognized frameworks such as the 10 principles of the United Nations Global Compact and the United Nations Principles for Responsible Investment (PRI). In addition, materiality level for the company analysis is determined with the help of tools such as the Sustainability Accounting Standards Boards (SASB) Materiality Map.

Some Art. 8 SFDR Private Equity funds managed by ODDO BHF Asset Management SAS have a sustainable investment objective. We disclose more information regarding's ODDO BHF Asset Management's methodology to define and compute sustainable investments across Art. 8 SFDR in the

“Sustainable investments methodology” document available on ODDO BHF Asset Management’s Website<sup>12</sup>.

## 1.6 Investment decision

After the due diligence process, an investment memorandum is presented to the Investment Committee, including the conclusion of the ESG diligences, prior the final investment decision, for Art. 8 funds. This memorandum covers quantitative data such as overall ESG Scores as well as qualitative comments and alignment with the UN Sustainable Development Goals (SDGs) if applicable. The outcome of the ESG analysis can influence the final investment decision and some of our Art. 8 Funds have minimum ESG scoring requirement on GPs at the time of the investment.

Depending on ESG material risks level, a corrective action can be included in the post-investment plan. The blind-pool nature of Private Equity investment means it may not always be possible to screen out companies with material sustainability risks prior to investment. In such cases, we will seek to engage and influence the manager to improve standards of ESG integration and governance. Therefore, we may not exclude an underlying manager or direct investment if it displays weak ESG practices, as long as there is a commitment by the underlying manager or company to address these shortcomings. However, when we foresee that an underlying manager or direct investment will not or cannot address our ESG concerns, we are prepared to support them in helping them to address sustainability market practice in relation to their activities.

In addition, we may include a side-letter of any clarifications, precision of reporting obligations with regards to ESG, Fund Themes or Target SDGs, and/or rectifications or ESG improvement obligations, on the part of the third-party manager of a proposed Investment, as appropriate.

## 1.7 Post-investment

### 1.7.1 Annual ESG Questionnaire Campaign

During the post-investment phase, we continue to monitor the ESG status of fund investments through an annual ESG questionnaire campaign. This is done for both Art. 6 and Art. 8 funds. Sample datapoints

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<sup>12</sup>

[https://am.oddo-bhf.com/FRANCE/en/professional\\_investor/DownloadSingleDocumentML?Langue=GB&IDSarray=46919&IdSeqArray=2559827](https://am.oddo-bhf.com/FRANCE/en/professional_investor/DownloadSingleDocumentML?Langue=GB&IDSarray=46919&IdSeqArray=2559827)

include carbon intensity, percentage of non-renewable energy consumption, employee turnover, gender diversity etc. The list of indicators is subject to evolution year on year depending on market practice.

The ESG Questionnaire campaign is led by the ESG Team who oversees collecting and processing the data, with the support of the Deal Team for input. The ESG Team can work alongside third-party provider for the purpose of this campaign. The ESG Questionnaire is sent to all partner GPs managing an investee fund.

#### *1.7.2 Annual ESG reporting*

The data collected in the questionnaire campaign is presented in the annual ESG report which also details the ESG progress and priorities.

The report is available upon request. Additionally, as part of regulatory requirements under the Sustainable Finance Disclosure Regulation (SFDR), disclosures and annual required reporting are produced and available.

#### *1.7.3 Continuous ESG analysis and monitoring*

The ESG team and the Deal team continue to track the adherence of new investments with the ODDO BHF Asset Management’s “Common base of exclusions”, as well as where applicable, Funds themes alignment, and the SDGs.

In addition, a positive or negative development on an investment such as an ESG controversy may lead to a review of the ESG analysis and change a company’s score at any time.

Some of our Funds follow sustainability indicators using the ESG scoring assigned, such as a Fund average ESG score. Unless specified otherwise these indicators may only be recorded from the end of the Fund's First Accounting Year and until the start of the pre-liquidation period. If a transaction or fund is liquidated, the ESG score of the GP will be based on the last ESG score assigned pre-liquidation and the ESG monitoring will end.

#### *1.7.4 Active ownership*

Please refer to the “Active Ownership” section of this document.

## 2. Means used by the entity

### 2.1 ESG reports

#### Listed assets

For funds integrating ESG criteria into their investment process (Art. 8-9 SFDR), ODDO BHF Asset Management SAS reports the following information in its monthly ESG reports:

- › The fund ESG score vs its benchmark
- › The carbon intensity (scope 1-2) of the portfolio vs its benchmark
- › ESG ratings coverage: min. 75% for small caps and high-yield bonds; min. 90% for large caps and investment grade
- › Additional KPIs such as related to human capital, corporate governance, fossil fuel exposure etc.

For more information, please refer to products’ documentation available on our website by selecting the fund and the reporting ESG<sup>13</sup>.

#### Private assets

Across our Art. 6 and 8 Funds, ODDO BHF Asset Management SAS provides dedicated funds’ Annual ESG Reports with information on our ESG progress & priorities throughout the year and the results of the Annual ESG Campaigns. Each report is prepared for the Funds’ investors and is available on request. Annual Periodic Disclosure reports aligned with the requirements of the delegated acts of SFDR are also produced for SFDR Art. 8-9 funds.

### 2.2 Summary of sustainability-related documents

Documents	Scope	Description
<b>Annex II &amp; III: pre-contractual disclosures</b>	Fund <sup>14</sup>	Pre-contractual information for products art. 8-9 SFDR on sustainable investments (sustainable investment objective), environmental and/or social characteristics, sustainability indicators, no significant harm, addressing principle adverse impacts (PAI), investment strategy, the

<sup>13</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/fundspage](https://am.oddo-bhf.com/france/en/professional_investor/fundspage)

<sup>14</sup> For Private Assets funds, on a case-by-case basis

		committed minimum rate to reduce the scope of investments, or the policy to assess good governance.
<b>Annex X: Website product disclosure</b>	Fund <sup>15</sup>	Document based on art. 10 SFDR summarizing ESG profile of funds art. 8-9 SFDR, commitments to sustainable investments, etc.
<b>Annual PRI report</b>	ODDO BHF AM excl. private equity	PRI Reporting allows signatories to be aware of both their strong points and their areas for improvement. Signatories are also confidentially rated and evaluated against their peers. Signatories can share private reports, and PRIs make certain information public to promote transparency. PRI annual reporting integrates different elements that combine transparency, engagement and performance.
<b>Annual report</b>	Fund	This document provides information on investments and management of the fund with the management report, the SFDR management report/taxonomy, and the annual financial statement of the fund at the end of the reporting period. For some Private Assets funds, ESG reports are available on demand providing information on ESG progress & priorities throughout the year, ESG data analysis of investments and results of the Annual ESG Campaign
<b>Article 29 of the Law N°2019-1147 (Energy-Climate Law – known as “LEC”)</b>	ODDO BHF AM SAS	Definition of the information obligations of institutional investors concerning their transparency in relation to the integration of environmental, social, and governance (ESG) criteria in their investment operations.
<b>ESG Report</b>	Fund excl. private assets	Monthly fund's report for which we integrate ESG criteria into their investment process to summarize ESG aspects considered.
<b>Exclusion Policy</b>	ODDO BHF AM	Investment rules covering a range of controversial activities across sectors and/or practices that are contrary to major international norms and conventions.
<b>Prospectus</b>	Fund	The purpose of the prospectus is to provide full disclosure of all material facts about the securities being

<sup>15</sup> For Private Assets funds, on a case-by-case basis

		issued so that the investor can make informed investment decisions. The prospectus must disclose all matters that could affect the value or market price of the security being offered.
<b>Responsible Investment Policy</b>	ODDO BHF AM	The purpose of this document is to explain the sustainable approach, the ESG methodologies developed, the means implemented to promote sustainable development, and the good governance policy adopted by ODDO BHF Asset Management. There is one document for listed assets and one for private assets.
<b>Annex III and IV: Periodic Disclosures</b>	Fund	This document provides an annual summary of the financial product's performance related to SFDR.
<b>Semiannual report</b>	Fund	This document is more succinct than the annual report providing only the inventory of the funds.
<b>Shareholder engagement policy</b>	ODDO BHF AM	Definition of our approach in terms of dialogue with companies held in our portfolios, the exercise of voting rights and other rights attached to shares, our voting policy principles, the cooperation with other shareholders, the communication with stakeholders, and the prevention and management of actual or potential conflicts of interest.
<b>Shareholder engagement report</b>	ODDO BHF AM	Report on dialogues, engagements, and voting annual statistics
<b>Sustainable Finance Disclosure Regulation (SFDR)</b>	ODDO BHF AM	Regulatory documents required by the EU regulation (SFDR classification, SFDR sustainability risk policy (Article 3), transparency of adverse sustainability impacts (Article 4)).

Source: ODDO BHF Asset Management, 2025

All documents with the scope “ODDO BHF AM” or “ODDO BHF AM SAS” can be found on our Sustainable investing webpage<sup>17</sup>.

<sup>17</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/ad/sustainability/1339/publication/1380](https://am.oddo-bhf.com/france/en/professional_investor/ad/sustainability/1339/publication/1380)

The Shareholder & Engagement Policies and Reports can be found on our Regulatory Information webpage<sup>18</sup>.

All documents with the scope “Fund” can be found on our Funds webpage by selecting the fund in question for non-professional funds<sup>19</sup>.

The various means of communication described above are adapted to the scope authorized by position AMF-2020-03.

### 3. Financial products: "Article 8" and "Article 9"

As of December, 31, 2024, ODDO BHF Asset Management SAS managed €15.3bn assets classified as Article 8 or 9. This amounts to 75.1% of its total €20.3bn in assets under management (AuM)<sup>20</sup>. This includes listed and unlisted assets. To be classified as Article 8, in addition to SFDR requirements, ODDO BHF Asset Management SAS requires a clear integration of ESG in the investment and portfolio construction processes.

The SFDR classification of mutual funds is constantly updated and accessible online<sup>21</sup>.

As of December, 31, 2024 €885.8M in assets under management or 4.4% of total AuM have a label.

#### Our labelled products as of December 31, 2024

 <p>Towards Sustainability</p>	<ul style="list-style-type: none"> <li>• ODDO BHF Polaris Flexible F</li> </ul>	<ul style="list-style-type: none"> <li>• ODDO BHF Euro Corporate Bond</li> </ul>	 <p>FNG Siegel</p>
 <p>Label ISR - France</p>	<ul style="list-style-type: none"> <li>• ODDO BHF Génération</li> <li>• ODDO BHF Green Planet</li> </ul>	<ul style="list-style-type: none"> <li>• Pilotage Sélection Responsable</li> </ul>	

Source: ODDO BHF Asset Management, 2024

<sup>18</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)

<sup>19</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/fundspage](https://am.oddo-bhf.com/france/en/professional_investor/fundspage)

<sup>20</sup> Including all funds and mandates

<sup>21</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)



These labels have been created to clarify the concept of responsible investment (SRI) for investors. Most labels are based on an independent certification guaranteeing the quality and transparency of the implemented ESG processes.

For details on exclusion thresholds and methodology of these labels, please refer directly to the information published by the certification agencies concerned:

CLA, Revised Towards Sustainability Qualitative Standard Final Criteria (2023)<sup>22</sup>

FNG label for sustainable investing funds (2023)<sup>23</sup>

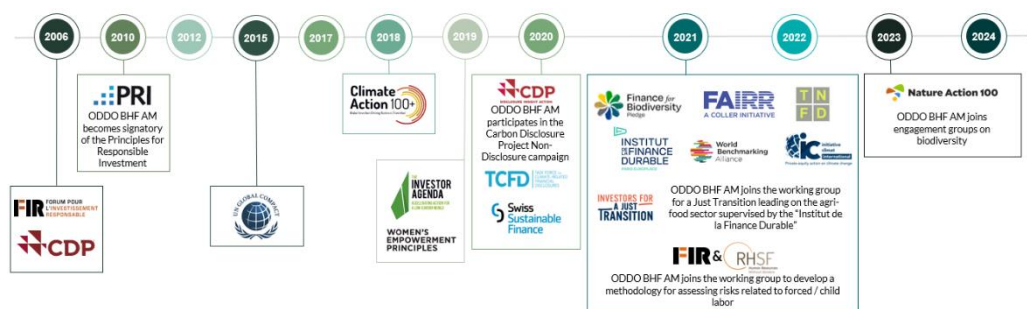
The official French “ISR” (SRI) label (V3, 2024)<sup>24</sup>

## 4. Collaborative initiatives

For several years now, ODDO BHF Asset Management SAS has been involved in international and national initiatives to promote ESG integration and stewardship, encourage dialogue on and raise awareness of sustainable investing among various stakeholders, as well as influence issuers to improve their ESG practices. Collaborative engagements are a powerful mechanism for investors to collectively have more leverage and influence on companies.

Our involvement in these initiatives allows us to be part of collaborative engagements to address longer-term sustainability issues and provides material inputs for investment-decision making.

### Memberships & collaborative initiatives



Source: ODDO BHF Asset Management, 2024

<sup>22</sup> [https://towardsustainability.be/public/TowardsSustainability\\_QSRevision2023\\_Final\\_20230630.pdf](https://towardsustainability.be/public/TowardsSustainability_QSRevision2023_Final_20230630.pdf)

<sup>23</sup> <https://fng-siegel.org/media/downloads/FNG-Siegel2024-Verfahrensbedingungen.pdf>

<sup>24</sup> <https://www.llelabelisr.fr/label-isr/criteres-attribution/>



## 2° Internal resources deployed by the entity

### *1. Resources dedicated to sustainable investing*

#### **1.1 Human resources**

Within the scope defined below in point 1.1.1-2, 9.51 FTEs allow the implementation of the ESG strategy, which amounts to 5.8% of ODDO BHF Asset Management SAS's FTEs. These are figures at 31.12.2024. The calculation methodology used is based on estimates of the time each employee spends on ESG tasks.

##### *1.1.1 ESG Experts team*

ODDO BHF Asset Management has been investing in ESG resources for many years. The team is made of 4 ESG experts, 100% dedicated to the implementation of our ESG strategy. The team helps producing ESG and thematic research, as well as analytical solutions that promote portfolio managers' understanding and awareness of ESG factors. It is also in charge of our internal ESG rating models and sustainable bonds framework and approval, as well as supporting portfolio managers in integrating ESG analyses and climate data into investment processes. The Global Head of ESG Research reports to the CEO of ODDO BHF Asset Management SAS and is a member of the Global Management Committee Asset Management.

All investment teams work with the ESG Research team in structuring and implementing our sustainable ESG integration approach. 61 fund managers/analysts participate in this approach. In order to estimate the full-time equivalent (FTE), we consider that 5% of their working time is dedicated to ESG integration, which represents 3.05 FTE.

Since 2022, a Group Head of Sustainability Policy is responsible for monitoring and understanding any new sustainable regulations to help our clients and investment teams to comply with new regulatory requirements. This role is key and supported by all our internal capabilities (research, legal, reporting, risk & compliance, and support function teams).

##### *1.1.2 Support function teams*

- **Risk & Compliance:** the team is responsible for monitoring sustainability risks. 5 employees are dealing with sustainability topics, among others. Considering the working time allocated to these subjects, we estimate that this represents 0.5 FTE, or 0.3% of ODDO BHF Asset Management SAS's full-time equivalents

- Legal: there are 9 employees oversee sustainability subjects (e.g. updating pre-contractual annexes). Considering the working time allocated to these subjects, we estimate that this represents 0.66 FTE, or 0.4% of ODDO BHF Asset Management SAS’s full-time equivalents
- Reporting: 7 employees oversee sustainability subjects. Considering the working time allocated to these subjects, we estimate that this represents 1.24 FTE, or 0.76% of ODDO BHF Asset Management SAS’s full-time equivalents.

## 1.2 Technical resources

### Listed assets

The ESG Research team feeds its internal research model with data from company publications (annual reports, investors presentations), from external ESG data providers, from external suppliers of raw financial and ESG data (Bloomberg, FactSet), and from specialized broker publications (including thematic research):

#### Main external ESG data providers

› <b>MSCI ESG Research</b>	<u>Climate data &amp; metrics</u>
	- GHG emissions
	- Temperature alignment
	- Green share
› <b>Carbone4 Finance</b>	- Taxonomy
	- Climate VaR
	- Etc.
› <b>SESAMm</b>	<u>Ratings</u>
	ESG ratings and qualitative research for +10,000 issuers (corporates, sovereigns and quasi-sovereigns)
	<u>Controversies</u>
	UNGC, biodiversity or any other ESG controversies
› <b>Refinitiv</b>	
	- Biodiversity impact assessment
› <b>ISS Proxy Voting</b>	Partnership leveraging Artificial Intelligence (AI) and Natural Language Processing (NLP) to detect proactively ESG controversies and positive contributions in terms of Sustainable Development Goals (SDG)
	Over 700 ESG metrics available
	Implementation of our Voting Policy and platform for votes

Source: ODDO BHF Asset Management, 2024

Over the past years, ODDO BHF Asset Management SAS has considerably raised its ESG tools and data budgets to support its ambitions in sustainability. Our overall amount allocated to deploying the ESG strategy (membership of coalitions and working groups, data providers, labels) is approximately €1.2 million.

## Private assets

The ESG due diligences may rely on data and information from:

- An internal ESG guidance for the different criteria taken into account based on the materiality;
- Documents made available via the GPs, sponsors or companies themselves; dedicated ESG fact books and the ESG sections of information memoranda;
- Specialized broker publications (including thematic research);
- External research providers to review controversies, such as RepRisk;
- The analysis of an ESG questionnaire completed by the company on a case-by-case basis.

These are particularly important sources of information as we recognize that the companies invested in Private Equity may only provide a limited amount of information regarding their ESG performance.

We also leverage from external service providers to support with the analysis and review of ESG due diligence activities and conduct annual ESG questionnaires. Over the past years, we have raised the ESG budget in order to support our ambitions in sustainability. In 2024, our overall amount allocated to data providers is approximately €160,428.

## 2. Actions taken to strengthen the entity's internal capacities

### 2.1 ESG trainings

The ESG Research team holds regular in-house training sessions, with the aim to clarify and better contextualize issues related to sustainability including regulatory developments (SFDR, EU Taxonomy). In 2024, we continued ESG trainings across teams, to continue building ESG understanding. Following are some examples of trainings we have pursued in the last year:

- The ESG Research team has held quarterly sector reviews for our listed assets, focused on key ESG themes and the climate transition. These presentations are prepared and presented collectively with an ESG analyst and an equity and/or fixed income portfolio manager.

- The ESG Research team has held in-house training sessions (called “teach-ins”), in order to clarify and better contextualize issues of sustainability, market dynamics, new regulations (SFDR, European Union (EU) Taxonomy, Décret 29 in France, Zielmarkt in Germany, etc.) and sustainable finance issues.
- Regular training sessions have been held with operational teams to ensure that ESG data is collected, processed and disseminated as effectively as possible.
- The sales teams were also updated on the various internal and external issues relating to sustainability.

## 2.2 ESG infrastructure and data/tools/models

### Listed assets

We have strengthened our ESG infrastructure and systems and developed tools to enhance the support provided to investment teams. Having an ESG platform and ESG data accessible for the investment teams helps in improving ESG transparency and accountability as well as ensure portfolio managers have access to ESG data when making investment decisions. Our portfolio managers and investment analysts have access to the internal ESG platform to be able to see the full details of all ESG analyses completed, in addition to the internal ESG scores being disseminated on the platform AIM Bloomberg which also hosts ESG data from MSCI that we continuously keep up to date. Through our internal ESG platform, we can also send company news, updates, ESG scoring actions and Sustainable bond approval directly to portfolio managers within ODDO BHF Asset Management.

### Private assets

We have developed our internal ESG model for research and monitoring for our strategies Art.8 SFDR described in section 1 “Entity's general approach to the consideration of environmental social and governance (ESG) criteria” dedicated to Private Assets.

## 2.3 Enhanced ESG integration

### Listed assets

We have continued to improve the integration of ESG into our investment processes. We have developed a fund temperature tracking tool based on the implied temperature rise (ITR) provided by our data provider, MSCI ESG Research.

## Private assets

We continued to strengthen our approach to sustainable investing and formalized our internal ESG research and rating model for Art. 8 Private Equity strategies, adapted to different investment strategies.

### 2.4 Reporting and transparency

## Listed assets

A number of our ESG-related policies were updated in 2024, either to reflect developments in terms of regulation or as part of their review cycle such as for our Exclusion Policy, for the Article 3-4 SFDR, or for our Shareholder Engagement Policy.

## Private assets

We continued our Annual ESG reporting at Funds' level and launched additional Annual ESG reports for new Art. 8 Funds launched. The production of the reports is a collaboration between the Deal teams, the ESG team and an external third-party provider.

### 2.5 Development of ESG funds/mandates/other services

## Listed assets

In 2024, one dedicated fund was reclassified as an Article 8 SFDR during the year (previously Article 6 SFDR).

## Private assets

In 2024, two new Article 8 SFDR funds were launched.

### 3° Consideration of ESG criteria at the entity's governance level

#### *1. Governance structure*

##### Listed assets

The ODDO BHF Asset Management’s executive committee is composed of members who have been working on ESG issues for several years. As a permanent member of the committee, the Global Head of ESG Research facilitates understanding of some ESG issues among the various operational and strategic managers at ODDO BHF Asset Management (CEO, CIO, legal, compliance, products, etc.). Strategic decisions relating to ESG are taken jointly by the executive committee.

In addition, the CEO of ODDO BHF Asset Management is also a member of the General Management Committee (GMC) of the ODDO BHF Group. In this capacity, he also receives dedicated ESG training from external and/or internal specialists.

Due to its legal form, ODDO BHF Asset Management SAS does not have a board of directors or a supervisory board.

##### Private assets

The Private Assets executive committee at ODDO BHF Asset Management includes the CEO of ODDO BHF Asset Management, the Head of Operations & Business Management, the Global Head of ESG Research, the Head of Compliance, and the Managing Directors of the Private Equity business. As a permanent member of the committee, the Global Head of ESG Research facilitates understanding of certain ESG issues among the various operations and strategic managers at ODDO BHF Asset Management (CEO, CIO, legal, compliance, products, etc.). Strategic decisions relating to ESG are taken jointly by the executive committee.

## *2. Compensation policy*

Since 2021, the remuneration policy has been adjusted to integrate sustainability risks. It is available in the “Regulatory Information” section of our website<sup>26</sup>.

## *3. Integration of ESG criteria in the internal rules of the Supervisory Board*

ODDO BHF Asset Management is part of the independent Franco-German financial group ODDO BHF that was founded in 1849. ODDO BHF Asset Management comprises ODDO BHF Asset Management GmbH in Germany, ODDO BHF Asset Management SAS in France, and ODDO BHF Asset Management Lux in Luxembourg. Due to its legal form, ODDO BHF Asset Management SAS does not have a board of directors or a supervisory board.

At least once a year, the Supervisory Board of ODDO BHF SCA attends to a presentation on the material impacts, risks, and opportunities of the Group's various divisions in connection with the application of the Corporate Sustainability Reporting Directive (CSRD). This dedicated presentation and materiality analysis includes the Asset Management division.

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<sup>26</sup>

[https://am.oddo-bhf.com/France/en/professional\\_investor/DownloadSingleDocumentML?Langue=GB&IDarray=11364&IdSeqArray=3256121](https://am.oddo-bhf.com/France/en/professional_investor/DownloadSingleDocumentML?Langue=GB&IDarray=11364&IdSeqArray=3256121)

## 4°Active Ownership Strategy

### *1. Presentation of the active ownership strategy*

We aim to improve invested companies’ business practices, foster transparency on environmental, social, and governance issues, and aim to ensure long-term value creation in relation to strategy, risk management and governance. Our active ownership approach is aligned with EFAMA’s stewardship code principles and the AFEP-MEDEF Code on voting policy.

The description of the approach is summarized in our Shareholder Engagement Policy (incl. ODDO BHF Asset Management Voting Policy). Once a year, we publish a Shareholder Engagement Report describing the results of our active ownership approach. Both documents are available on our website<sup>27</sup>.

The scope of companies covered by the engagement strategy includes, as a priority, companies held in open-ended funds integrating an ESG process (SFDR Article 8 or 9).

#### Listed assets

Active ownership for listed assets can be summarized in three ways:

- 1. Dialogue with companies**
- 2. Individual or collaborative engagement**
- 3. Exercise of voting rights**

By using these three tools, we seek to better understand the risks and opportunities of the sectors and companies in which we invest or are likely to invest. Moreover, this approach help us to strengthen our ESG analyses, to suggest areas for improvement to companies, to require companies operating in carbon-intensive sectors to implement decarbonization trajectories in line with the Paris Agreement or to encourage companies with a strong impact on natural capital to take the necessary measures to reduce their impact/limit the associated risks.

A reactive engagement approach is our first level control procedure to start an engagement action. The ESG Research team performs a daily controversy check via multiple external providers alerts (MSCI, SESAMm, Bloomberg). If the controversy is considered of major attention, the ESG Research team conducts a proprietary due diligence analysis to better understand the severity of the issue. If necessary,

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<sup>27</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)



an engagement action is initiated and ad hoc objectives are established on a defined timeline, in line with the ESG targets of the fund holding the position. We use internal methodologies and monitoring files to classify the engagement actions and follow up the progress made. That helps deciding if an escalation process must be initiated, which in some cases may lead to divestment. This option remains rare and a last resort.

Regarding voting rights, ODDO BHF Asset Management votes at shareholder meetings of European companies that are listed on a regulated market in the European Union or the European Economic Area, for which the funds collectively hold - at the entity level - a stake of more than 0.05% of the capital. It is true that in very rare cases the investment management company cannot vote for reasons of efficiency, costs and timeliness. In specific case of dedicated funds, we may not vote following client very particular demands. ODDO BHF Asset Management may vote at the Annual General Meetings of portfolio companies that are traded on a market other than a regulated market in the European Union or the European Economic Area. Moreover, ODDO BHF Asset Management strives to vote at meetings for all the positions we hold at the entity level, when it comes that the company is invested in a portfolio that has an SRI label, regardless of the related reference standard (SRI label, FNG label, Febelfin label).

## Private assets

In addition to questionnaires sent, different dialogue approaches have been adopted for our Fund of Funds activity and our direct investments.

For our *Funds of Funds* investments, the team endeavors to:

- › Engage with the GPs of portfolio funds to promote the importance of ESG characteristics and programs (notably the stewardship of their portfolio companies during the holding period and of any material ESG incidents that may arise), where appropriate and for the relevant funds
- › Have routine interactions with GPs and more specifically in relation to specific incidents
- › Encourage an ESG dialogue in alignment with our internal practices and with relevant industry associations (FranceInvest, PRI, etc.)
- › Keep our LPs aware of ESG-related topics through dedicated ESG reporting and encourage GPs to provide a similar level of reporting

For our *direct investments*, we can have direct access to company management and therefore are more able to define tailored areas of progress in consultation between the management company and the portfolio company. These depend on material ESG issues identified during the due diligence and naturally on the

sector of activity. A dedicated ESG action plan can be put in place and progress monitored throughout the investment cycle.

## *2. Investment strategy decisions*

In terms of investment strategy, particularly sectoral disengagement, as per the “Common base of exclusions” of our Exclusion Policy, we apply decreasing thresholds to exit from the coal sector. These thresholds will be lowered to zero by 2030 for EU and OECD countries and by 2040 for the rest of the world. We also added in our common base sectors like tobacco, biodiversity and oil and gas in the Arctic. In 2024, we strengthened our exclusion on tobacco by lowering the revenue threshold from 5 to 0% for tobacco producers.

### Listed assets

We continue our reviews started in 2022 to analyze specific high-carbon sectors. Moreover, since 2024, we integrated the theme of biodiversity into our sector reviews. During the year, we covered the agrifood sector as well as the semiconductors one. We looked at the key trends and solutions available to decarbonize and improve environmental practices of these sectors and identified the “leaders” and “laggards”. We also organized thematic meetings with companies to obtain further information on the transition: decarbonization plan (scope 1-2-3), robustness and credibility of these plans, validation by external bodies (Science Based Targets Initiative, SBTi), progress made, publication of taxonomy alignments or allocated CapEx. On the basis of these sector reviews, we engage with companies that we consider to be lagging behind in their climate and environmental transition trajectory, as part of an individual or collaborative engagement.

### Private assets

Depending on ESG material risks level in the due diligence phase, a corrective action can be included in the post-investment plan for Art. 8 SFDR funds. If necessary, in some cases, we have included a side-letter including precisions and obligations of reporting with regards to ESG, Fund Themes or Target SDGs, and rectifications or ESG improvement obligations, as appropriate.

## 5° Information on the European Taxonomy and fossil fuels

### 1. EU Taxonomy

Below are the taxonomy aligned figures based on reported data<sup>28</sup>:

	Amount CapEx EUR	% CapEx	Amount Turnover EUR	% Turnover
Aligned	851 911 538	4.0%	601 531 471	2.8%
thereof nuclear	20 310 278	0.1%	15 121 367	0.1%
thereof gas	5 607 153	0.0%	2 851 691	0.0%

4% of ODDO BHF Asset Management SAS's assets under management are aligned with the taxonomy based on the CapEx KPI, and 2.8% based on the Revenue KPI.

The scope used includes all our listed and private assets under management<sup>29</sup>, less investments in derivatives, sovereigns, and companies not eligible for the European Non-Financial Reporting Directive.

### 2. Fossil fuels

To define the share of our AuM invested in companies active in the fossil fuel sector as defined by the European Taxonomy, we rely on PAI 4 “exposure to companies operating in the fossil fuel sector”. Fossil fuel investments represent 746 478 301 € or 4.1% of all ODDO BHF Asset Management SAS AuM<sup>30</sup>.

The percentage of the fund's market value exposed to issuers with fossil fuel-related activities, including oil and gas exploration, extraction, mining, storage, distribution and trading; thermal coal production and distribution; and metallurgical coal production, distribution, storage and reserves, is calculated from an

<sup>28</sup> Reported companies’ data from MSCI ESG Research

<sup>29</sup> Calculated based on ODDO BHF Asset Management total AuM at 31.12.2024 when ODDO BHF Asset Management SAS is the Management Company. For private assets, we are unable to provide reliable and consistent data on private equity investments, as the public data needed to align them with the taxonomy is not yet available.

<sup>30</sup> ODDO BHF Asset Management AuM at end 31.12.2024 including all funds and mandates when ODDO BHF Asset Management SAS is the Management Company. For private assets, we are unable to provide reliable and consistent data on private equity investments, as the public data needed to align them with the taxonomy is not yet available.

indicator provided by MSCI ESG Research. We use the approach recommended by our data provider, excluding non-applicable positions and rebasing the remaining positions<sup>31</sup>.

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<sup>31</sup> For more information, please refer to MSCI ESG Research’s methodology: <https://www.msci.com/documents/1296102/23400696/MSCI+SFDR+Adverse+Impact+Metrics+Methodology.pdf/ac60df37-681e-6b18-6f9b-fd5196b3fd78?t=1694625178508>

## 6° Strategy of alignment with the international objectives of limiting global warming

To align our investment strategies with Paris Agreement (2015) and the National Low-Carbon Strategy (SNBC), our strategy and targets are based on :

1. Decarbonize our investment strategies (the assets covered by this objective are listed equities and corporate bonds, for which decarbonization data and methodologies are available, which are part of the perimeter defined by the Article 29 LEC, and at this stage, this does not apply to our private investment strategies);
2. Evaluate companies' transition pathway (applicable to Private Equity);
3. Promote climate solutions (applicable to Private Equity).

### *1. Decarbonization of our investment strategies*

The overriding objective of the Paris Agreements in 2015 is to keep “the increase in global average temperature well below 2°C above pre-industrial levels” and to continue efforts “to limit the increase in temperature to 1.5°C above pre-industrial levels” by 2100. In this context, the financial sector has a role to play in facilitating the reallocation of financial flows towards less polluting and low-carbon activities, while taking climate risks into account.

Most of our open-ended funds art. 8-9 SFDR<sup>32</sup> formally include a carbon intensity objective (Scope 1 and 2). Our portfolio managers take into account the impact of the carbon emissions of the issuers in their portfolios in order to achieve an aggregate carbon intensity lower than that of their benchmark index or investment universe. Carbon intensity metrics provide a better understanding of our funds' exposure to the most carbon-intensive companies and, by extension, to those that could face significant transition risks, as highlighted by the European Central Bank (ECB)<sup>33</sup>.

We have set ourselves medium- and long-term targets for coal phase-out:

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<sup>32</sup> Private asset funds not included because we are currently unable to obtain sufficiently reliable data that can be measured over time

<sup>33</sup> European Central Bank (2024) *Climate change-related statistical indicators*



- › Coal mining: exclusion of investments exposed to coal, up to 0% of revenues by 2030 for OECD countries and by 2040 for the rest of the world.
- › Power generation: any company where coal exceeds 15% of the production mix, or 15% of its installed capacity. These thresholds will be lowered to 10% in 2026, 5% in 2028 and 0% in 2030 for EU and OECD countries.
- › Development of new projects: exclusion of any company operating in mining or power generation and developing new thermal coal projects, whatever the size of the project.

We have also updated our global voting policy to take into account the climate commitments made by companies and the level of transparency of these commitments and their results. Furthermore, as investors, we actively encourage companies to communicate the physical and transitional risks they face in relation to climate change through our engagements with companies.

### 1.1 Quantitative targets

In 2023 and 2024, we strengthened our strategy of alignment with the Paris Agreements by setting ourselves several short- and medium-term objectives.

#### 1.1.1 Short-term targets (2024-2025)

Targets	Progress
Familiarize our portfolio manager/analysts with the various alignment indicators: implied temperature based on MSCI ESG Research methodology ("Implied Temperature Rise"), SBTi certification or trend monitoring of emissions	<i>Several sessions of our ESG Investment Forum were dedicated to explaining alignment indicators.</i>
Integrate alignment indicators into portfolio management tools and train management teams to use these data	<i>In 2024, we developed a portfolio-level implied temperature tracking tool available to portfolio managers/analysts. A teach-in was organized as well as sessions dedicated to certain specific strategies. In addition, several indicators were integrated into AIM Bloomberg.</i>

Open a dialogue with invested companies that have a very high implied temperature based on MSCI ESG Research methodology (“Implied Temperature Rise”)	<i>We publish an annual report regarding our shareholder engagement approach available on our website.<sup>35</sup></i>
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1.1.2 Medium-term targets (2024-2030)

Targets	Progress
Follow the intermediate alignment trajectory defined at 2.5°C for 2030, which as first step concerns funds falling within the scope of Article 29. This target will be reviewed and adjusted every five years to reach 2°C or less by 2050. Some funds are already on a trajectory below 2.5°C (see section 1.3.2), which could lead us to revise their targets during the annual review of our report.	<i>Our tracking tool developed in 2024 allows portfolio managers to monitor a fund's temperature and identify the main contributors in order to make investment decisions accordingly.</i>
Improve carbon emissions reporting of scope 1 and 2, especially scope 3	<i>Some of our funds use sectoral average regarding their Scope 3 emissions.</i>
Phase out investment in coal mining and electricity generation from coal by 2030 for OECD countries	<i>Lowering the threshold for electricity production from coal from 20 to 15% of the production mix, or alternatively, of its installed capacity</i>

1.2 Methodology<sup>36</sup>

In 2023, we reviewed a number of commonly accepted decarbonization methodologies, including the “binary measurement method”, which targets companies with a net-zero alignment strategy certified by an external climate alignment methodology such as that of the Science Based Target Initiative (SBTi); the

<sup>35</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)

<sup>36</sup> Private assets funds not included because we are currently unable to obtain sufficiently reliable data that can be measured over time



“sectoral decarbonization approach” (SDA), also known as the “benchmark divergence approach”; and the “implied temperature rise (ITR)” measurement method.

As part of the decarbonization of our investment strategies, we have opted for the implied temperature rise method established by MSCI<sup>37</sup>. The implied temperature rise of a portfolio gives an estimate of global warming if the world economy were to follow a decarbonization trajectory identical to that of the portfolio.

To limit global warming to less than 2°C by 2100, it is necessary to limit cumulative greenhouse gas emissions. Applied to a portfolio, the implied temperature rise method compares the excess carbon emissions financed for the portfolio (scope 1, 2 and 3) with its theoretical carbon budget derived from a climate scenario.

The assumptions used to establish a 1.5°C trajectory come from the NGFS (Network for Greening the Financial System)<sup>38</sup> Net Zero 2050 scenario. To simulate sectoral decarbonization, the NGFS Net Zero scenario takes into account various variables, such as climate policies, technological progress, energy prices and consumer behavior. These variables are then used to estimate the reductions of greenhouse gas emissions in different economic sectors and geographies in order to define the carbon budgets.

The amount by which the portfolio's financed carbon emissions exceed its budget is converted into temperature using the “TCRE (Transient climate response to cumulative CO<sub>2</sub> emissions)” factor. TCRE is defined as the global average temperature increase in response to a given amount of cumulative CO<sub>2</sub> emissions. The Intergovernmental Panel on Climate Change (IPCC) provides a TCRE estimate of 0.00045°C per GtCO<sub>2</sub>.

$$\text{Portfolio implied temperature rise (°C)} = 1.5 + \frac{\sum_{i=1}^N \text{carbon overshoot financed}_i * \text{TCRE} * \text{global budget}}{\sum_{i=1}^N \text{financed carbon budget}_i}$$

*N corresponds to the total number of companies included in the portfolio, where i stands for a particular company. The “global budget” factor reflects the fact that the ITR gives an estimate of global warming if the world economy were on a climate trajectory identical to that of the portfolio<sup>37</sup>.*

The implied temperature rise, like any methodology, has its limits. Its main limit is that carbon overshoot is based on projections, and actual realizations may differ from these. Furthermore, for a long time, the

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<sup>37</sup> <https://www.msci.com/documents/10199/7118a4c1-e446-ffa8-87f2-f4d6d2d07d36>

<sup>38</sup> <https://www.ngfs.net/ngfs-scenarios-portal/>



methodology only covered companies and not sovereigns. However, MSCI published a temperature methodology for sovereigns in 2025, which we are currently reviewing. As a result, we may have to revise our commitment to the alignment trajectory defined in our objectives in section 1.1.2.

To date, we have calculated implied temperature rises for all our assets under management, as well as for our main funds. However, as previously mentioned, we will initially focus on implementing this alignment strategy for funds affected by the current Article 29.

In addition to our alignment strategy, we also use carbon data from MSCI to measure the carbon intensity of our investment strategies, as part of our reporting and portfolio management tools available to portfolio managers. Each month, we publish the weighted average carbon intensity (scopes 1 and 2) of our funds, compared with their benchmark index. Estimates are used when reported values are unavailable or contradictory. Estimates are based on the revenues-normalized average values (scopes 1 and 2 emissions) of peers in the sector. The weighted average carbon intensity is calculated as follows:

$$\text{Weighted average carbon intensity} = \sum_{i=1}^N \text{weight}_i * \frac{\text{carbon emissions Scopes 1 + 2}_i}{\text{revenues}_i}$$

N corresponds to the total number of companies included in the portfolio or benchmark, while i stands for a specific company.

From a broader climate change perspective, we have another indicator available provided by MSCI: the Climate Value at Risk<sup>39</sup>. Mitigating global warming and adapting to the consequences of climate change expose companies to transition risks, physical risks and potential opportunities. MSCI has designed the Climate VaR to combine these parameters and assess their impact on company valuations.

Lastly, it is more difficult to obtain a complete and accurate view of an issuer's total GHG emissions, particularly when it comes to Scope 3 emissions. Scope 3 refers to emissions produced by supply chains, product use and end-of-life, which makes it very tricky to assess, even for companies themselves. To obtain a complete and homogeneous overview of these emissions, MSCI<sup>40</sup> has developed a granular methodology for estimating the scope 3 emissions of issuers.

<sup>39</sup> <https://www.msci.com/our-solutions/climate-investing/climate-and-net-zero-solutions/scenario-analysis>

<sup>40</sup> <https://www.msci.com/www/blog-posts/scope-3-carbon-emissions-seeing/02092372761>



### 1.3 Indicators

In accordance with the requirements of Article 29 LEC, funds and mandates with AuM of more than €500m are included in measuring key performance indicators:

EQUITY	BOND
› ODDO BHF Artificial Intelligence	› ODDO BHF Euro Credit Short Duration
› ODDO BHF Avenir	› ODDO BHF Euro High Yield Bond
› ODDO BHF Avenir Europe	› ODDO BHF Global Target 2028

#### 1.3.1 Carbon intensity

##### Carbon intensity of main funds and mandates as of December 30<sup>th</sup>, 2024

Fund name	Fund		Benchmark	
	Coverage rate <sup>41</sup>	Weighted carbon intensity	Coverage rate <sup>41</sup>	Weighted carbon intensity
ODDO BHF Artificial Intelligence	100%	25.4	100%	91.6
ODDO BHF Avenir	100%	22.9	100%	65.1
ODDO BHF Avenir Europe	100%	17.7	100%	91.7
ODDO BHF Euro Credit Short Duration	100%	105.3	100%	129.0
ODDO BHF Euro High Yield Bond	100%	135.5	100%	164.8
ODDO BHF Global Target 2028	100%	138.9	100%	168.2

Source: ODDO BHF Asset Management, MSCI

At the level of ODDO BHF Asset Management SAS entity, we rely on the PAI 3 “GHG intensity of investee companies”, which represents the weighted average of the GHG intensity of issuers held at entity level (type 1, type 2 and estimated type 3 GHG emissions / million euros of revenues). In 2024, this intensity is 859.8 tCO<sub>2</sub>e/M EUR of revenues.

<sup>41</sup> As explained in the carbon intensity calculation methodology, estimates are used when reported values are unavailable or contradictory. Estimates are based on the revenues-normalized average values (Scopes 1 and 2 emissions) of peers in the sector.

### 1.3.2 Climate trajectory

#### Implied Temperature Rise of main funds and mandates as of January 3<sup>rd</sup>, 2025

Fund name	ITR
	Fund
ODDO BHF Artificial Intelligence	1.9 °C
ODDO BHF Avenir	2.9 °C
ODDO BHF Avenir Europe	2.1 °C
ODDO BHF Euro Credit Short Duration	2.5 °C
ODDO BHF Euro High Yield Bond	2.5 °C
ODDO BHF Global Target 2028	2.8 °C

Source: ODDO BHF Asset Management SAS based on MSCI ESG Research, issuer mapping and processing has been refined in some cases.

At the level of ODDO BHF Asset Management SAS, we obtained an ITR of 2.3 °C on our aggregate positions at January 3<sup>rd</sup>, 2025.

### 1.4 Role and use of alignment assessment in the investment strategy and complementarity between the assessment methodology selected and other indicators on environmental, social criteria, and quality of governance

#### Listed assets

While temperature data is a key element in our decarbonization strategy, it is not sufficient on its own. We need to combine it with other measures of performance indicators. For example, integrating ESG into our investment processes is crucial not only to measure climate-related risks and opportunities, but also the credibility of the actions taken by companies to steer their activities towards a sustainable economy.

Engagement is a useful tool to discuss with companies about the environmental, social and governance issues we deem relevant. In particular, it enables us to engage with companies whose decarbonization trajectory or actions are still too weak compared to the challenges facing their sector.

We also track and measure the negative impacts of our investments through PAIs (Principal Adverse Impact).

#### Private assets

In 2023, we have formalized the inclusion of climate risks in the internal ESG due diligence were considered material. At the GP level, we systematically analyze whether there is a climate strategy and policy at a corporate level and in the investments, and targets and objectives set; at the underlying






company level, we assess climate related risks such as climate change, carbon emissions, energy management depending on sector materiality as well as alignment with the EU Taxonomy where possible. There are additional climate related assessment questions in the Annual ESG questionnaire including the Principle Adverse Impacts (PAIs) if data are available.

### 1.5 Impact on our investment strategies

As mentioned above, our exclusion policy already includes restrictions on coal, unconventional oil and gas, and conventional and unconventional oil and gas in the Arctic region in the common base of exclusions. The common base of exclusions applies to the majority of our open-ended funds' assets under management and also apply to delegated fund managers within the ODDO BHF Group and to Private Assets depending on the investment strategy<sup>43</sup>. However, certain funds open to the public whose management is delegated to or advised by third parties are not affected by these exclusions unless otherwise stated in the prospectus. These exclusions may also apply to management mandates or dedicated funds, if explicitly named in the relevant prospectus or information memorandum. The funds ODDO BHF Merger Arbitrage and ODDO BHF Data Driven L/S managed by ODDO BHF Asset Management SAS are excluded from this policy, except for the following unconventional weapons: anti-personnel mines, cluster munitions, biological and chemical weapons.

#### Fossil fuel related exclusions from the common base of exclusions

Sectors	Exclusion thresholds	Activities
 Coal	>8 millions tonnes ou 5% <sup>1</sup>	Coal mining – EU & OECD : 0% (2030), Rest of the world: 0% (2040)
	>15% <sup>2</sup>	Power generation - EU & OECD countries: 10% (2026) – 5% (2028) – 0% (2030)
	0	Any company developing new projects involving thermal coal, regardless of the project's size
 Unconventional oil & gas <sup>3</sup>	>5% <sup>1</sup>	Exploration-production & exploitation
 Arctic exploration	>10% <sup>1</sup>	Exploration-production & exploitation of (conventional & unconventional) oil & gas in the Arctic

All details in ODDO BHF AM Exclusion Policy.

<sup>1</sup> % of revenues | <sup>2</sup> % of production mix or alternatively of installed capacity | <sup>3</sup> Incl. shale oil & gas, oil sands

Source: ODDO BHF Asset Management, 2025

<sup>43</sup> More details on Section 5 of our Exclusion Policy available at: [https://am.oddo-bhf.com/france/en/professional\\_investor/GetRequestDocument?CodeDoc=PEX&CodPageWeb=FICHE\\_FONDS](https://am.oddo-bhf.com/france/en/professional_investor/GetRequestDocument?CodeDoc=PEX&CodPageWeb=FICHE_FONDS)

## 1.6 Frequency of assessment

### Listed assets

The frequency of assessment depends on the metric considered:

- › Carbon intensity is reviewed on a monthly basis
- › The ITR is reviewed on a biweekly basis by MSCI ESG Research

### Private assets

For our Private Equity strategies, we continue to monitor investments' climate and carbon performance through the annual ESG questionnaire campaign where comparisons can be made on a year over year basis. Sample datapoints include carbon intensity, percentage of non-renewable energy consumption, among others.

## *2 Evaluate companies' transition pathway*

### Listed assets

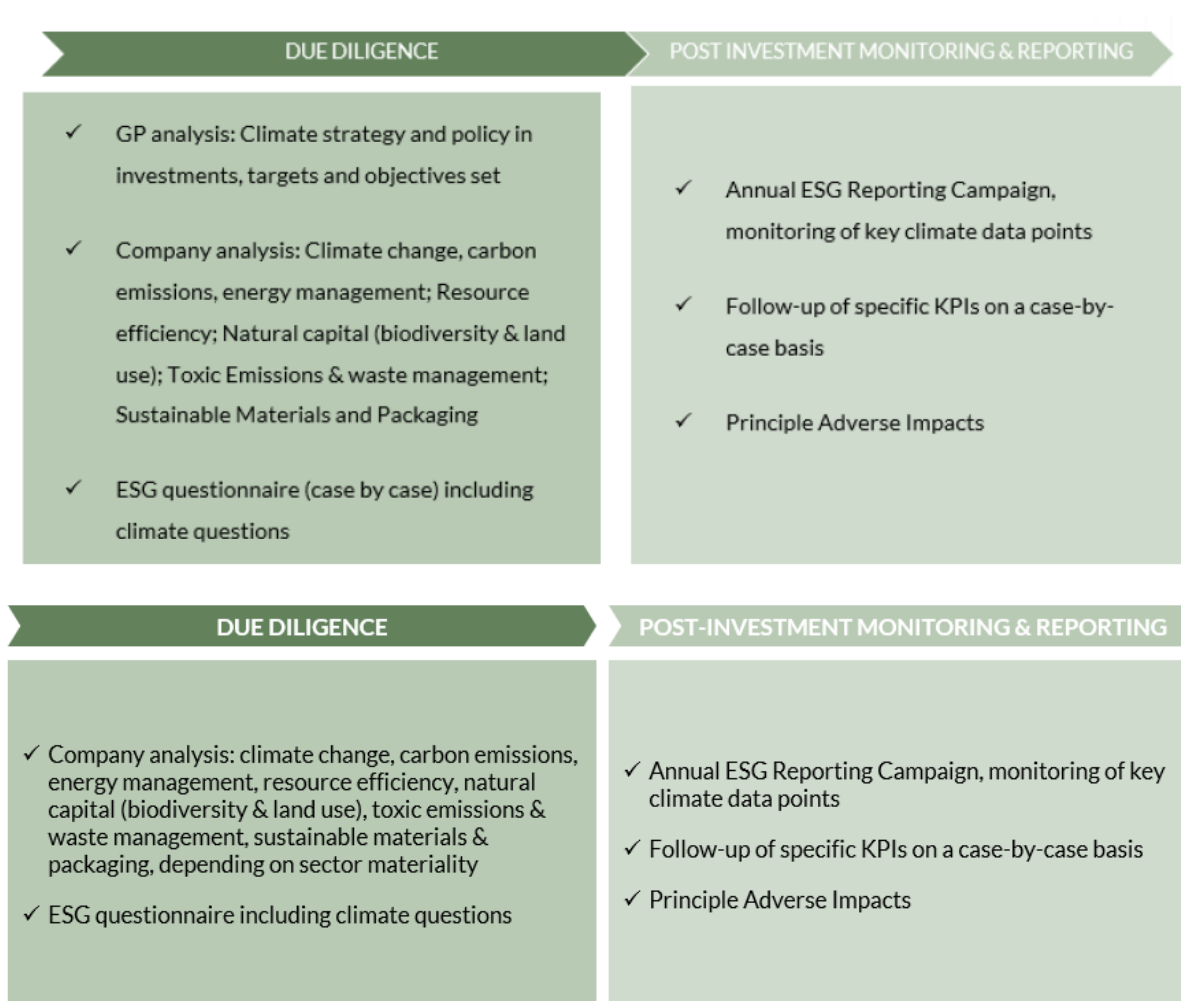
Transition risks are important factors in the risk profile of the companies in which we invest. We primarily use the Implied Temperature Rise method developed by MSCI ESG Research (“Implied Temperature Rise”). For more details, please refer to section “1.2 Methodology” in this section.

### Private assets

Climate is considered at several stages of the investment cycle, alongside other ESG risks, where applicable and for the relevant funds. For SFDR article 8 funds, climate indicators are included in the due diligence phase if considered material, before an investment is made, as well as post-investment during the monitoring and reporting cycle.



## Investment cycle for private assets and consideration of climate issues



Data availability for climate metrics ranges from scarce to non-existent in non-listed assets, and the expectation of climate data disclosed by companies in a harmonized way is still rather limited. As such, establishing clear and robust transition trajectories for our holdings and portfolios still presents challenges.

### *3. Promote climate solutions<sup>44</sup>*

#### Listed assets

We aim to innovate within our fund range to provide our clients investment opportunities in companies contributing to a low-carbon economy. In the last years, we launched several strategies across our listed assets at the forefront of the climate transition such as:

- ODDO BHF Green Planet (article 9 SFDR):  
This global equity fund uses artificial intelligence and quantitative analysis to invest in listed equities worldwide exposed to the theme of the ecological transition via a selection of associated sub-themes: clean energy, energy efficiency, sustainable mobility, and the preservation of natural resources.
- ODDO BHF Green Bond (article 9 SFDR):  
This fixed income fund invests in green bonds from international issuers, as well as sustainability bonds. One of the objectives of this fund is to make a positive contribution to climate and environmental protection by financing projects with measurable environmental, climate and social benefits.
- ODDO BHF Artificial Intelligence (article 9 SFDR):  
This global equity fund uses artificial intelligence and quantitative analysis to invest in listed equities exposed to the theme of artificial intelligence while at the same time following a decarbonization trajectory.

In addition, we have implemented mandates at the request of our clients, including climate objectives.

#### Private assets

We are committed providing our clients with sustainable solutions which aim to address climate risks and opportunities. We continue to review and further expand our fund range and our climate-related solutions.

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<sup>44</sup> During the year, we did not launch any new Private Assets products promoting climate solutions.



## 7° Strategy for alignment with long-term biodiversity objectives

### *1. Measuring compliance with the objectives of the Convention on Biological Diversity*

#### **1.1. Biodiversity loss is a systemic risk**

Biological diversity is essential in preserving ecosystem services which are essential for our well-being, human development, and economic growth. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identifies 18 ecosystem services under 3 categories - supply services with for ex. food or materials; regulation services with for ex. climate control or water quality; intangible contributions with for ex. creation and maintenance of habitats - that are contributions of nature to people, 14 of which are in decline today<sup>45</sup>.

The destruction of ecosystems is accelerating. 25% of all animal and plant species known to man (about 1 million species) are currently threatened with extinction according to the IPBES<sup>46</sup>, while the WWF reported<sup>47</sup> an average 68% drop of vertebrate species populations worldwide from 1970 to 2016. The causes of this drop include artificialization of land (an estimated 75% of ice-free land 66% of the marine environment have been modified considerably by human activities<sup>48</sup>), overexploitation of resources, climate change, pollution, and invasive species.

The depletion of ecosystem resilience also constitutes a major indirect risk and an aggravating factor in the climate crisis, as natural ecosystems (oceans, soil and forests) are important carbon sinks that sequester about 60% of global anthropic emissions of GHGs<sup>49</sup>; their destruction undermines this property and accelerates the climate crisis, with a feedback loop that is especially hard to stop.

The massive worsening of the quantity, quality and resilience of ecosystem services worldwide poses a primary systemic economic risk. The economic value of biodiversity (via ecosystemic services) is

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<sup>45</sup> IPBES, *Global assessment report on biodiversity and ecosystem services*, 2019

<sup>46</sup> IPBES, *Global assessment report on biodiversity and ecosystem services*, 2019

<sup>47</sup> WWF, *Living Planet Report*, 2020

<sup>48</sup> World Bank Group, *The Economic Case for Nature – A global Earth-economy model to assess development policy pathways*, 2021

<sup>49</sup> World Economic Forum, *Nature Risk Rising: why the crisis engulfing nature matters for Business and the Economy*, 2020



estimated at \$150,000bn annually, or about twice global GDP<sup>50</sup>. Researchers have pointed out the world's economies' close dependence on natural capital, particularly in low- or medium-income countries. As much as 50% of global GDP is estimated to depend directly on ecosystemic services and are vulnerable to their depletion.<sup>51</sup> The four value chains – food, energy, infrastructures, and clothing – are estimated to be responsible for more than 90% of the pressure that people exert on biodiversity<sup>52</sup>.

## 1.2 Our strategy

On the 5<sup>th</sup> of June 1992, the Convention on Biological Diversity (CBD) was adopted with three main objectives defined:

1. The conservation of biological diversity
2. The sustainable use of its components
3. The fair and equitable sharing of the benefits arising out of the utilization of genetic resources

Since then, 4 targets have been set on a 2050-horizon with intermediary targets for 2030:

1. 15% improvement in biodiversity (area, connectivity, integrity)
2. Valuation, maintenance, and enhancement of ecosystem services
3. Fair and equitable sharing of benefits from resource use
4. Closing the gap between what is needed and what is available

We included biodiversity into the pillars of our sustainability strategy to better align with the CBD. As for our general sustainability strategy, we adopted a risk-based approach through a double materiality angle:

1. The impact materiality meaning the impact of company activities on biodiversity and nature, using natural resources use, soil exploitation, as well as its impact in terms of pollution and indirectly through its impact on global warming (feedback effect)
2. The financial materiality or dependency materiality meaning companies' exposure to losses resulting from the declining performance their economic activities or their assets that depend upon biodiversity.

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<sup>50</sup> Boston Consulting Group, *The Biodiversity Crisis is a Business Crisis*, 2021

<sup>51</sup> World Economic Forum, *Nature Risk Rising: why the crisis engulfing nature matters for Business and the Economy*, 2020

<sup>52</sup> Boston Consulting Group, *The Biodiversity Crisis is a Business Crisis*, 2021



### 1.2.1 Exclusions

We defined exclusions specific to biodiversity based on two axes:

1. The first specifically concerns palm oil, since any company generating more than 5% of its revenue from palm oil production is excluded;
2. The second relates to controversies, as we exclude any company involved in serious controversies related to biodiversity or deforestation.

The Exclusion Policy includes other activities, which may negatively impact biodiversity such as coal or non-conventional oil and gas related ones.



To find out more on these exclusions, you can look at our Exclusion Policy available on our website<sup>54</sup>.

### 1.2.2 Integration

#### Listed assets

Our internal ESG model for corporates integrates biodiversity-related risks and opportunities on several criteria.

#### Biodiversity risks and opportunities integrated into our internal ESG model for corporates

 DOUBLE MATERIALITY APPROACH 			
Direct effects			
› Biodiversity footprint (BIA-GBS)	(1)	› Natural capital risk	(1)
› Use of resources	(2)	› Waste & pollution risk	(1)
› Waste management & pollution	(2)		
Indirect effects			
› Climate change	(7)	› Climate risk	(3)

( ) : number of criteria to score in our internal ESG model for corporates

Source: ODDO BHF Asset Management, 2025

<sup>54</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/ad/sustainable\\_investment/1339/publication/1380](https://am.oddo-bhf.com/france/en/professional_investor/ad/sustainable_investment/1339/publication/1380)

Companies' impacts on their environment are assessed through 12 criteria, 5 being directly linked to pressures on biodiversity and 7 through indirect effects linked to climate change. Some data points are directly imported from MSCI and supplemented with our own qualitative evaluation.

We signed a partnership with Carbon4 Finance, a supplier of extra-financial data and a specialist in the biodiversity footprint of companies, which developed the BIA-GBS tool in 2021. They provide a biodiversity footprint for 4,000 entities expressed in mean species abundance (MSA). Thus, we established a ranking by sector using the footprint in intensity to decrease a company size bias.

### Use of resources

Depending on the sector of activity in which the company operates, we capture the risks linked to the main raw materials used such as deforestation or soil erosion as well as a company's water consumption and its location in water stress areas. We assess the policies and processes that are put in place to limit these risks, consider external certifications, judge the credibility of the strategy, and look to understand whether alternatives are considered. Some examples include:

- Water risks: looking at the amount of water consumed (in comparison with similar companies), the location of a company's direct and indirect activities in areas of hydric stress, the existence of an effective strategy for limiting water consumption, setting up circular systems (particularly for cooling systems), and considering the water needs of all stakeholders on a territorial scale, etc.
- Waste management and pollution: we are particularly interested in systems and policies to prevent high impacts as well as the strategy that is adopted and its different targets. For example, we look at waste levels (in comparison with similar companies), strategies to limit toxic waste and plastic use (particularly disposable plastic), waste-recycling rate, reducing percentage of waste sent to landfills, circularity strategy, etc.

### Climate change

Climate change is appraised from two perspectives: the current situation of the company and its transition strategy to align on a well below to 2°C trajectory, pursuing efforts to limit to 1.5°C.

The external impacts on the company are evaluated based on 5 criteria. This is more of a qualitative analysis that allows for a better contextualization of the perception of the regulations and the market concerning the company's activity.



## Climate risks and opportunities

For the climate risk, three components are inspected: transition risks (including regulatory risks), and physical risks:

- **Transition risk:** we assess the degree of alignment with a decarbonization trajectory, the strategic resilience of companies, the risk of stranded assets, technological and regulatory risks, as well as risks linked to consumer behavior. We can rely on several indicators, including our materiality maps, the implied temperature rise (ITR), the TCFD analysis of companies (if available), the MSCI's Climate Value-at-Risk (Climate VaR), etc..
- **Physical risks:** These are an integral part of climate change risks. The study of their impact on the valuation of assets is indeed necessary. These risks are mainly linked to the location of the company's operations and value chains. To date, we have at our disposal MSCI's Climate Value-at-Risk (Climate VaR) with a specific category for physical risks, which we use among other data points. This tool enables us to measure the potential impact on company valuations. However, given the complexity of the subject, these risks are assessed on a case-by-case basis according to the data available, which sometimes lacks granularity.

Companies that implement climate change adaptation and mitigation measures will be more resilient to these risks, and thus a source of opportunities.

## Natural capital

Depending on the company's operating sector, we could look at the raw material supply risk, the regulatory limits on the use of some specific raw materials, or even at consumer preferences/perception regarding some practices.

Concerning the waste & pollution risk, we may be interested in tightening regulations on the use of plastic, or on chemicals, the countries' infrastructure available for disposing/recycling waste, etc.

## Controversies

Lastly, we set a penalty for environmental controversies ensuring that we follow upon a company's negative impacts on biodiversity with the help of MSCI and the work done by NGOs.

## Private assets

For direct investments strategy, we take biodiversity risk into account as part of our internal rating model and during the due diligence phase for our Art funds. 8. For funds of funds strategy, we analyze at GP level

whether there is a biodiversity strategy and policy for the investments, and whether targets and objectives have been set.

With regards to establishing clear alignment paths on biodiversity, this still presents challenges for the time being for several reasons:

- Firstly, measuring the impact of companies on biodiversity requires the consideration of a multiplicity of variables compared to measuring the climate impact of an investment or a portfolio, which can be captured through CO2 emissions
- Secondly, the data availability for each of the variables ranges from scarce to non-existent in non-listed assets, and the expectation of a biodiversity data disclosed by companies in a harmonized way seems very limited for the moment
- Thirdly, impacts on ecosystems are more geolocated in contrast to impacts on climate, which are more global. This complicates even more the measurement exercise at a company level

Finally, the methodologies for measuring the impact on biodiversity vary widely from one provider to the other and are not harmonized. There is also little coverage of non-listed assets.

### *1.2.3 Dialogue & active ownership*

#### Listed assets

As explained above, we structure our active ownership approach for listed assets in three ways: dialogue with companies, individual or collaborative engagement, exercise of voting rights. These elements are detailed in the shareholder engagement report<sup>55</sup>.

Through our sectoral materiality matrices, we have also identified the sectors for which biodiversity risk has the greatest impact. Consequently, the biodiversity criterion is taken into account in the weighting of the environmental pillar for each of these sectors, including:

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<sup>55</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)



- Aerospace & defense
- Automobiles & components
- Chemicals
- Commercial services sub-sector (waste treatment)
- Construction materials
- Consumer discretionary distribution & retail
- Consumer durables & apparel
- Consumer services (hotels, restaurant)
- Energy
- Financials
- Food, beverage & tobacco
- Metals & mining
- Pharma, biotech & life science
- Real estate
- Semiconductors
- Utilities

On this basis, the theme of biodiversity and its challenges has been regularly discussed with companies exposed to high risks in these sectors.

In 2024, we joined an engagement group coordinated by Nature Action 100 with a major player of the agrifood industry. At the beginning of the engagement with the company, it was very important to set the scene by presenting the initiative which focuses on biodiversity and the NA 100 expectations framework. Following the company's analysis conducted alongside with other investors, the engagement group decided to focus on how the company integrates biodiversity in its risk assessment processes and on the targets it has set. For the time being, the company exclusively assessed its material impacts on nature, but material dependencies on nature should come as a next step. It means that the company is aware of the locations and impacts by commodity, and it is looking at the adaptability of its sourcing strategy. The company shared that it is asking itself where it should further source, how it could improve efficiency (merging sourcing (quality/volume) vs sustainability metrics (environmental and social)), what is the order of priority regarding key actions by countries, and how it would manage the rest of the total purchases, i.e. adding another layer to climate-centric sourcing strategy. Moreover, the company launched a large regenerative agriculture plan, but still needs some time to have concrete evidence of success. We will support the company in its journey and decided to meet at least once a year. For more details, please refer to our Shareholder Engagement report.

ODDO BHF Asset Management also became a signatory to the *Finance for Biodiversity Pledge* and a member of the *Foundation Finance for Biodiversity*.

The Finance for Biodiversity Pledge was launched on 25 September 2020 and has now over 190 financial institutions from 29 countries among its signatories. The objective is to protect and restore biodiversity through finance and investment activities. It implies different actions :

- › collaboration and knowledge sharing on the complex issues around biodiversity;
- › engagement with companies to reduce negative footprint on nature by promoting better practices;
- › assessing the impacts of financing and investment activities;
- › setting targets to increase significant positive and reduce significant negative impacts on biodiversity;
- › reporting publicly on the committed financial institutions' contribution to global biodiversity goals.

We also follow up on those initiatives that are the most structural in nature in building a joint methodological framework and tools to measure and monitor biodiversity indicators. For example, we support the work of the Taskforce on Nature-related Financial Disclosures (TNFD), which is developing an overarching framework for disclosing biodiversity risks. We continue to review our engagement in initiatives and join new ones as and when appropriate.

### Private assets

Post-investment, we continue to monitor the ESG status of the companies in which we have invested through the annual ESG questionnaire campaign. In 2023, we have added biodiversity related assessment questions in the Annual ESG questionnaire. For direct investments, this may be a topic of discussion with the company, if material.

## *2. Contribution to the reduction of the main pressures and impacts on biodiversity<sup>56</sup>*

### Listed assets

Measuring the impact of companies on biodiversity requires the consideration of a multiplicity of variables, in comparison of measuring climate impact of an investment or a portfolio through the carbon emissions or intensity. Thus, it makes it complicated to reduce the measure to a final score or equivalent.

Moreover, the data availability for each of the variables varies, and the expectation of a biodiversity data disclosed by companies in a harmonized way seems limited for the moment. This is particularly a challenge for high-yield bond issuers and small cap companies for instance.

On the other hand, impacts on ecosystems are more geolocated in contrast to impacts on climate, which are more global. This complicates even more the measurement exercise at a company level.

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<sup>56</sup> This section does not cover our private assets because we do not yet have exhaustive data to be able to develop a methodology equivalent to the one for listed assets



Finally, the methodologies for measuring the impact on biodiversity vary widely from one provider to the other and not harmonized.

As announced in last year's report, we have launched a dedicated biodiversity commitment plan. In defining our biodiversity engagement strategy, we used different tools and databases to select the major companies contributing to natural capital loss.

Based on the SBTN Materiality Screening Tool, we selected the sectors with the highest impact to any of the pressures on biodiversity, as defined by IPBES (land use change, natural resource use and exploitation, climate change, pollution, invasive species). We decided to focus on the chemical, agriculture, F&B, energy, semi-conductors, and cement sectors.

After this assessment step, we filtered our holdings' exposure of our funds on those sectors and, looking at the BIA-GBS database, we focused on companies with a significant intensity footprint (MSA.km2).

Finally, for each company, we defined the goal of the engagement in line with material issues. Some of those engagements are conducted individually and some collaboratively together with other investors, via the NA100 coalition.

As a first step of the engagement process, we are now collecting more information and asking companies to be transparent on different biodiversity related policies and actions, including ambitions, assessment methods, targets setting, implementation measures, and governance structure.

Sector	Material topics
Agriculture	<ul style="list-style-type: none"><li>› Farming methods</li><li>› Sourcing</li></ul>
Chemical	<ul style="list-style-type: none"><li>› Water management</li><li>› Toxic waste management</li></ul>
Cement	<ul style="list-style-type: none"><li>› Quarry management</li><li>› Water management</li></ul>
Energy	<ul style="list-style-type: none"><li>› Disturbance of the natural environment (spills, pollution)</li><li>› Mining methods</li></ul>
Semi-conductors	<ul style="list-style-type: none"><li>› Use of PFAS</li><li>› Water management</li></ul>



During the meetings, we identified that most companies had developed a biodiversity policy, which is a positive sign. The associated targets have varying forms, from specific targets on selected KPIs (ex. % of commodities certified to a credible sustainability standard) to the broader one of restoring nature. Thus, they still need to be clearly defined and measurable. This question of measurability with a common harmonized metric, such as CO2 equivalent for climate change, is still an ongoing topic. Indeed, we observed that aggregating site- and topic-specific information into a common and unique metric at company level is still difficult to achieve.

### 3. Biodiversity footprint indicator<sup>57</sup>

#### Listed assets

##### 3.1 Methodology

ODDO BHF Asset Management use the Biodiversity Impact Analytics database developed by CDC Biodiversité and Carbon4 Finance for our listed assets. The model is built on a regression using Exiobase and the GLOBIO3 model providing companies’ biodiversity footprint in one aggregated metric in MSA (Mean Species Abundance). The model has the following characteristics:

<b>Pressures</b>	›	5 terrestrial pressures
	›	6 aquatic pressures
	›	Marine is not covered yet (2024)
<b>Time accountancy</b>	›	Static
	›	Dynamic
<b>Value chain</b>	›	Scope 1
	›	Scope 2
	›	Scope 3 upstream (downstream in a case by case)

<sup>57</sup> This section does not cover our private assets because we do not yet have exhaustive data to be able to develop a methodology equivalent to the one for listed assets

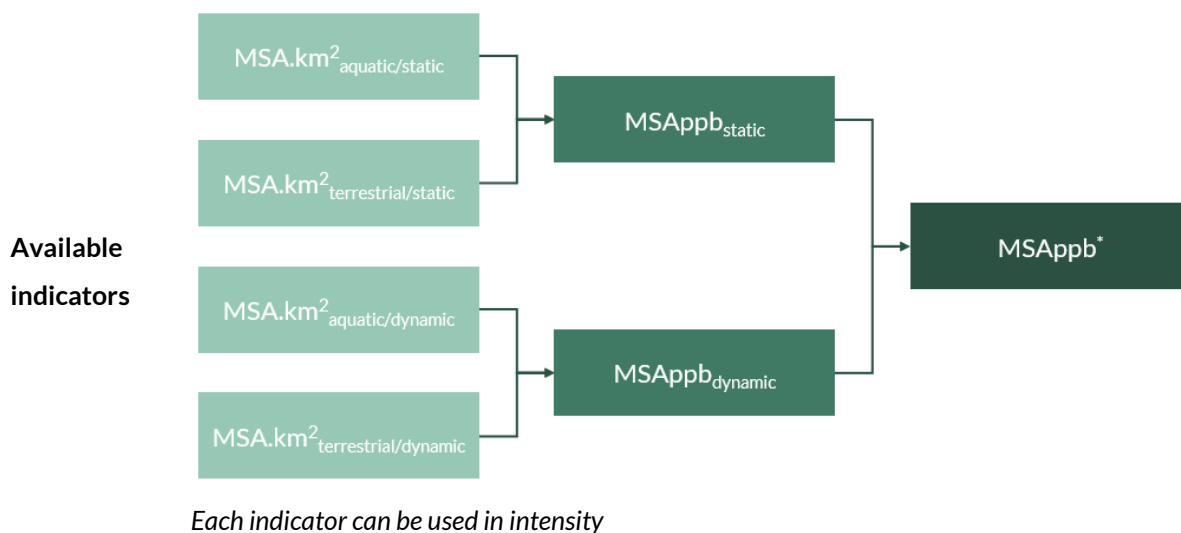


MSA (mean species abundance):

**Metric** › It represents the ratio of observed biodiversity to intact biodiversity (optimal baseline without human impact), a measure of the quality of observed biodiversity

**Basic** MSA.km2:

**indicator** › The loss of 1 MSA.km<sup>2</sup> = artificialization of 1 km<sup>2</sup> of intact biodiversity



With these characteristics, BIA-GBS data is aligned with the CBD and other international objectives and can be used to identify the main pressures and impacts on biodiversity to reduce them. First, considering biodiversity realms and time accountancy allows to better capture the different dimensions of an ecosystem. Second, all IPBES pressures are covered except for invasive species, which is planned for the following years. Third, it covers most of the value chain. Finally, the metric is the one used by the IPBES, the CBD, and the IPCC. More information can be found on Carbon4 Finance's website<sup>58</sup>.

<sup>58</sup> <https://www.carbon4finance.com/product/biodiversity-impacts>

However, we identify two main limits that encourage us to adopt a cautious approach for the moment. Firstly, the marine realm is not covered yet. It is quite difficult to predict the impact on aggregate MSAppb\* scores once it will be available. However, considering that the terrestrial and aquatic impacts are strongly correlated to the size of their respective ecosystems, we could expect an important change in the aggregate score. Secondly, regarding the coverage, even if the database is progressively expanding, it may not be representative for some portfolios such as for the ones focused on small and medium capitalizations. That is why we defined an action plan described in the previous section to gradually tend to a trajectory on biodiversity.

3.2 Results

Listed assets

3.2.1 Entity-level

The first indicator we use is the MSAppb\*/€bn invested that provides a picture of our aggregated impact on biodiversity calculated on all our positions as of December 31<sup>st</sup>, 2024. We obtain a coverage of 63%. The MSAppb\* is the most comprehensive aggregate biodiversity metric and scaling it by amount invested allow us to avoid a size bias. MSAppb\* is derived from pressures in km². While the latter are easy to interpret, as the MSAppb\* is an aggregated composite measure, it is best interpreted as a score that is useful for tracking our impact over time.

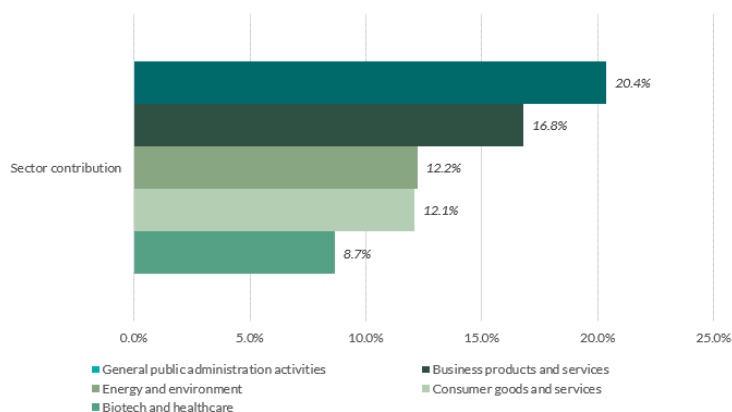
	MSAppb*/€bn invested	
	Entity	Stoxx600
ODDO BHF Asset Management SAS	54	66

Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of February 2025)

Based on this aggregated metric, it is essential to understand the origin of the most significant impacts by sector. We use the same sector classification as our data provider: the NACE classification.



### Top 5 sector contribution of ODDO BHF Asset Management SAS impact on biodiversity

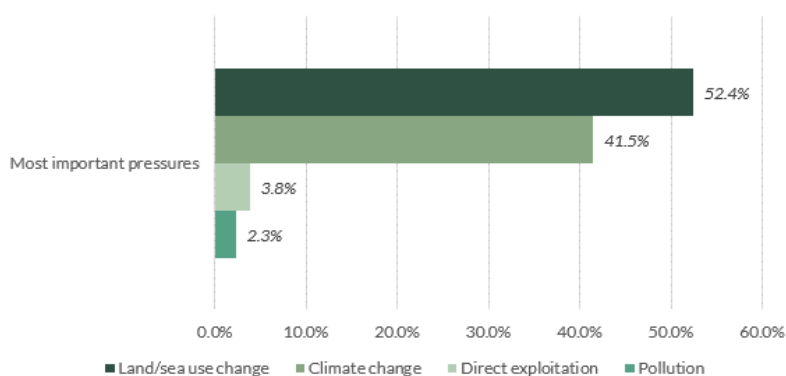


Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of February 2025)

The “general public administration activities” stands for our sovereign investments that represent around 8% of all our positions as of December 31<sup>st</sup>, 2024, but that, in the end, are over-represented as it is responsible of one fifth of our biodiversity footprint. This outcome is consistent with our general sustainability approach as biodiversity has been identified as material for several sectors, for which we launched an engagement process, including those in the graph above.

In addition, we measure the most important underlying pressures on all our assets under management. This allows us to better target the risks linked to companies’ practices and to better support them through our engagements.

### Most important pressures of ODDO BHF Asset Management SAS impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of February 2025)

The main pressure comes from land/sea use change which encompasses among others deforestation. As explained above, in our biodiversity engagement action plan, we included this topic, especially for the F&B sector. Moreover, those results are consistent with the fact that climate change has a major impact on biodiversity loss acting as an amplifying feedback loop. It reinforces our convictions that both topics must be tackled simultaneously.

#### Definition of GBS pressures and associated IPBES pressures

IPBES Pressures	GBS Pressures	Definitions
Terrestrial Pressures		
Land/sea use change	Encroachment (E)	Human encroachment comprises anthropogenic activities in otherwise natural areas. Direct (noise, light, etc.) and indirect (right of way for hunting, tourism, etc.) disturbance caused by human activities are accounted for.
	Fragmentation (F)	Fragmentation is the pressure caused by the reduction and subdivision of natural habitats and the disappearance of ecological corridors preventing species movement and limiting their living spaces (a species' population size is positively correlated to its habitat area size).
	Land use (LU)	The intensity of land management impacts natural habitat quality and quantity. High-intensity land uses such as intensive cropland maintain a high level of pressures which prevents ecosystem from reverting towards more natural states. The conversion of natural ecosystems into urban areas, croplands, managed forests, etc. also directly deteriorates ecological integrity.
Climate change	Climate change (CC)	Excess of emitted greenhouse gas leads to disturbance of the global climate. The global mean temperature increase (GMTI) and the induced climate change modify the repartition areas of different biomes, which threatens the survival of numerous species who cannot adapt fast enough to this phenomenon.
Pollution	Atmospheric nitrogen deposition (N)	Agricultural and industrial activities cause nitrogen emissions into the atmosphere. Transported by the wind or water (acid rains), the nitrogen deposits on terrestrial ecosystems. When the critical load of the ecosystem is exceeded, the imbalance caused by additional nitrogen deposition harms ecological integrity via, for instance, eutrophication and shifts in plant competition.
	Terrestrial ecotoxicity (X)	Terrestrial ecotoxicity is the pressure caused by chemical substances (organic substances and metal ions) on terrestrial ecosystems. This includes for instance the damage caused by some pesticides on ecosystems.



Aquatic (freshwater) pressures		
Land/sea use change	Wetland conversion (WC)	The conversion and draining of wetlands for human purposes lead to the loss of aquatic ecosystems (converted into degraded terrestrial ecosystems).
Direct exploitation	Hydrological disturbance due to direct water use (HD <sub>water</sub> )	Hydrological disturbance is caused by the deviation of current river flows from the natural ones. Causes of flow deviation are multiple. In the GBS, the hydrological disturbance pressure is further split into a direct water use and a climate change component, based on the source of flow deviation (other causes of flow deviation include river dams used for hydropower, water storage and/or other purposes). The flow deviation associated to hydrological disturbance due to direct water use is caused by anthropic water abstraction.
Climate change	Hydrological disturbance due to climate change (HD <sub>cc</sub> )	Hydrological disturbance is caused by the deviation of current river flows from the natural ones. The second component of this pressure assessed in the GBS is the flow deviation caused by climate change (through changes in rainfall or evaporation).
Pollution	Freshwater ecotoxicity (X)	Freshwater ecotoxicity is the mirror of terrestrial ecotoxicity affecting freshwater ecosystems: it is the pressure caused by chemical substances on aquatic ecosystems.
	Freshwater eutrophication (FE)	Human activities can lead to excess of nutrients leaching into water bodies. The imbalances overstimulate algal and aquatic plant growth, which may result in oxygen depletion, harming other organisms.
	Land use in catchment of rivers (LUR) / wetlands (LUW)	Upstream land use changes, and in particular the intensification of a watershed's upstream land uses through urbanization or agricultural intensification, has an indirect negative impact on downstream water bodies. Land use type (and intensity) is indeed a good proxy for the nutrient emissions leaching from human activities to ecosystems. In the GBS, this pressure is split in two, depending on the type of ecosystems affected: rivers or wetlands.

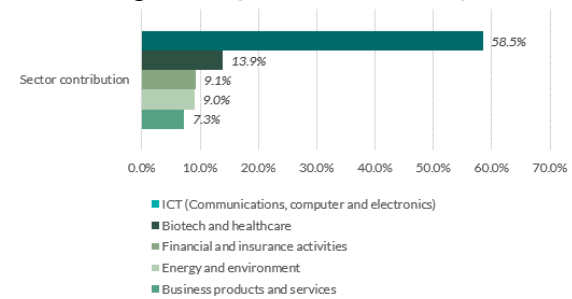
Source: BIA-GBS Carbon4 Finance

3.2.2 Funds-level

When it comes to funds with AuM of more than €500m, the following figures are obtained:

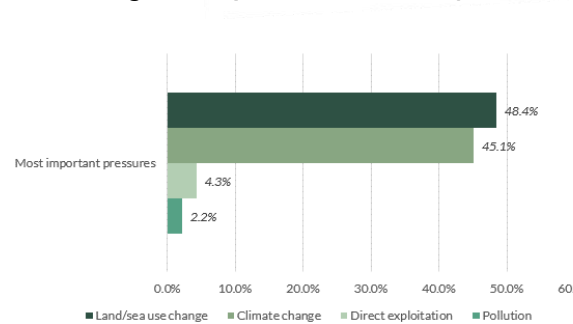
	MSAppb*/€/bn invested	Coverage
ODDO BHF Artificial Intelligence	10	93%
MSCI World (NR) EUR	35	97%

Top 5 sector contribution of ODDO BHF Artificial Intelligence impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

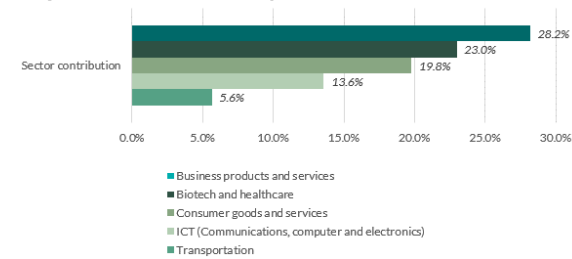
Most important pressures of ODDO BHF Artificial Intelligence impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

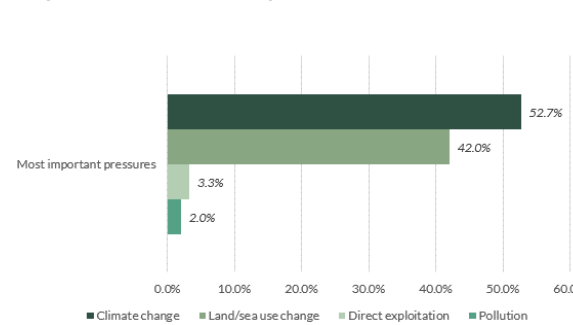
	MSAppb*/€/bn invested	Coverage
ODDO BHF Avenir	50	87%
10,00% ESTER European Short Term Rate + 8.5 BP + 90,00% MSCI France Smid Cap Loc Net	63	95%

Top 5 sector contribution of ODDO BHF Avenir impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

Most important pressures of ODDO BHF Avenir impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)



ODDO BHF Avenir Europe

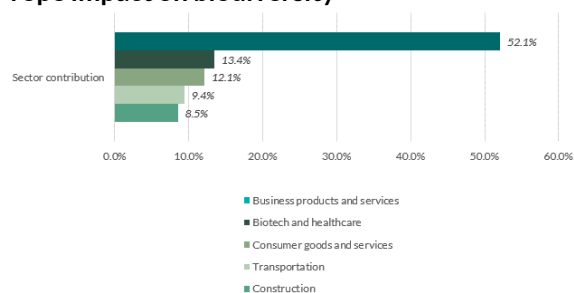
MSCI Europe Smid EUR NR

MSAppb*/€/bn invested	Coverage
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68	93%
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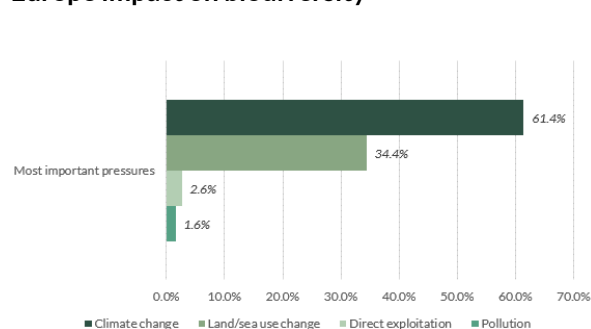
71	86%
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### Top 5 sector contribution of ODDO Avenir Europe impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

### Most important pressures of ODDO BHF Avenir Europe impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

ODDO BHF Euro Credit Short Duration

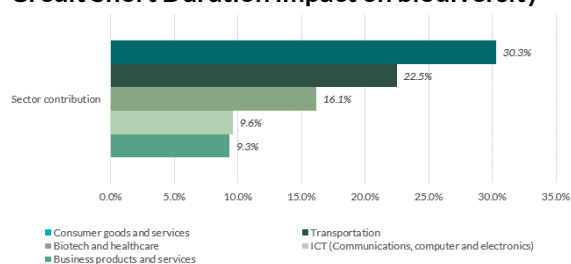
100% ICE BOFA 0-5 year Euro Developed Markets High Yield 2%

MSAppb*/€/bn invested	Coverage
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50	54%
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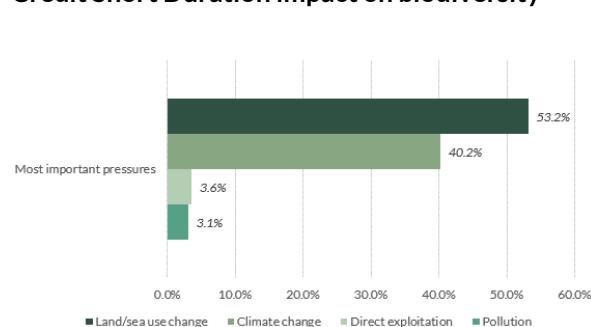
67	59%
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### Top 5 sector contribution of ODDO BHF Euro Credit Short Duration impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

### Most important pressures of ODDO BHF Euro Credit Short Duration impact on biodiversity

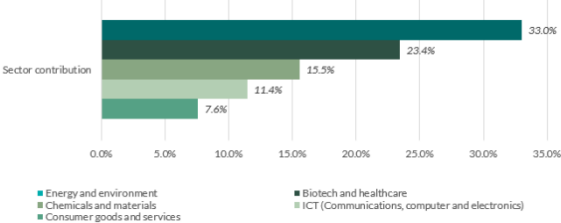


Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)



ODDO BHF Euro High Yield Bond  
100% BofAML E HY NF FI&FL Rate HY Constrained

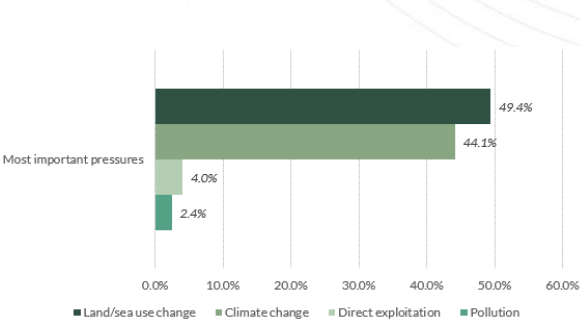
Top 5 sector contribution of ODDO BHF Euro High Yield Bond impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

MSAppb*/€/bn invested	Coverage
54	35%
75	49%

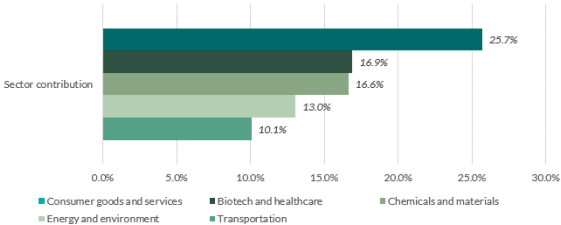
Most important pressures of ODDO BHF Euro High Yield Bond impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

ODDO BHF Global Target 2028  
100,00% BofAML E HY FI&FL Rate NF BB-B 3% C Non-Hybrid CarveOut

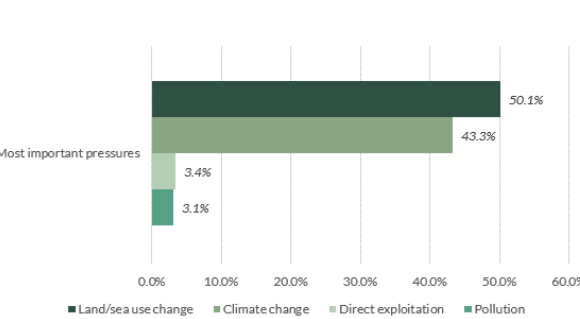
Top 5 sector contribution of ODDO BHF Global Target 2028 impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)

MSAppb*/€/bn invested	Coverage
67	35%
93	39%

Most important pressures of ODDO BHF Global Target 2028 impact on biodiversity



Source: ODDO BHF Asset Management SAS, BIA-GBS Carbon4 Finance (data as of March 2025)



## 8° Consideration of ESG criteria in risk management

### *1. Description of the risk management process*

#### Listed assets

The ESG Research team is responsible for rating companies to reflect sustainability risks using its internal rating model and facilitating the integration of ESG ratings from its external provider (MSCI ESG Research). Sustainability risks are then managed by the Risks & Compliance team, which is independent of the management teams and reports directly to the CEO of ODDO BHF Asset Management SAS. The Risks & Compliance team is in charge of analyzing and monitoring the market, liquidity and counterparty risks of the funds managed by ODDO BHF Asset Management SAS, as well as sounding the alert on high ESG risks while handling internal compliance and controls.

The first step in identifying and managing sustainability risks is our exclusion policy. As mentioned above in section 1° *General approach of the entity*, exclusion rules may vary from one fund or mandate to another. The exclusion lists are drawn up monthly by the ESG Research team and sent to the fund management teams, as well as to the Risks & Compliance team to be implemented in the control system.

The second step in identifying and managing sustainability risks involves our own rules for our Article 8-9 funds and mandates. Examples of these are internal exclusion filters in the areas of a company's human capital and governance, the exclusion of some ratings based on our internal model, an improvement in the portfolio's climate profile or external exclusion filters, based on data from our external provider.

The exclusion lists and ESG selection rules are configured into the Bloomberg AIM pre-trade compliance system. This option is used to apply an exclusion list to funds or mandates and to generate blocking messages before transactions are executed or orders sent to the desk:

- › On a pre-trade basis in Bloomberg AIM (buy-side blocking), based on portfolios in real time;
- › On a post-trade basis via the in-house Sentinel tool (which sends out a reminder in the event of non-compliance), based on accounting inventories.

When there are certain investment limits to be complied with, the managers are informed immediately by the Risks department of any incident or breach of such limits. Corrections are then made in the portfolios as soon as the fund management team is informed of them. For all breaches that have already been processed but not yet resolved, the internal controls team first sends reminders by email. There is also an escalation procedure in place. All proven breaches are reported by email to the managers concerned and

to the desk head and are filed in an audit trail. In the event of a persistent breach, the Compliance Committee or, failing that, the Executive Committee, is asked to rule on the matter. To ensure regular monitoring of the situation, material breaches are reported weekly by email to the Compliance and Internal Controls Department and to the Group Co-Chief Investment Officer.

To ensure compliance with these rules and a better understanding of sustainability challenges, there are regular contacts between Risk & Compliance, the fund management teams and the ESG Research team.

To find out more about our policy on integrating sustainability risks into the decision-making process under Article 3 of the SFDR, please refer to webpage dedicated to regulatory information<sup>59</sup>.

### Private assets

In terms of organization, the Risk & Compliance department is independent of the managers and reports directly to the CEO of ODDO BHF Asset Management.

Controls are organized at two independent levels:

- First level controls are carried out by operations teams (including portfolio managers and analysts) and the middle office.
- Second-level controls are carried out by the Compliance & Risk team, independently of operational activities, in accordance with the Annual Control Plan.

The Compliance function checks and controls compliance with this Responsible Investment policy as part of the Annual Control Plan.

The results of the second level controls are communicated in the Compliance and Risk Committee. In case of breach, the Compliance and Risk function informs the management of the ODDO BHF Asset Management and implements an action plan. This action plan is monitored until any breach is resolved.

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<sup>59</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/france/en/professional_investor/infos_reglementaire)



## Listed assets

To strengthen our identification, assessment, and risk management processes around sustainability, we set the following targets:

Targets 2024	2024 Results
Create a Sustainability Risk Committee assets composed of the ESG, Risk & Compliance, and Legal teams to optimize monitoring and managing of sustainability-related risks and regulatory issues for our listed and private assets.	A committee was created for the listed part with a bi-monthly meeting frequency.
Integrate Climate VaR from our external data provider MSCI ESG Research into sustainability risk management to better capture transition and physical risks for our listed assets.	We use this indicator in the context of ESG analyses using the internal model when it is relevant.

## 2. Sustainability risks

- › **Regulatory risk:** Our model for listed and non-listed assets captures the regulatory risks of the companies under a double materiality approach, i.e., how the company's practices fit into the regulatory framework, how the company is positioned to anticipate regulatory changes and how stringent the regulation is expected.
- › **Operational risks:** We assess the operational risks and the way the companies manage it.
- › **Strategic risks:** These are mostly appraised through the quality of the governance, the executive committee in place but they also include for example the current situation of the labor market (saturation, disfunctions, etc.).
- › **Risks linked to controversies:** Controversy tracking helps us to assess companies' exposure to risks. In our listed assets model, controversies are reviewed on the three pillars, E, S, and G and a penalty is applied to each sub-score according to the severity and frequency of the controversies.
- › **Transition risks:** Transition risks are potential financial impacts, whether positive or negative, resulting from the impact of transforming business models towards a low carbon economy.
- › **Physical risks:** Physical risks are directly linked to the consequences of climate change. Physical risks can directly impact companies through the geographical locations of their operations, as well as

indirectly through their supply chains. They can increase operating costs, impact employee productivity, or trigger temporary business disruptions.

The ESG Research Team maintains a sector materiality roadmap to take into account the most recent research on sustainability risks and challenges. The weighting of the internal ESG model for corporates is adjusted by sectors similar to MSCI ESG Research ESG rating model. The perimeter of the products covered is described in section 1. *Entity's general approach to the consideration of environmental social and governance (ESG) criteria.*

Below are details of the risk assessment, the associated criteria from our internal ESG model for listed assets, and some of the sources and/or tools used.

Risk	Criteria	Source
<b>Transition risk</b>	› Decarbonization strategy	› Companies' annual/sustainability report
	› Carbon price	› Dialogue with companies
	› Energy transition strategy	› CDP
	› Green CapEx	› Bloomberg
	› Product offer	› MSCI ESG Research
	› Stranded assets	› News flow
<b>Physical risk</b>	› Locations of production sites	› Companies' annual/sustainability report
	› Locations of suppliers	› MSCI Climate VaR
	› Type of weather events	› Bloomberg
<b>Biodiversity loss</b>	› Type of business activities	› Companies' annual/sustainability report
	› Location of business activities and associated risk such as deforestation, water-stressed areas, etc.	› BIA-GBS developed by Carbon4 Finance and CDC Biodiversité
	› Companies' biodiversity policies and preventive measures	› CDP
<b>Risk of controversies</b>	› Policies and risk exposure	› MSCI ESG Research
	› Risk management (governance structure)	› SESAMm
		› News flow
		› Dialogue with companies



### *3. Frequency of review of the risk management framework*

The first-level risk management framework is reviewed on a continuous basis including the review of the Responsible Investment Policy both for listed and private assets, following their annual review.

### *4. Action plan to reduce sustainability risks*

Our ESG strategy at entity level described in section 1 of this document has been structured to reduce sustainability risks during the entire investment cycle.

Pillar	How it reduces sustainability risks
<b>Exclusions</b>	Our Exclusions Policy is structured in two parts and is used to exclude assets exposed to the most significant sustainability risks. First, a common base of exclusion applies to the perimeter described in section 1 <sup>60</sup> . Second, more specific exclusions may be applied on some products, which align on the investment strategy and philosophy of the product concerned. Reviewed on a monthly frequency, they are directly integrated into the risk and control management tools by the Risk & Compliance team. These rules are controlled on a pre- and post-trade basis.
<b>ESG &amp; Climate Integration</b>	Based on internal ESG scores or external scores from MSCI ESG Research depending on the product's strategy, restrictive investment rules can be implemented for companies with a risky ESG profile. These ratings are used to determine the current and expected ESG performance of the companies invested in. Once again, these rules are controlled by the Risk & Compliance team on a pre- and post-trade basis.
<b>Active Ownership</b>	Our Active Ownership approach represents a key step for reducing sustainability risks. We dialogue with companies to gain a better understanding of the risks and opportunities of our invested companies. We also initiate individual and collaborative engagement with companies when we believe they face significant ESG risks and issues, or they could improve their ESG practices.

All investment rules can be found in the respective product prospectus and appendices available on our funds page<sup>61</sup>.

<sup>60</sup> As described in the policy available on: [https://am.oddo-bhf.com/france/en/professional\\_investor/GetRequestDocument?Cod-eDoc=PEX&CodPageWeb=FICHE\\_FONDS](https://am.oddo-bhf.com/france/en/professional_investor/GetRequestDocument?Cod-eDoc=PEX&CodPageWeb=FICHE_FONDS)

<sup>61</sup> [https://am.oddo-bhf.com/france/en/professional\\_investor/fundspage](https://am.oddo-bhf.com/france/en/professional_investor/fundspage)

## *5. Financial impact of the main sustainability risks*

As a precautionary measure, we do not yet wish to provide a quantitative estimate of the financial impact of the main sustainability risks for our listed and private assets. We have access to MSCI ESG Research's Climate VaR module for our listed assets, but due to our cross-asset exposure, we are not yet in a position to provide satisfactory quality and coverage. Furthermore, the robustness of Climate VaR remains controversial, and its results should be treated with caution given the large number of variables involved. As far as our private assets are concerned, we do not currently have the tools to collect sufficient data to be able to quantify the financial impact. On the other hand, the action plan to reduce sustainability risks described above enables us to limit our exposure to these risks and better anticipate negative impacts on our investments.

**ODDO BHF Asset Management SAS (France)**

Portfolio management company approved by the Autorité des Markets Financiers under GP 99011.

*Société par actions simplifiée* with capital of €21,500,000. Trade Register (RCS) 340 902 857

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