

**Statement on principal adverse impacts of investment decisions on sustainability factors**

Financial market participant ODDO BHF SE (LEI: 529900XLAZ15LYK8XK27)

**Summary**

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of ODDO BHF SE GmbH (LEI: 529900XLAZ15LYK8XK27).

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

With regards to a responsible corporate governance, ODDO BHF SE supports the principles of the UN Global Compact and is committed to its ten principles. ODDO BHF SE has determined, for its purposes, sustainability risks, their relevance to ODDO BHF SE, and an approach to monitor, control, and mitigate these sustainability risks. In addition, ODDO BHF SE has defined minimum standards for sustainability.

In this respect, it is only natural for ODDO BHF SE to also have strategies for identifying and prioritizing the principal adverse sustainability impacts (hereinafter: "Principal Adverse Impacts" or "PAI") and sustainability indicators. These may be used in course of portfolio management carried out by ODDO BHF SE, whereby it is pointed out that ODDO BHF SE does not currently apply these strategies in course of its portfolio management.

As can be seen from the following, ODDO BHF SE is able to consider different types of PAI when making investment decisions and reserves the right to actually do so in the future. In addition, it should be noted, in particular, that PAIs may be taken into account as additional criteria in the selection of financial instruments, without PAIs necessarily always having a higher weighting than other relevant aspects in course of investment decisions.

**Description of the principal adverse impacts on sustainability factors**

Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact 2022	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	22,485 tCO2	33,750 tCO2	Sum of portfolio companies' Carbon Emissions- Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	No actions have been taken or are currently being planned for the next reference period.
		Scope 2 GHG emissions	9,477 tCO2	10,173 tCO2	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	
		Scope 3 GHG emissions	286,567 tCO2	362,285 tCO2	Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the	

					portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.
		Total GHG emissions	304,555 tCO2	402,611 tCO2	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).
2. Carbon footprint	Carbon footprint	Carbon footprint	231 tCO2/MEUR invested	301 tCO2/MEUR invested	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).
3. GHG intensity of investee companies	GHG intensity of investee companies	GHG intensity of investee companies	726 tCO2/MEUR revenue	687 tCO2/MEUR revenue	The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3.3 %	4.7 %	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural

					gas, and thermal and metallurgical coal.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	69.5%	62.2%	The portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	NACE A: 0.5	NACE A: 0.5	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code A, B, C, D, E, F, G, H, L	
NACE B: 1.5			NACE B: 3.1			
NACE C: 0.2			NACE C: 0.3			
NACE D: 3.0			NACE D: 1.4			
NACE E: 3.0			NACE E: 1.7			
NACE F: 0.3			NACE F: 0.2			
NACE G: 0.2			NACE G: 0.2			
NACE H: 0.7			NACE H: 0.5			
		NACE L: 1.2	NACE L: 1.0			
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.0%	0.4%	The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.	No actions have been taken or are currently being planned for the next reference period.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	26.2 t/MEUR invested	5.9 t/MEUR invested	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	Data availability and coverage rate are currently not sufficient to define concrete measures and targets.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee	2.3 t/MEUR invested	1.0 t/MEUR invested	The total annual hazardous waste (metric tons reported) associated with 1	Data availability and coverage rate are currently not sufficient to define

		companies per million EUR invested, expressed as a weighted average			million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	concrete measures and targets.
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.7 %	0.5 %	The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.	No actions have been taken or are currently being planned for the next reference period.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	29.6 %	26.3 %	The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	12.9	12.5	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	37.0 %	37.5 %	The portfolio holdings' weighted average of the ratio of female to male board members.	

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0 %	0.0 %	The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.	
<b>Indicators applicable to investments in sovereigns and supranationals</b>						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	324 tCO <sub>2</sub> /MEUR GDP	258 tCO <sub>2</sub> /MEUR GDP	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP)	No actions have been taken or are currently being planned for the next reference period.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	43	40	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports	

Other indicators for principal adverse impacts on sustainability factors

**Table 2**  
Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
<b>Indicators applicable to investments in investee companies</b>		
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>		
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Water, waste and material emissions	15. Deforestation	Share of investments in companies without a policy to address deforestation

Table 3  
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTER		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy

#### Description of policies to identify and prioritize principal adverse impacts on sustainability factors

The strategies for identifying and weighting the principal adverse impacts on sustainability factors were formally approved by an internal ESG Project Committee 27 March 2023.

Investment decisions made by ODDO BHF SE in course of portfolio management may have adverse impacts on the environment (e.g., climate, water, biodiversity) as well as on social and employee issues, and may also be detrimental to the fight against corruption and bribery.

PAIs can be examined by ODDO BHF SE on a quarterly basis since June 30, 2021.

ODDO BHF SE can use various measures to manage the identified PAIs if necessary, whereby it would consider all identified PAIs to be equally important. For example, ODDO BHF SE has defined corresponding guidelines for the investment process in its portfolio management, which can be used if necessary. The relevant specifications for the investment universe relevant in course of portfolio management and the investment decisions made therein can be made available to all portfolio managers and continuously developed with them. The relevant components of the investment process can form a sound basis for sustainability-oriented decisions within the selection process.

The relevant specifications can in particular take into account data from service providers specializing in sustainability analyses (currently MSCI ESG Research). On this basis, all investments can be analyzed in terms of their sustainability related to environmental, social and corporate governance matters within the framework of portfolio management. For individual securities, an in-house ESG approach can be applied, which can serve to take PAI into account and - if applied - would essentially be based on the application of the following exclusion criteria at individual instrument level:

- Sector exclusions: Companies with certain turnover shares in the weaponry, gambling, pornography, tobacco and coal sectors would be excluded from investment. The question of which turnover threshold would be decisive in each case would be resolved on a sector-specific basis: for most sectors, a turnover share of more than 5% would currently be considered decisive, but for some sectors or sub-sectors of these sectors, other thresholds would be considered decisive in some cases (for example, an investment in companies that generate turnover in the area of certain weapons would be completely excluded; for other sectors, turnover shares greater than 5% would also be possible).
- Non-compliance with the principles of the United Nations Global Compact: Companies that violate the principles of the United Nations Global Compact would be excluded from investment.
- Biodiversity: Companies that claim to operate in or near biodiversity-sensitive areas and/or have been involved in controversies with serious or very serious adverse environmental impacts may be excluded from investment.
- Poor sustainability ratings: Companies and countries with poor sustainability ratings may be excluded from an investment (according to MSCI ESG Research Methodology: "B" sustainability rating or worse).

In principle, the sustainability criteria would also be applicable to indirect investments (e.g. funds, certificates) (provided that corresponding data are available). In this context, the above criteria - modified accordingly - would apply to indirect investments consolidated at the level of the respective investment instrument.

In the future, ODDO BHF SE will continue to develop the approach described above, whereby it will be significantly dependent on corresponding data and its quality. ODDO BHF SE is currently in the process of reviewing the data situation in detail and obtaining a more comprehensive supply of relevant data.

Against this background, ODDO BHF SE intends to further improve its internal strategies and measures in order to reserve the possibility of being able to take into account adverse impacts of investment decisions on sustainability factors to a greater extent on the basis of the data available to it.

Finally, it should be noted that ODDO BHF SE always makes investment decisions in the best interests of its clients in course of portfolio management, which means that PAI would be taken into account as additional criteria alongside other decision-relevant factors, which means in particular that PAI would not necessarily be given greater weight than other decision-relevant factors in every case.

#### Statement by ODDO BHF SE on principal adverse sustainability impacts in its function as financial advisor (disclosure pursuant to Article 4 SFDR)

In course of investment advice, ODDO BHF SE considers the principal adverse impacts on sustainability factors (PAIs) exclusively for clients who have indicated corresponding sustainability preferences to ODDO BHF SE (in the MiFID questionnaire). Thus, clients of ODDO BHF SE have the possibility to indicate which PAIs should be taken into account. The following categories can be specified:

1. Climate-related categories (GHG emission intensity of the companies in which investments are made).

2. Other environment-related categories (activities that adversely impact areas with biodiversity in need of protection).
3. Social, labor and human rights categories (involvement in controversial weapons).

If clients do not indicate sustainability preferences for the principal adverse impacts on sustainability factors (in the MiFID questionnaire), these will not be taken into account in the investment advice, especially as this is not explicitly requested by clients who have not provided corresponding information.

#### Engagement policies

In its function as portfolio manager, ODDO BHF SE does not exercise any shareholder rights, and therefore does not pursue an engagement policy.

#### References to international standards

ODDO BHF SE follows internationally recognized principles for sustainable business and banking activities as part of its due diligence and reporting obligations. An example of this are the principles of the United Nations Global Compact.

Currently, ODDO BHF SE does not use a forward-oriented climate scenario, in particular, because there are not yet sufficiently mature methods and data available, and no market standard has yet been developed in this regard.