

ODDO BHF Group's *social and environmental* commitment

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NON-FINANCIAL REPORT (NFR)

Dear clients, employees and partners,

We are conscious of the fact that our Group bears a responsibility to society that goes far beyond the social and legal obligations of our company.

For many years, we have followed a sustainability approach (CSR) in both France and Germany based on solidarity with our clients, with our employees and with society.

For over 15 years, we have offered products and services drawing on financial analysis that integrates environmental, social and governance (ESG) criteria. Our Group is therefore a pioneer in Paris, one of the world's leading financial centres for sustainable finance and climate issues.

This approach was developed in our asset management (23% of assets are managed in line with ESG criteria), in our private wealth management and in the equity and bond business.

The dynamic that we have created is reinforced within the Group by proposals from teams at all levels. The aim is to shrink our environmental footprint, for example by reducing our consumption and paying special attention to how we travel. All these initiatives are drawn up and carried out by an internal committee of employees.

At the same time, our HR policy is aimed at promoting diversity, our employees' commitment and the perpetuation of our partnership programme. The latter enables every employee to take a share in the Group's capital. In total, around 25% of the Group's capital is currently held by its employees.

With our foundations, namely "Acting for Tomorrow" in France and BHF BANK Stiftung in Germany, we are engaged in public outreach. In France, our endowment fund supports medical research (Foundation for Alzheimer's Research), work in areas hit by natural disasters (Médecins Sans Frontières), and education and training ("Espérances Banlieues" network, Institut Télémaque). In Germany, these initiatives are assisted by BHF BANK Stiftung, which is involved in medical research as well as social and cultural issues.

Businesses are playing an increasingly important role in our society today. We are determined to take active responsibility.



PHILIPPE ODDO
General Partner
and CEO of ODDO BHF

A handwritten signature in black ink, appearing to read "Philippe Oddo".





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Our values
form the core
of our identity



Maximilian Rosswag *Private Wealth Management*

Entrepreneurial

A family-owned company whose employees have a stake in the share capital and thus similar interests to clients.

Stable

Determination to work on a long-term basis with clients, partners and employees ensuring trust and integrity.

Driven

Employees driven by an ideal of excellence and a constantly renewed commitment.

Independent

Freedom of spirit and action acknowledged by our clients.

Unique

A unique Franco-German group offering a matchless quality of client relationship.

A company history going back centuries



1849

Camille Gautier

becomes a stockbroker
in Marseille.



1854

**Frankfurter
Bank**

is founded as the central
bank of Frankfurt.

1856

**Berliner
Handels-
gesellschaft (BHG)**

is founded at the time
of the economic upturn
in Germany.

1884

**Carl
Fürstenberg**

joins BHG. Under his leadership,
it becomes one of the leading
banks in Germany.



1966

**Opening of the high-rise bank tower
in Frankfurt am Main**

designed by Sep Ruf (Bauhaus). It is the highest building
in the city at that time.



1970

Merger

BHG and Frankfurter Bank merge to create BHF-BANK. This development attracts significant attention in Germany.

1971

9

Bernard Oddo

founds his own company as a broker. He rapidly introduces a system through which employees can participate in the capital – the foundation of the current partnership programme.

1987

Philippe Oddo

becomes a partner in 1987 together with his brother Pascal Oddo. They appoint a management team in 1995.

1997 – 2011

Oddo & Cie

grows rapidly and continuously, both internally and externally, acquiring Delahaye Finance, Pinatton, NFMDA, CLSE, Cyril Finance, Banque d'Orsay and Robeco.

1999

Creation of the BHF BANK Stiftung

The charitable foundation BHF BANK Stiftung is still the key supporter of our work for society in Germany.

2009

The Oddo Research Institute

is founded in Tunis.

2015

Franco-German development

ODDO & Cie takes over Close Brothers Seydler and Meriten Investment Management in 2015 and BHF-BANK in 2016. The goal is to become one of the leading financial services providers in the eurozone.

2017

Transformation

The Group becomes ODDO BHF and appoints a Franco-German management team.

2018

Transfer

The brokerage businesses and equity research activities of Natixis in France are transferred to ODDO BHF; acquisition of ACG Capital (private equity).

First *Franco-German* financial Group

2,300 EMPLOYEES INCLUDING:

860 
FRANCE

1,200 
GERMANY
AND SWITZERLAND

3

BUSINESS LINES

PRIVATE WEALTH MANAGEMENT ●

ASSET MANAGEMENT ●

CORPORATES & MARKETS ●

FRANCE

- Lyon
- Marseille
- Paris
- Strasbourg

ITALY

- Milan

SPAIN

- Madrid

GERMANY

- Baden-Baden
- Berlin
- Cologne
- Düsseldorf
- Essen
- Frankfurt
- Hamburg
- Hanover
- Mainz
- Munich
- Münster
- Nuremberg
- Stuttgart

SWEDEN

- Stockholm

TUNISIA

- Tunis

USA

- New York

UNITED ARABES EMIRATES

- Abu Dhabi

CHINA

- Hong Kong

SWITZERLAND

- Geneva
- Zurich

VIETNAM

- Hồ-Chi-Minh-City

BELGIUM

- Bruxelles

LUXEMBOURG

- Luxembourg

RESULTS*

15.4%

solvency ratio

€ 585 M

net banking income

€ 110 BN

client assets

€ 13.7 BN

assets under management
invested in ESG

RESOURCES

2,300

employees

€ 890 M

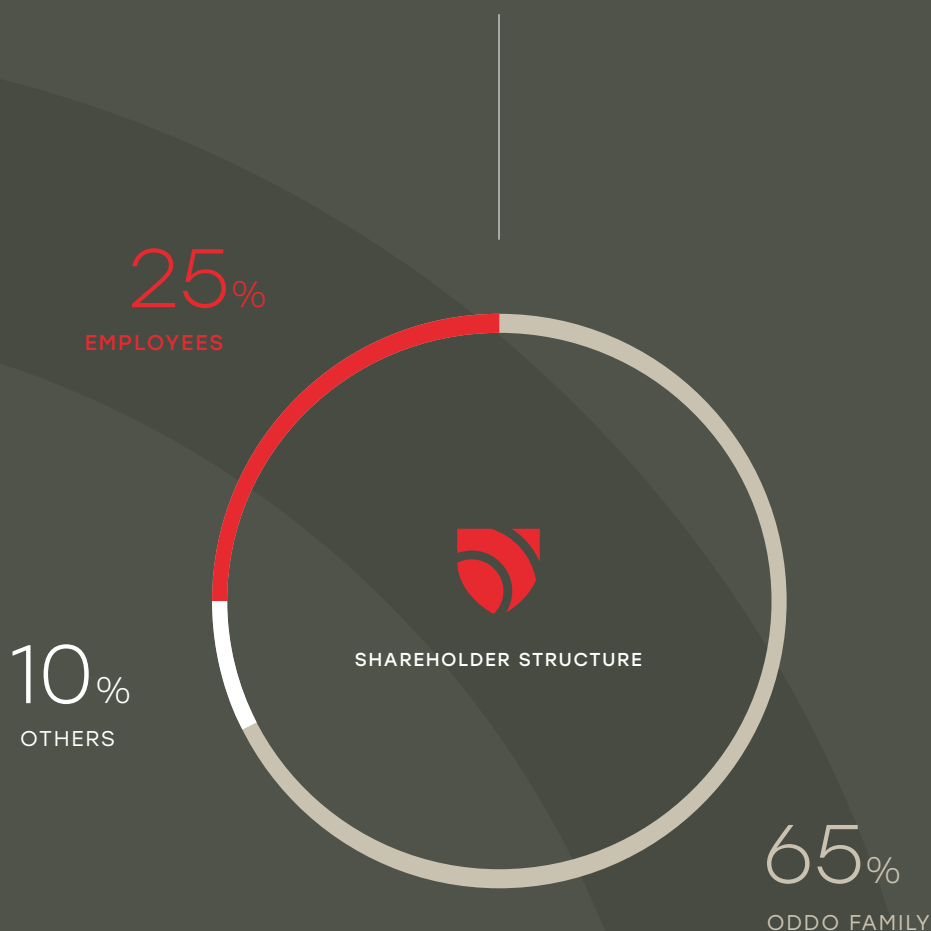
equity

6,918 KWH

of electricity consumed
per FTE in 2019

*Results from the 31/12/2019

Employees' *share* in capital and investment *in research* *and expertise*



60% of French and **25%** of German employees hold a share in the Group's capital. This is an important sign of mutual attachment that enables us to move forward with a focus on the long term and with employees who have a close relationship with the Group.

THE GROUP INVESTS 20% OF ITS REVENUE IN:

FINANCIAL ANALYSIS

- Equity and bond research
- Brokerage

INFORMATION TECHNOLOGY

- Management of value chains
- Bespoke solutions for our clients
- Independent
- Research and development

MISSION

HELP WOMEN, MEN AND COMPANIES GROW

CLIENTS

Private clients

Retail clients, associations, groups, foundations, company heads, family offices

Institutional investors

Asset managers, insurers, private banks, wealth managers, regional banks, pension funds, bond issuers, special funds, hedge funds, fund managers

Companies

Large, mid and small caps, next caps, unlisted companies, funds

BUSINESSES

Private Wealth Management

Asset Management

Corporates & Markets

SERVICES

Aid companies over the long term with their corporate finance operations

Manage and distribute funds in all asset classes

Design innovative and flexible investment products, offer wide range of pension and employee savings products.

Provide bespoke wealth structuring and investment solutions to private bank clients

Provide independent financial analysis and a comprehensive execution service

Finance companies' exports and growth

Provide solutions for metals sourcing and associated logistics, financing and hedging solutions.

CSR* *Roadmap*

01

FOSTER A SUSTAINABLE FUTURE WITHIN OUR BUSINESSES



- 20 – 25 Cover more issuers through our internal ESG model and actively cover a larger investment universe thanks to an external service provider
- 20 – 25 Extend ESG integration to more areas (European small caps, convertible bonds, quantitative management of European equities, private equity, high-yield bonds, credit total return and diversified investment)
- 20 – 25 Certify a selection of mutual funds
- 20 – 25 Improve and deepen our climate concept to measure the alignment of our ESG portfolios with the 2°C trajectory
- 20 – 25 Publish best responsible investment practices annually
- 20 – 25 Train employees in investment, sales and marketing departments
- 20 – 25 Introduce ESG and climate reporting for all funds integrating ESG criteria

*Corporate social responsibility



02

WORK TOWARDS A CARING SOCIETY

- 32 – 41 Apply partnership agreements signed by the endowment fund and its partners; involve employees in the fund's activities

03

CHAMPION OUR EMPLOYEES

- 44 – 45 Rebalance the age pyramid
- 46 – 49 Apply identical procedures for recruiting employees on permanent contracts in Germany and France, with the aim of permanently taking on more than 90% after their trial period
- 50 – 51 Maintain a system for helping employees with disabilities and special needs to perform their role under the best possible conditions
- Lead awareness campaigns within the framework of "Mission Handicap" in France and Germany
- 52 – 53 Provide training in response to requests by employees and the Group's current and future needs



05

**REDUCE
OUR ENVIRONMENTAL IMPACT**

- 60 – 61 Expand the set of suppliers evaluated by EcoVadis to the whole Group
- 62 – 64 Reduce electricity consumption
- 62 – 64 Introduce environmental certification at the Group's locations
- 62 – 64 Reduce paper consumption

06

**FIGHT CORRUPTION
AND TAX EVASION**

- 68 – 71 The Group is committed to complying with all rules relating to the fight against corruption and tax evasion, and specifically to:
 - Provide employees with up-to-date rules of procedure
 - Provide regular training for Group employees
 - Monitor all activities to ensure regulatory compliance







FOSTER A SUSTAINABLE FUTURE WITHIN OUR BUSINESSES

Our social and environmental responsibility as a company plays an important role in all of our business lines. ESG criteria are incorporated into our asset management from the very start, which directly influences the construction of our portfolio. Our equity research department has used internal ESG criteria since 2005, and our metals trading is ISO 9001 – ISO 14001 certified.

Develop a responsible, *sustainable* investment offer in our asset management business

ODDO BHF ASSET MANAGEMENT

ODDO BHF has been considering climate change and the associated challenges in its decisions for many years.

ODDO BHF Asset Management, the Group's asset management division, is conscious of its responsibility as an investor and has developed a long-term investment philosophy founded on its convictions.

ODDO BHF Asset Management's ESG and climate approach aims to impact the portfolio construction process, meeting two requirements:

Comply with French, German and European environmental regulations

Climate reporting has become a key component of investment strategies integrating ESG criteria. Besides regulatory and non-regulatory legislation (Article 173 of the French Energy Transition Law), it helps to raise investment experts' awareness of the financial risks associated with climate change.

This likewise encourages the allocation of more investment flows to sectors and companies that make a positive contribution to the transition to a low-carbon economy.

Meet growing demand from institutional investors for socially responsible and traditional investments (SRI*) and long-term research that considers not only financial, but also environmental, social and governance criteria.

*Socially responsible investment

We have identified five pillars for our ESG approach, notably on the basis of SRI certifications. We want to become a dominant player in socially responsible investment.

5 PILLARS

8 OBJECTIVES

ESG COVERAGE

ODDO BHF AM investment universe covered by our internal model

Active coverage of a broader universe thanks to our external data supplier (Sustainalytics)

ESG INTEGRATION

Extend ESG integration to different areas of expertise (European small caps, convertible bonds, quantitative management of European equities, private equity, high-yield bonds, credit total return and diversified investment)

Certify a selection of mutual funds

CLIMATE STRATEGY

Continuously optimise our approach and measure the alignment of our ESG portfolios with the 2 °C trajectory

TRAINING AND PROMOTION

Internal training of investment, sales and marketing teams

Publication and exchange of best practices in the area of responsible investment

REPORTING

Provide high-quality ESG and climate reporting for all our sustainable funds

APPROACH AND METHODOLOGY

A signatory to the United Nations Principles for Responsible Investment (PRI) since 2010 and the Carbon Disclosure Project (CDP) since 2006, ODDO BHF Asset Management participates in several global initiatives and working groups in France and Germany to foster a sustainable investment approach.



ODDO BHF Asset Management's responsible investment approach is based on a long-term investment philosophy founded on its convictions. We ensure that the ESG criteria important to investors are integrated into the analysis and evaluation of issuers in the same ways as traditional financial criteria.

We thus fulfil our twofold aim of offering extensive and comprehensive analysis of long-term risks and opportunities as well as sustainable financial services.

ESG ANALYSIS AND PORTFOLIO CONSTRUCTION

Our methodology is based on an internal model of 42 criteria prioritising the key elements in the following three areas:

environment (environmental risks and/or opportunities of products and services), **social** (human capital, quality of the management team) and **governance** (corporate governance). This ESG analysis draws on external data providers (Sustainalytics, Bloomberg, Factset), brokers selected for their special ESG expertise and regular meetings with issuers. This information also contributes to the in-depth internal analysis performed by our teams.

We also include controversial issues (industrial accidents, pollution, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.) in our analytical grid, primarily using input supplied by Sustainalytics. These aspects thus have a direct impact on the final ESG rating of each company.

The risks associated with implementing a company's long-term strategy affect the results of our ESG analysis and thus the construction of our portfolios (valuations of securities, weighting of positions, buy and sell discipline).

DIALOGUE WITH COMPANIES

If companies we are invested in perform very poorly on the most important ESG criteria, we invite them to meet with us. We seek a dialogue in order to work towards improvement rather than simply cutting the company out. The decision to engage in dialogue is taken by our ESG Committee, which meets every quarter and incorporates all areas of investment expertise (equities, bonds, loans, large and mid caps).

Our approach is considered fruitful if the dialogue with an issuer results in greater ESG transparency and/or an improvement in ESG practices over time. If our efforts prove unsuccessful (non-existent or unsatisfactory dialogue), portfolio management teams may decide to divest their positions if necessary.

VOLTING POLICY

ODDO BHF AM believes that exercising voting rights is an essential tool for meeting its responsibility as a shareholder and a signatory to the PRI regarding environmental, social and governance criteria. ESG analysis is a core element that plays a significant role in the voting policy

at Annual General Meetings. Decisions are made on a case-by-case basis, with priority given to corporate governance and human resources management (quality of management and human capital).

More information on our voting policy can be found on our website: https://www.am.oddo-bhf.com/deutschland/de/professioneller_anleger/ad/expertises_de_gestion/1008/investissement_durable__esg/1016

ODDO BHF AM systematically participates in votes at all companies present in portfolios integrating ESG criteria.

OUR CLIMATE CHANGE APPROACH

Besides simply measuring carbon emissions, ODDO BHF AM reinforces its differentiated approach by integrating a qualitative analysis of the contribution of its portfolios to the attainment of climate objectives. For this purpose, we have developed an energy transition analysis (ETA) to measure the contribution of each company to a low-carbon economy.

ETA | OUR INTERNAL SCORING SYSTEM FOR THE ENERGY TRANSITION ANALYSIS OF COMPANIES*

SECTOR POSITIONING

Clean energies (ODD 7, 13)

Energy efficiency (ODD 7, 9, 11)

Biodiversity (ODD 6, 12, 14, 15)

Circular economy (ODD 11, 12)

Sustainable mobility (ODD 9, 11, 13)

ETA SCORE: 30%

ENVIRONMENTAL ANALYSIS

Environmental management system

Products and/or services

- Environmental opportunities
- Environmental risks
- Governance
- Strategy
- Risk management
- Objectives

ETA SCORE: 70%

* Internal rating scale out of 5, source: ODDO BHF AM

RESULTS

EUR 13.7 BN

of assets under management
in investment products integrating
ESG criteria

5 EXPERTISES

in special ESG areas: fundamental
equities, quantitative equities,
investment grade loans, convertible
bonds, green bonds

9 LABELS

Seven SRI-certified funds in France
and **two FNG-certified funds** in Germany

2 WHITE PAPERS

**on coal exclusion and the ESG
rating of government** issuers were
published in 2019.

180

management and support employees
participated in training in 2019

± 600

issuers monitored using
our internal ESG model.

INVESTOR AGENDA 09/19

In September 2019, ODDO BHF AM signed
the Investor Agenda, a programme for
accelerating and scaling up actions
to tackle climate change.

WOMEN'S EMPOWERMENT PRINCIPLES 10/19

ODDO BHF AM signed the "Women's
Empowerment Principles" statement to
support the principle of gender equality
in business.



ODDO BHF was one of the founding
forces behind the European Finance and
Sustainable Development Awards, created
in 2005 and supported by the French
Sustainable Investment Forum (FIR),
Eurosif and PRI.

These awards can be awarded to anyone
involved in research (students, researchers,
scholarship holders, authors Master's/PhD
theses, articles, etc.) for their achievements
in the field of finance and sustainable
development (SRI, microfinance, socially-
responsible finance, etc.).

The 14th awards ceremony was held in Paris
in October 2019.

PERFORMANCE

1/3

of relevant indicators (carbon intensity, exposure to fossil fuels, green share) are taken into account in climate reporting.

23%

of assets under management are invested in line with ESG criteria (12% in 2018).



NICOLAS JACOB

Head of ESG Research
at ODDO BHF
Asset Management SAS

▀▀ The incorporation of ESG criteria into asset management is essential and is an increasingly important subject for many clients. We are therefore delighted to offer such *an extensive and sustainable range of funds* with a quality label renowned throughout France and beyond.



INTERVIEW

ODDO BHF CORPORATES & MARKETS

In the ODDO BHF Corporates & Markets' ESG research team, ESG analysis has been in constant development since 2005. The team comprises several analysts with experience in buy- and sell-side research and advisory.

INTERVIEW WITH TWO ESG ANALYSTS FROM ODDO BHF CORPORATES & MARKETS



**JEAN-BAPTISTE
ROUPHAËL**

ESG Analyst — ODDO BHF
Corporates & Markets



MARC LAVAUD

ESG Analyst — ODDO BHF
Corporates & Markets

The ODDO BHF ESG research team is celebrating its 15th anniversary this year. How has your work changed over the years?

JEAN-BAPTISTE ROUPHAËL → We have integrated governance into financial analysis (power relations, management authority, etc.), as this is a particularly significant topic. In response to the demand for socially responsible investments (SRI), we have also extended our analysis to social and environmental aspects. The climate emergency is leading to very high demand for ESG research among “traditional” asset managers. For this reason, we are working to eliminate the divide between financial and non-financial analysis in order to achieve full integration.

MARC LAVAUD → We are using our governance expertise again this year by expanding our historic study, from now on to be called “Effective and Sustainable Governance”, with social and environmental governance topics. In addition to the traditional criteria, we now rate companies’ ability to cover these topics in their management boards (presence of a board member who specialises in one of these topics, stipulation of environmental and social criteria for CEO remuneration, etc.)

What does a normal working day look like for you?

JEAN-BAPTISTE ROUPHAËL → Every Monday, we send our clients a document with the week’s ESG news: regulations, new developments, controversies. We then consider the data and thinking on ESG discussed in the financial analyses in this light. In addition, we report regularly on important issues. In 2019, we looked at the topic of CO2 for aviation and the steel and cement industries. We also compile precise analyses of other to-

pical issues such as blockchain or the desalination industry. Finally, we organise events, such as our sustainability forum in Paris every July, which is aimed at large enterprises, and the ESG info stand at the annual ODDO BHF Forum in Lyon in January. We also organise events that allow companies to present their CSR strategy to investors in the presence of competitors.

What method do you use for your analysis?

JEAN-BAPTISTE ROUPHAËL → Our analysis method is to identify companies’ key ESG topics, to investigate more-sustainable production models and to evaluate companies’ ability to use them on the basis of the opportunity/risk model. We use our access to the companies’ managements to obtain a more informed overview of the involvement of organisations and individuals in these issues, as well as the expertise of our analysts, who have many years of industry and management experience. The alignment of companies’ long-term strategy to a sustainability approach is crucial for our evaluation – and we do not have to weight E, S and G performance individually.

MARC LAVAUD → To monitor governance, we use input from financial analysts and benefit from their in-depth knowledge about the management and strategy of the companies they cover. We combine their extensive knowledge as sector specialists with our expertise in tools for governance analysis.

ODDO BHF METALS

Certifications

Quality and environmental
management in our metals trading
business



The **ODDO BHF METALS** department specialises in the procurement of non-ferrous metals and the hedging of material and commodity risks for industry and is working constantly to increase its clients' satisfaction and improve the efficiency of its internal organisation.

Technical developments, the increasingly sophisticated demands of our clients and the competitive environment encourage us to continue listening to our clients and constantly improve our services. We are also committed to working with an eye on environmental protection and compliance with the requirements, rules and regulations applicable to our business activity.

Having launched a certification project in 2014, ODDO BHF Metals obtained **ISO 9001** (*quality management*) and **ISO 14001** (*environmental management*) certifications in their 2008 versions in June 2015. These certifications were renewed for three years in June 2019.

In both of the two years following certification, the certification body makes a monitoring visit in order to adjust procedures and implement follow-up measures where necessary. The requirements for obtaining these certifications are clearly defined, and audits verify whether adequate procedures

have been implemented for the four relevant categories of quality management, purchases, sales and resources.

The Chief Quality Officer, who reports directly to the Head of ODDO BHF Metals, is in charge of documentation and monitoring the obligations.

The dual ISO 9001 and ISO 14001 certifications ensures that our quality & environmental management system is monitored and formalised. The certifications also help to steadily strengthen our reputation among all our clients and stakeholders (suppliers, service providers, etc.).

Our quality & environmental management system sets out all rules and procedures applicable to our business. These rules and procedures are the result of work on these issues by all employees.



ANTOINE CHACUN
Head of ODDO BHF Metals



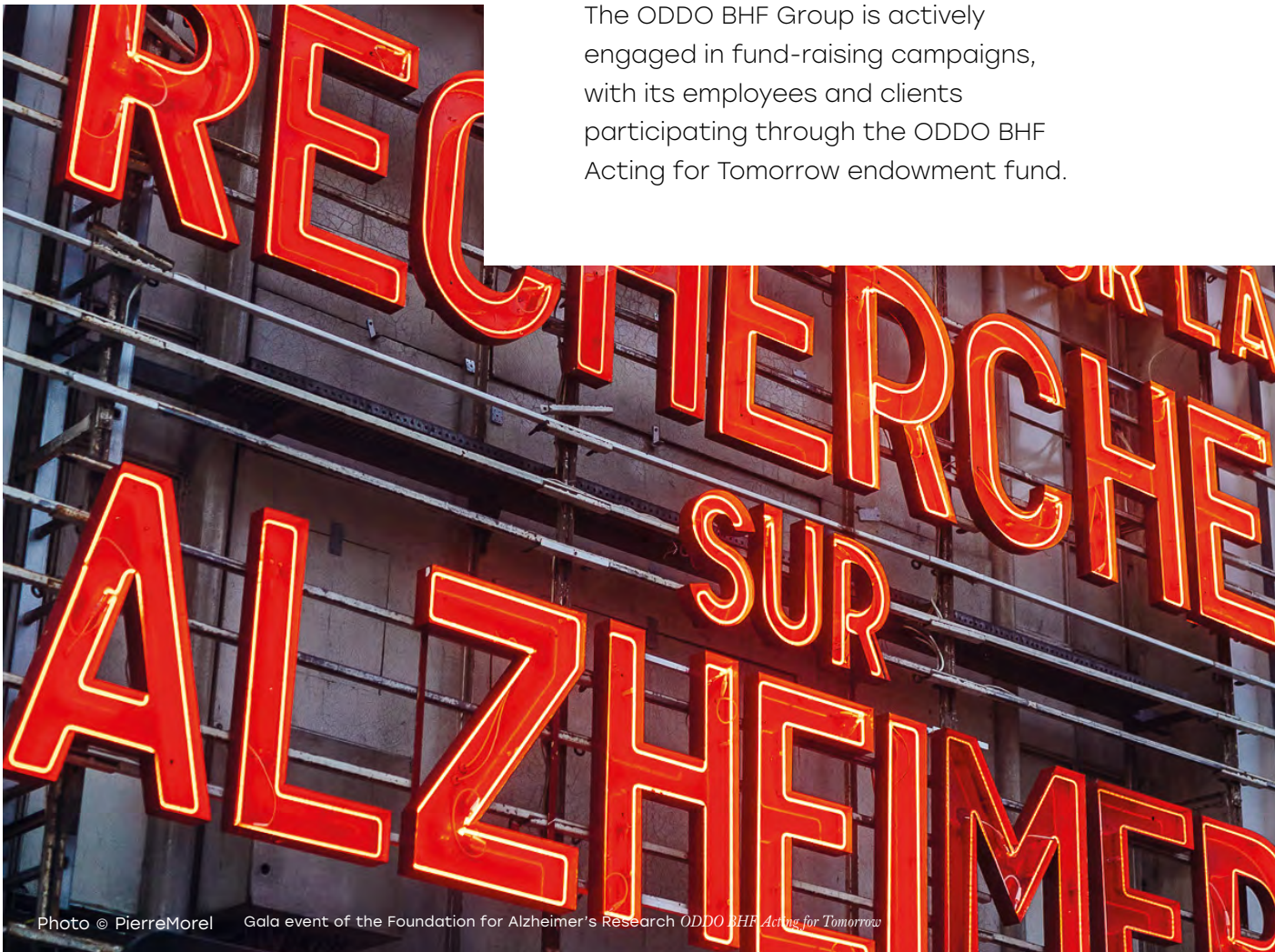
A photograph of two women in professional attire. The woman in the foreground is in sharp focus, looking directly at the camera. She has long dark hair and is wearing a white collared shirt under a black blazer. The woman in the background is blurred, also looking towards the camera. The background is a soft-focus office environment with a warm light source on the right.

WORK TOWARDS A COHESIVE SOCIETY

With two dedicated bodies, the ODDO BHF Acting for Tomorrow endowment fund and the independent BHF BANK Stiftung, we aim to promote development in the countries in which our Group operates by supporting educational, social and artistic projects.

ODDO BHF

Acting for Tomorrow



The ODDO BHF Group is actively engaged in fund-raising campaigns, with its employees and clients participating through the ODDO BHF Acting for Tomorrow endowment fund.

Photo © PierreMorel Gala event of the Foundation for Alzheimer's Research ODDO BHF Acting for Tomorrow

ODDO BHF Acting for Tomorrow was created in 2012 with a twofold objective:

-
- 01 To involve employee teams in joint campaigns and projects
-
- 02 To structure social engagement within the Group and anchor it in two main areas:
 - Emergency support: natural, environmental or humanitarian disasters, social emergencies
 - Support for education and research: scientific or medical research, support for schools and other educational organisations
-

In this way, the Group seeks to encourage a collective dynamic by enabling employees to unite around a common cause. They can thus demonstrate that the values of the company and its activities are also reflected in their approach to society.

The challenge for ODDO BHF is to take action that is consistent with the Group's values and the principles laid down when the fund was established.

The involvement of employees and clients is the key to the success of the ODDO BHF Acting for Tomorrow endowment fund.

The ODDO BHF Group pledges to apply the partnership agreements signed by the endowment fund and its partners and to involve employees in the fund's activities.

APPROACH AND METHODOLOGY

The fund's legal structure ensures the sustainability of the Group's social activities.

ODDO BHF Acting for Tomorrow's principal endowment capital is available for use. This enables the Group to structure its philanthropic approach and enter into long-term commitments with its partners, ensuring that every partnership is respected and monitored.

A Group employee is responsible for coordinating the fund and ensuring its smooth functioning. In close cooperation with the management, this fund coordinator defines and monitors the fund's principles, budget and activities. The fund coordinator also organises a monthly meeting attended by the management and the Head of Communication and Marketing.



4 PARTNERSHIPS

Fondation for Alzheimer's Research

The ODDO BHF Group has supported the Foundation for Alzheimer's Research since its creation around 14 years ago. Each year, the Group helps to organise a gala concert, with proceeds going towards Alzheimer's research.

Cours Ozanam

At the end of 2017, the ODDO BHF Acting for Tomorrow endowment fund decided to support the Cours Ozanam education project by helping to finance the creation and operation of Collège Frédéric Ozanam over three years from 2017 to 2019. This school, supported by the Espérance Banlieues foundation, aims to improve the quality of education in the poorer districts in the north of Marseilles.

Professorship with HEC Paris: "ODDO BHF Financial Analysis"

In 2018, the ODDO BHF Group and HEC Paris, a French business school, together created a professorship for corporate financial analysis. The underlying methodologies are one the Group's specialist areas.

There will be occasional joint activities alongside this partnership, such as support for the "Jeunesses & Résistances" project, a Franco-German initiative aimed at young people in both countries.

Médecins Sans Frontières (France)

ODDO BHF has been a partner of Médecins Sans Frontières (MSF) since 2014. Despite working in different fields, ODDO BHF and MSF share the same values: independence, responsiveness and long-term commitment. This partnership allows ODDO BHF to respond rapidly to environmental and humanitarian disasters with an internal emergency appeal system, with donations received matched by the endowment fund.



CHRISTOPHE ROUX

Head of Accounting
at Corporates & Markets
and coordinator of the endowment fund

▮▮ The endowment fund's approach is part of ODDO BHF's DNA: As a financial market expert, the Group lives and breathes the news cycles that affect market movements, but also invests in *long-term research*.

RESULTS

2 FUND-RAISING CAMPAIGNS,

the proceeds of which went towards MSF's activities in East Africa in April 2019 after the devastation caused by Cyclone Idai as well as the reconstruction of Notre-Dame Cathedral in Paris in cooperation with "Fondation du Patrimoine" (Heritage Foundation) in May 2019.

167

employees took part in the two emergency appeals.

1 RACE FOR SOLIDARITY

with 47 employees and 26 clients.

1 INFORMATION EVENT

to present Institut Télémaque in France, coupled with an internal appeal for applications to work as a tutor for Télémaque.

1 SOLIDARITY CAMPAIGN

in support of MSF on 5 December 2019. Employees were encouraged to walk or cycle to work. 88 employees took part.

1 GALA

was organised in March 2019 in cooperation with the Foundation for Alzheimer's Research.

PERFORMANCE

8%

of employees participated in the endowment fund's activities.*

* Not including employees of ODDO BHF Tunis or employees of ODDO BHF AG based in Abu Dhabi, Vietnam or Hong Kong.

BHF BANK Stiftung

New ways, new outlooks



Created in 1999, BHF BANK Stiftung is a German not-for-profit charitable foundation. It is an operational foundation that originates ideas for numerous projects and launches new initiatives.

Working independently of the bank, it supports projects that tackle new and old social challenges with unconventional ideas outside the mainstream.



UNART Event BHF BANK Stiftung

The foundation's slogan is **“Neue Wege, neue Sichtweisen”** (“**New ways, new outlooks**”). The foundation has a long-term perspective and aims to promote social progress through model projects that can subsequently be taken up by other entities, particularly in the public sector.

BHF BANK Stiftung initiates and supports projects in various priority areas. In society, it is devoted among other things to early education, supporting initiatives to assist families from the birth of their children.

The foundation is also active in the field of human sciences, facilitating projects aimed at research to improve the daily lives of the elderly. In culture, the foundation is the initiator of a festival of contemporary art and has developed an innovative format to teach contemporary art forms.

**SIGRID SCHERER**

Project manager
at the BHF BANK Stiftung
foundation

THE FOUNDATION'S PRINCIPAL SOCIAL AND SCIENTIFIC PROJECTS



The Frankfurt Forum for Interdisciplinary Ageing Research (FFIA)

Founded in 2014, this forum is dedicated to research into improving the living conditions of the elderly. BHF BANK Stiftung has been active in this field since 2004 by establishing professorships that have since become part of FFIA.

Sprachentdecker

This project provides a framework for successful language learning in primary schools and preschools.

Babylotse

A prevention and consultation service for families in difficult situations after the birth of a child.

Boxcamp Gallus

This project allows more than 100 young people of over 30 different nationalities to train at the Gallus and Zeilsheim boxing camps in Frankfurt am Main every day.

THE FOUNDATION AND ITS ART INITIATIVES

Frankfurter Positionen

In cooperation with large cultural institutions, the foundation organises a biennial, interdisciplinary festival premiering new works by international contemporary artists on a topical socio-political theme selected by BHF BANK Stiftung.

UNART youth competition for multimedia performances

This competition allows young people aged between 14 and 20 to work with renowned artists. The selected groups present their performances at prestigious theatres in Germany (Deutsches Theater in Berlin, Schauspiel Frankfurt, Staatsschauspiel Dresden and Thalia Theater in Hamburg). UNART brings young people's concerns, ideas and feelings about life to the stage in the form of short performances – with no restrictions as to theme. In 2019, BHF BANK Stiftung's UNART project was nominated for the German Engagement Award.

Frankfurt LAB

Workshop and laboratory for contemporary performing arts and music.

goEast

Festival for Central and Eastern European films.

Brücke Berlin

Literature and translation prize.

20 years of “new ways, new outlooks”

BHF BANK Stiftung, founded in Frankfurt am Main in December 1999, celebrated its twentieth birthday on 16 December 2019. A gala was held at an arts venue in Frankfurt, with speeches paying tribute to the work of the private foundation. Philippe Oddo used this opportunity to highlight the importance of companies' social engagement and to thank the founders and long-standing managers of the foundation. After 20 years of successful work, Dietmar Schmid and Louis Graf Zech stepped down from their roles as of 31 December 2019. Managing Partner and CEO of the ODDO BHF Group, Philippe Oddo, will take over as Chairman of BHF BANK Stiftung's Board of Trustees. Chairman of the Supervisory Board of ODDO BHF AG, Werner Taiber, will be Chairman of the foundation's Management Board.

BHF BANK STIFTUNG'S WORK SERVES THE FOLLOWING CAUSES IN PARTICULAR:

- Help for the elderly
- Help for children and young people and their families
- Research with a socio-political background
- Promotion of contemporary art
- Promotion of young artists
- Promotion of cultural education

BHF BANK Stiftung has received several awards for its initiatives and projects, including the German Arts Sponsorship Award, the Frankfurt Integration Award and the Hesse Prevention Award.

A brochure was published to mark the anniversary.

See also: www.bhf-bank-stiftung.de

ODDO BHF

Social Club

Since 2013, ODDO BHF employees' social activities have been grouped together in the Social Club. The dedicated employees have a clear goal: **the assumption of social responsibility within our company.**

The initiatives' aims are as follows:

- **TO CREATE EQUAL OPPORTUNITIES**
for disadvantaged children and young people in society
- **TO HELP PEOPLE FROM MIGRANT BACKGROUNDS** integrate into local society
- **TO FACILITATE PEOPLE WITH DISABILITIES' PARTICIPATION** in social life
- **TO IMPLEMENT ENVIRONMENTALLY FRIENDLY MEASURES** within the bank

Employees as corporate citizens

The ODDO BHF Social Club gives employees space for their social engagement:

Employees can provide active support with a Social Day, e.g. in **the form of renovation work for social institutions.** Anyone can submit ideas for a Social Day and implement them together with the Social Club.

Since 2014, employees have supported the charity Arche Frankfurt with **weekly homework help for disadvantaged children.** Two employees provide assistance once a week and commit for at least a year.

Evening fund-raising events make it easy for employees to contribute to society: all proceeds are for a good cause and are donated to regional social projects. Employees can also suggest causes themselves.

The numerous initiatives appeal to a wide range of employees who want to actively support society and their environment.



B



CHAMPION OUR EMPLOYEES

Our employees, 25% of whom hold a share in our capital, are the cornerstone of the Group's strategy. A range of measures have been taken to help retain talented people and facilitate their professional development in accordance with the Group's current and future needs and the employees' ambitions.

Human resources management

Human resources management is a key task for the ODDO BHF Group. Understaffing could jeopardise the Group's current or future projects and put too great a strain on the employees. Conversely, overstaffing could result in unnecessary additional costs. The HR department therefore uses a system for closely monitoring staffing developments in order to intervene with appropriate measures

at any time. Today, the Group's principal challenge is to assemble mixed teams in terms of the age of employees so as to benefit from the knowledge of all generations and prepare the Group for the problems of tomorrow.

ODDO BHF works to keep the age structure of the workforce in balance.

APPROACH AND METHODOLOGY

Each month, the HR department presents an HR development report to the Group's management. This report, or scorecard, is a human resources management tool. It tracks changes in headcount and allows corrective measures to be taken if necessary. It monitors a number of different indicators, such as:

- Staff entries and exits
- Total fixed payroll costs
- Transfers

Through data analysis according to various criteria (job, type of contract, age, gender, seniority, etc.), the Group has been able to launch a youth recruitment policy.

This policy aims to balance the workforce in terms of age and to develop the Group's activities over the long term. In addition, recruitment and departure forecasts provide long-term visibility on headcount changes.

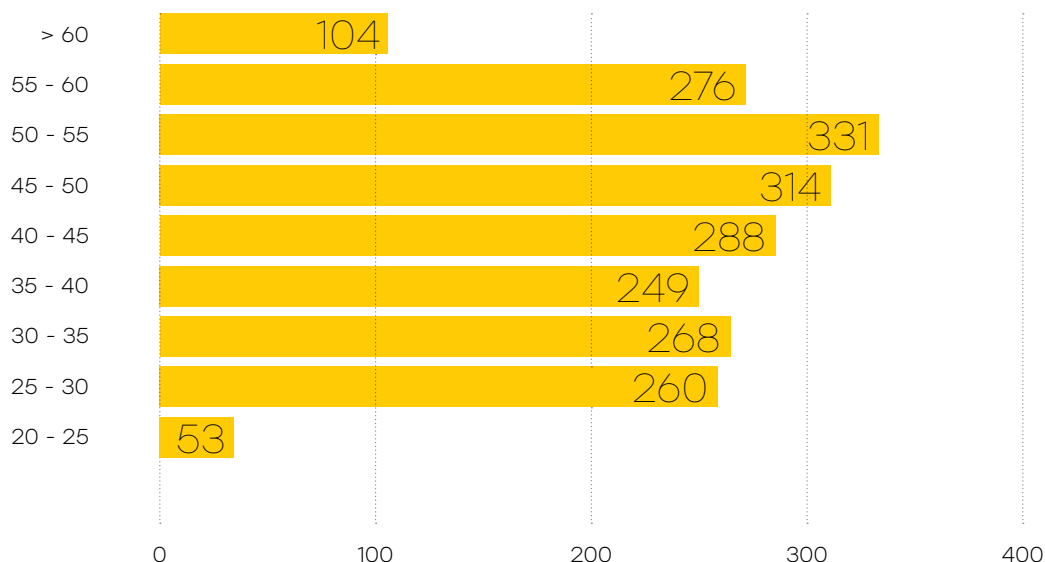
PERFORMANCE

14.61%

of employees were under 30 in 2019 (compared with 11.88% in 2018).

RESULTS

DISTRIBUTION OF SALARIED EMPLOYEES (PERMANENT POSITIONS) BY AGE GROUP AS OF 31 DECEMBER 2019



Collective *agreements*

The ODDO BHF Group consists of several companies, both in France and Germany, with their own staff representative bodies. In 2019, the Group did not have to hold any negotiations that would have led to profound modifications of the collective agreements. The principal subjects that could have given

rise to further negotiations or new works agreements within the Group related to the conditions for the support of the individual business lines.



The recruitment of talented staff is of strategic importance for the ODDO BHF Group. Recruitment errors can create a mismatch between the recruited employee and the requirements of the position and/or the Group and result in resignation or dismissal.

ODDO BHF is committed to applying the same recruitment procedure for employees on permanent contracts in Germany and France to ensure that over 90% of new employees are kept on after their trial period.

APPROACH AND METHODOLOGY

Each recruitment is a commitment that constitutes a long-term investment. The Group consequently strives to attract the best experts to its teams and to recruit high-potential candidates who can pursue their careers within the Group.

Each interview is also an opportunity to present the ODDO BHF Group's strengths: candidates, whether selected or not, may talk to future clients, candidates or partners about the application experience.

As a quality assurance measure, the Group provides all recruitment employees with a tool kit that assists them throughout the entire process up to and including the final decision.

The recruitment process is comprehensive and reflects all of the Group's recruitment

requirements. The key stages of this process are:

-
- 01 Definition of the position and profile by the relevant manager in cooperation with the HR department
-
- 02 Analysis of various search channels, with an internal transfer favoured in most cases
-
- 03 Selection of applicants based on interviews conducted by the relevant manager, the HR department, and an employee from another business line
-
- 04 Involvement of the management and the Management Board in the process, as they must formally approve the selected candidate. They are shown each candidate's CV and feedback from the relevant manager.
-



AUORE VAN DER WERF

Directrice des Ressources Humaines

▼ Talented employees are central to our strategy. The partnership programme put in place by the Group is a key component of our human resources policy. This partnership system, open to all employees, promotes reciprocal commitment and the long-term development of our Group.

RESULTS

To attract talented employees to the ODDO BHF Group, the HR departments carry out a range of activities to boost the Group's visibility.

Campus management events allow the Group to raise its profile among university graduates in France and Germany and attract potential candidates. They are held each year at the campuses of colleges or universities in the form of forums, business lunches or themed workshops.

In Paris, the Group opens its doors for a number of recruitment events, such as the CFA Research Challenge, which the Group has been a partner of since 2012.

At the same time, the HR department has continued to develop partnerships with educational establishments in Germany and France. For example, ODDO BHF has established a "Financial Analysis" faculty at the French HEC business school. In Germany, the Group is partnered with the Frankfurt School of Finance and Management.

The HR department has also created several targeted development programmes to help employees with their careers.


We offer several graduate programmes, with a particular focus on private wealth management and asset management. These two-year programmes promote Franco-German mobility and allow graduates to join ODDO BHF on a permanent contract. The participants receive targeted support throughout the programme.

Thanks to all of these measures, 88 junior positions were filled in 2019.

PERFORMANCE

94%

of trial periods ended in a permanent contract in 2019 (Germany and France).



Alona Burbach *Corporates & Markets*

The ODDO BHF Group is committed to complying with the principles of equal treatment and non-discrimination, particularly in terms of recruitment, mobility, qualifications, remuneration, promotion, trade union membership, training and working conditions.

Besides collective agreements relating to gender equality, the Group undertakes to comply with the provisions of the collective agreement applicable to the financial markets, which require member companies to follow anti-discrimination rules.

Aid and educate employees about *disabilities*

At ODDO BHF, this important task is performed in France by Mission Handicap and in Germany by the Disability Representative. Failing to provide help for people with disabilities could hamper their performance and development and lead to the risk of losing talented employees.

The ODDO BHF Group is committed to supporting the needs of employees with disabilities so that they can perform their tasks in the best possible conditions. In addition, activities to educate employees about this topic are undertaken in Germany and France.

APPROACH AND METHODOLOGY

Supporting and retaining employees with disabilities requires adjustments to their workstations and working conditions.

The HR department in France and the Disability Representative in Germany help employees throughout the process of getting recognised as disabled workers and with specific measures to keep them in employment.

Mission Handicap, which now brings together around 20 employees from all business lines, was created in 2007.

In Germany, a Disability Representative is elected every four years. The bodies frequently organise information events to raise awareness of disabilities among employees, especially management. Mission Handicap meets twice a year to discuss potential initiatives.

In France, the Group also uses the sheltered employment sector for certain services, such as printing and catering.

RESULTS

In terms of workplace design, aid measures frequently include the financing of hearing aids, support for working from home, the financing of specially adapted furniture and special computer equipment.

The “DuoDay” format has been supported since 2018, and the participation was repeated in 2019. This initiative gives a student who has a disability the opportunity to spend a day shadowing one of our employees in order to get know the Group.

In total, three duos of students and Group experts took part in 2019.

Mission Handicap also repeated many of its activities in 2019:

- Disability issues were brought to employees' attention via articles about the activities of Mission Handicap and the Disability Representative in the newsletter and on the Group's intranet. In addition, a disabilities awareness brochure was distributed to all new employees in France, and notebooks with information to promote appreciation of disabilities were handed out during a special themed week.
- A disability module was added to the training for new managers. Members of Mission Handicap also received diversity training.
- Partnerships with the sheltered employment sector were stepped up (catering, recycling, deliveries, printing, etc.).
- A meeting for all employees with disabilities was held in Frankfurt.



MÉLANIE RUFINO
Chairwoman
of Mission Handicap

PERFORMANCE

100%

of requests to adapt workstations and to aid employees with disabilities were met in 2019 in France and Germany.

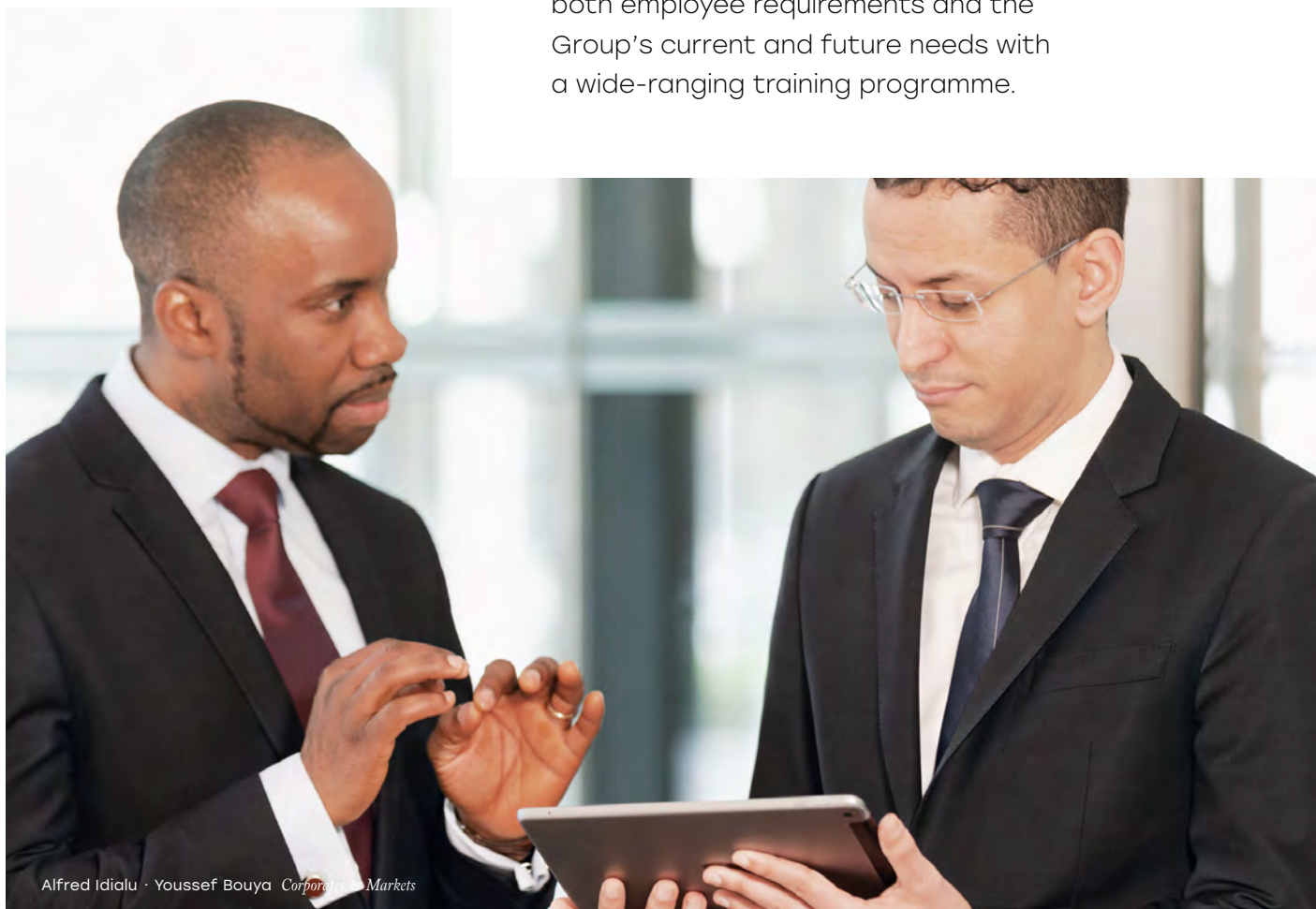
4%

In Germany, the quota of 4% of employees with disabilities was attained in 2019. In France, the percentage of employees with disabilities has increased tenfold since the creation of the Mission Handicap in 2007 thanks to the awareness-raising measures taken by the Group.

Train employees *in accordance* with their duties and regulations

Any mismatch between employees' current skills and those required for their position could have a negative impact on the current and future achievement of their targets.

ODDO BHF therefore wishes to cover both employee requirements and the Group's current and future needs with a wide-ranging training programme.



Alfred Idialu · Youssef Bouya *Corporate Markets*

APPROACH AND METHODOLOGY

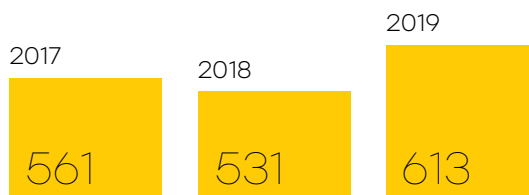
The Group's objective is to ensure that current employees maintain and improve their skills while accounting for their current and future needs and the Group's strategy.

For this purpose, a dedicated education budget is set aside each year to cover the training required by employees. Individual needs can be expressed at end-of-year evaluations and are discussed with management at the start of the year. In order to ensure alignment with the Group's strategy, individual requests are accompanied by an education policy that is redefined each year. This policy promotes key skills in management and business development and supports internal transfers, relocations and new arrivals.

RESULTS

In 2019, for example, the Group provided general training in the following areas: foreign languages, management, project management, oral communication in English and French, cultural differences, professional efficiency and coaching, an introduction to financial markets, office technology, business line expertise, client relationships, regulatory requirements and changes, etc.

Number of employees receiving training in France (permanent contracts)



PERFORMANCE

Percentage of employees who received training during the year:

82%

of employees in France received training in 2019.

52%

of employees in Germany received training in 2019.

Number of employees receiving training in Germany (permanent contracts)



"CAMPUS FORMATION ETUDIANTS ENTREPRISES"

*Company Students Training
Campus*

AN INNOVATIVE
TEACHING
PROGRAMME FOR
THE GROUP'S
EMPLOYEES





Lise Estivin *Human Resources*

Convinced that the digital world is creating new working methods and forms of learning, ODDO BHF has teamed up with the CFEE (Campus Formation Etudiants Entreprises) programme to offer four employees the opportunity to participate in this renowned training programme, which aims to prepare future managers for today's digital challenges.

The CFEE programme was founded in 2017 at the initiative of the Innovation Factory and the Web School Factory, which joined up with the PSL (ParisTech, Ecole des Chartes, ENS, ESPCI, Dauphine) to develop a programme to help companies with their digital transformation.

Interdisciplinary,
intergenerational,
collaborative, immersive
and innovative

This training responds to real problems in companies and enables on-site learning. It offers courses on project management, methodology, design, communication and management, ensuring an operational and pragmatic programme.

ODDO BHF's decision to partner this project reflects the Group's interest in questions relating to digital transformation and its desire to find innovative solutions.



Sustainable Development Committee

Responsible action for the future of society and the environment

At ODDO BHF, employees are taking on the issue of sustainability and have formed two bodies in France and in Germany to pursue a common goal: to reduce the Group's environmental impact.

THERE ARE TWO PRIORITIES:

- To reduce environmental impact by introducing new systems and processes within the Group
- To trigger a change in employees' behaviour



Theresa Goebel *Communication*

Successful implementation of numerous ideas

Some changes were made in 2019 on the basis of numerous ideas from the workforce and the development of plans of action in Germany and France:

→ **INTRODUCTION OF A GROUP-WIDE TRAVEL POLICY**

Benefits to make business trips by rail more attractive

→ **PROPERTY STRATEGY**

Initiation of the consolidation of locations in order to significantly reduce consumption of power, water and district heating

→ **"CLEAN GOES GREEN" CLEANING CONCEPT**

Use of environmentally friendly cleaning materials, water-saving cleaning equipment and ecological consumables

→ **INTRODUCTION OF ECOCUPS**

Reduction of plastic use within the company

→ **"CLEAN DESK" CAMPAIGN**

Raising awareness of waste separation

Cooperation of both bodies

All ODDO BHF employees are able to participate in the Sustainable Development Committee, which was established in Germany and in France by Human Resources and Corporate Communications. At the regular monthly meetings, the 33 members discuss new ideas and plan measures. The exchange of experiences between the two countries is a top priority, ensuring that sustainability is put into practice as a Franco-German project.



ODILE JOURNY
Head of Human Resources
Development





An aerial photograph of a lush green forest. A light-colored, winding path or stream bed cuts through the dense canopy on the left side. In the center, a large, light-colored rocky outcrop rises above the trees. The overall scene is vibrant and natural.

REDUCE OUR ENVIRONMENTAL IMPACT

As a financial institution, our principal environmental risks relate to our purchasing policy and our energy management. Keen to reduce our carbon footprint, we have launched a supplier assessment platform, a responsible printing policy and digital tools to limit business travel.



Nicolas Jacob* · Laure de Nadaillac* · Sébastien Scutca** · Pierre Mathis* · Audrey Gauthier* | *Asset Management **Communication

Developing a responsible purchasing policy

We take social and environmental impacts into account in our relations with suppliers and subcontractors. Working with suppliers subject to economic, environmental or social risks could pose risks to our reputation and the success of our operations.

ODDO BHF is working to enlarge the set of suppliers assessed by EcoVadis to include German suppliers and thus

the whole Group. After winning a silver medal in 2017, ODDO BHF received a gold medal in 2019 for significant improvements in environmental, social and ethical criteria.



SAMIRA SALOOJEE
Group Purchasing

APPROACH AND METHODOLOGY

The Group has developed a responsible purchasing policy that has several facets:

- Use of the sheltered employment sector
- Selection of responsible service providers and suppliers

RESULTS

To best meet its clients' requirements, the ODDO BHF Group uses subcontractors and service providers for activities and functions that are not part of its core business. The Group uses the sheltered employment sector for certain products and services, such as office supplies, catering and printing.

Contracts with service providers and subcontractors are monitored and verified in terms of the following aspects:

- Compliance with labour laws
- Payment of social security contributions

The Purchasing department incorporates a CSR clause in all tenders. In late 2014, the ODDO BHF Group joined EcoVadis, the first collaborative platform enabling companies to assess the environmental and social performance of their suppliers throughout the world.

This partnership with EcoVadis was continued in 2019 to assess around 40 providers in the purchasing area. The providers to be assessed are chosen on the basis of following criteria: the amount

PERFORMANCE

64%



ODDO BHF SCA

60%



ODDO BHF AG

of suppliers contacted by ODDO BHF were evaluated by EcoVadis in 2019.

we spend with the service provider or the quality of the services and products provided. The campaign carried out by the Purchasing department in 2019 covered 47 of the ODDO BHF Group's principal suppliers (42 ODDO BHF SCA, 5 ODDO BHF AG), 30 of which were assessed.

The methodology applied by EcoVadis is based on the analysis and rating of policies, actions and results implemented by our suppliers in four key areas:

Environment / Social / Ethics / Subcontracting

This evaluation ensures that we work with suppliers that perform well in these areas.

The Purchasing department is an active member of ODDO BHF's "Sustainable Development Committee", established in March 2019.

Manage and limit our ecological footprint

In accordance with its responsible investment policy, the ODDO BHF Group aims to limit its own environmental impact.

Accordingly, the Group works to control the carbon footprint of its activities through a responsible purchasing and corporate services policy. Specifically, the Group pledges to:

- > Reduce its electricity consumption per FTE
- > Reduce its paper consumption per FTE
- > Seek environmental certification for its locations

APPROACH AND METHODOLOGY

Keen to reduce its ecological footprint, the ODDO BHF Group is continuously enhancing its energy management system.

The ODDO BHF Group advocates digitalisation and uses work tools and methods that significantly reduce its paper consumption.

RESULTS

ENERGY CONSUMPTION

In the ODDO BHF Group, the most energy is used to heat and air condition the buildings that house employee work areas and to power IT equipment (servers and data centres) with electricity.

France → We renegotiated our power contracts in 2019, switching them to green energy.

Allemagne → All the electricity used at our two primary locations in Germany, Frankfurt and Offenbach, comes from renewable energy sources.

CERTIFICATION

- The Madeleine and Millénaire locations in Paris are owned by Allianz Real Estate France and ICADE (Groupe Caisse des Dépôts). They can be reached using public transport.
- Millénaire was awarded HQE certification for high environmental

PERFORMANCE

4,888 

sheets* of paper consumed per FTE in 2019 (compared with 5,950 in 2018)

6,918 KWH** 

of electricity consumed per FTE in 2019 (compared with 9,582 in 2018)

* France: Madeleine, Millénaire, Haussmann, Lyon, Strasbourg/
Germany: Frankfurt, Offenbach, Düsseldorf, branches/Tunis

** France: Madeleine, Millénaire, Haussmann, Lyon, Strasbourg/
Germany: Frankfurt and Offenbach/Tunis

quality. In connection with the environmental certification of the activities of ODDO BHF Metals, the main building on Boulevard de la Madeleine was certified according to ISO 14001.

- The building in Clichy, which the Group has owned since November 2019, has excellent environmental certifications: BREEAM very good, HQE excellent.
- The main building at 12 Boulevard de la Madeleine, which is being renovated in cooperation with Allianz up to July 2022, will likewise achieve BREEAM very good and HQE excellent certifications.

THE ODDO BHF GROUP'S PRINT POLICY

Our print policy favours double-sided printing in black and white and recommends limiting the printing of emails in a bid to reduce the use of consumables.

All employees have been notified of this print policy. It was posted on the intranet in March 2016 and has resulted in a significant reduction in paper consumption.

In 2018, an action plan to streamline our printing points in France was implemented to reduce the consumption of paper and ink cartridges.

In March 2019, 113 individual printers were replaced with 41 shared printers.

Most of the Group's printing points can now be used in secure print mode only. This reduces the number of unnecessary print-outs and maintains the confidentiality of documents.







FIGHT CORRUPTION AND TAX EVASION

The ODDO BHF Group and its subsidiaries are subject to a wide range of obligations to prevent corruption, market abuse, money laundering and the financing of terrorism. To follow all these rules, dedicated teams have established internal procedures and control systems and regularly train other employees on these subjects.

Fight *corruption* and tax evasion

Maintaining an appropriate and effective system for fighting corruption and tax evasion is a key challenge for limiting the Group's exposure to the following risks linked to its activities as far as possible: market abuse, money laundering and the financing of terrorism, corruption and non-protection of clients' interests.

The Group is committed to complying with all rules relating to the fight against corruption and tax evasion with the following three measures:

-
- Providing employees with up-to-date rules regarding all these risks
-
- Providing regular training for Group employees
-
- Monitoring all activities to ensure rules are complied with

APPROACH AND METHODOLOGY

The principal risks associated with the activities of a bank specialising in investment services are well known. To limit exposure to these risks as far as possible, our main objectives are to:

- **Comply with rules protecting the integrity of financial markets and avoid all situations that could lead to market abuse** (*inside information and price manipulation*)
- **Fight money laundering** (*including fraud and tax evasion*) **and the financing of terrorism**
- **Protect our clients' interests by offering them investment services and financial instruments that are appropriate for their understanding of risks, their envisaged investment horizon and their investment objectives**
- **Establish a mechanism for fighting corruption, which in particular:**
 - Identifies the most critical situations by mapping them out
 - Makes it possible to monitor conflicts of interests
 - Sets out a clear procedure for commencing new business relationships with our clients and our principal service providers (*through a system that identifies country risks, including corruption risks*)
 - Includes an early-warning mechanism

Within the ODDO BHF Group, we have a very extensive body of rules covering all the aforementioned risks.

These rules can be accessed by all employees on the Group's intranet and are updated regularly to take into account constant changes to the regulations applicable to us.

Group employees receive regular training to ensure they understand these rules correctly. In most cases, training is focused on the key risks for the business line in question.

Lastly, activities are monitored by independent teams to identify any violations of regulations or internal rules. The results of these controls are shared with the business lines and management in order to improve our practices and continue limiting non-compliance risks.

Country risk

To manage country risks, especially risks of corruption and the fight against money laundering, we have drawn up lists that allow us to better exercise due diligence when we enter into new business relationships with clients or when we carry out client transactions.

These lists are principally drawn up on the basis of two criteria:

- **Mandatory use of official country lists:** List of countries under sanctions from the German or French finance ministries, European Union and United Nations lists, etc.
- **Non-mandatory use of the ratings by two independent institutions, namely:**

Transparency international

This independent institution establishes a rating of each country using criteria principally based on corruption indices.

www.transparency.org

Know your Country

This database also provides a rating and a report for each country, principally founded on anti-money laundering criteria (including tax fraud).

www.knowyourcountry.com

These official country lists, together with ratings by independent agencies – whose use is not mandatory and solely results from the Group's internal process – allow us to draw up three country lists that correspond to three distinct levels of vigilance.

The higher the risk, the greater the level of vigilance. The application of these lists can also result in refusal to enter into a new business relationship. In most cases, this refusal will be coupled with other criteria used in our risk matrices (activities undertaken, amounts involved, origin of funds and persons under sanctions). This analysis is performed for the riskiest cases by the Group's compliance teams.

These lists are regularly updated to reflect changes in official lists and ratings by independent agencies.

PERFORMANCE

87%

of employees exposed to LCB/FT risks were trained at Group level.

REPORTING FRAMEWORK

Pursuant to the applicable legislation, the ODDO BHF Group is required to report annually on its non-financial performance and to publish this in a non-financial report. In this framework, the Group is required to have its corporate social responsibility (CSR) data verified by an independent third-party organisation (*ITO*).

RELEVANT LEGISLATIVE TEXTS

Ordinance no. 2017-1180 of 19 July 2017 on the publication of non-financial information by certain large undertakings and groups of companies.

Decree of 14 September 2018 modifying the decree of 13 May 2013 setting out the terms in which the independent third-party organisation performs its role.

Decree no. 2017-1265 of 9 August 2017 implementing Ordinance no. 2017-1180 of 19 July 2017 on the publication of non-financial information by certain large undertakings and groups of companies.

Reporting scope

This non-financial report covers all entities of the ODDO BHF Group. It should be noted that the data presented in this report may not relate to certain entities considered to be insignificant because of their headcount or the size of their premises. The details are given below.

Identification of principal risks, definition of policies and KPIs

The Group's principal risks were selected by the Risk department in cooperation with the various teams involved in the preparation of the document: HR, Corporate Services, Purchasing, Compliance, Communications, ESG teams within the business lines, the endowment fund. This identification process was based on the list of CSR subjects contained in Ordinance no. 2017-1265 of 9 August 2017.

Each of these subjects is rated according to five criteria, ranging from 0 (lowest score) to 5 (highest score):

IMAGE → External (attractiveness) and internal (employee perception)

HUMAN → Impact on the company's employees

FINANCIAL → Impact on the company's results and investment capacity

OPERATIONAL → Impact on performance, business activities and the quality of services

ENVIRONMENTAL → Impact on the ability to comply with laws and the conservation of resources

Only subjects with an average rating higher than 3 are deemed one of the Group's principal non-financial risks.

The ratings are assigned on the basis of expert opinions.

The Group Chief Risk Officer and the Group Executive Risk Committee are responsible for the final validation of this identification process.

For the 2019 financial year, the principal non-financial risks were as follows:

RISK 1

Unnecessary additional costs or endangerment of the Group's current or future operations. In particular, the greatest challenge for the Group today is to recruit young people, to ensure the transmission of expertise within the company and to ensure the Group's smooth functioning in the long term.

SEE "HUMAN RESOURCES MANAGEMENT" ON PAGES 44 AND 45 FOR MORE INFORMATION.

RISK 2

Recruitment errors, leading to a mismatch between the recruited employee and the requirements of the position and/or the Group and resulting in an exit (resignation or dismissal).

SEE "RECRUIT SUCCESSFULLY" ON PAGES 46 TO 49 FOR MORE INFORMATION.

RISK 3

Failing to provide help for people with disabilities would hamper their performance and development and lead to a risk of a loss of talent.

SEE "AID AND EDUCATE EMPLOYEES ABOUT DISABILITIES" ON PAGES 50 AND 51 FOR MORE INFORMATION.

RISK 4

A mismatch between the skills of employees and the requirements of the job would have a negative impact on the current and future performance of their duties.

SEE “TRAIN EMPLOYEES IN ACCORDANCE WITH THEIR DUTIES AND REGULATIONS” ON PAGES 52 AND 53 FOR MORE INFORMATION.

RISK 5

Inconsistent sponsorship activities that are at odds with the Group’s values and its fund’s bylaws.

SEE “ODDO BHF ACTING FOR TOMORROW” ON PAGES 32 TO 35 FOR MORE INFORMATION.

RISK 6

Non-compliance with French and, in the near future, European environmental regulations; failure to respond to growing demand from institutional investors for SRI (socially responsible investment), traditional investments and long-term research integrating not only financial factors but also ESG (environmental, social, governance) criteria; use of unreliable ESG data.

SEE “DEVELOP A RESPONSIBLE, SUSTAINABLE INVESTMENT OFFER IN OUR ASSET MANAGEMENT BUSINESS” ON PAGES 20 TO 25 FOR MORE INFORMATION.

RISK 7

Non-compliance with the Group’s responsible investment policy by failing to apply a policy to reduce our consumption of energy or raw materials and our greenhouse gas emissions.

SEE “MANAGE AND LIMIT OUR ECOLOGICAL FOOTPRINT” ON PAGES 62 TO 64 FOR MORE INFORMATION.

RISK 8

Working with providers subject to economic, environmental or social risks. Inadequate suppliers could pose a risk to our reputation and the successful conduct of our business.

SEE “DEVELOPING A RESPONSIBLE PURCHASING POLICY” ON PAGES 60 AND 61 FOR MORE INFORMATION.

RISK 9

Failure to maintain a suitable and effective system to limit the Group’s exposure to the risks linked to its activities as far as possible:

- Market abuse
- Money laundering and the financing of terrorism
- Corruption
- Insufficient protection of clients’ interests

SEE “FIGHT CORRUPTION AND TAX EVASION” ON PAGES 66 TO 71 FOR MORE INFORMATION.

The experts have specified the policies to be implemented at Group level and the key performance indicators for monitoring their implementation. The key performance indicators and their scope are listed below.

The following four subjects mentioned in article L.225-102-1 are not among the Group’s principal risks:

- The fight against food waste
- The fight against food insecurity
Animal welfare
- Animal welfare
- Obligation to responsible, fair and sustainable food supply

Further information about data

The data presented here relate to the period from 1 January 2019 up to and including 31 December 2019. The persons involved in reporting are responsible for the reliability of the data collected for the non-financial report. The heads of the department or area in question are responsible for validating the collected data. The Risk department and the Communication and Marketing department are responsible for consolidating the data.

RISK	KEY PERFORMANCE INDICATOR	SCOPE*
RISK 1	Percentage of employees under the age of 30 in the total workforce	Geographical scope: Group. Contracts taken into account: Permanent contracts.
RISK 2	Trial period approval rate	Geographical scope: Entities applying the recruitment procedure. Staff at ODDO BHF Tunis are excluded from this KPI. Contracts taken into account: Staff on permanent contracts recruited in 2019 excluding internal transfers, contract conversions and external growth. Breaches of contract during the trial period are recorded on the same basis.
RISK 3	% of requests/requirements fulfilled	Geographical scope: France and Germany.
RISK 4	% of total workforce trained over the course of the year	Geographical scope: France and Germany not including Seydler or OBAM GmbH. Contracts taken into account: Permanent contracts.
RISK 5	% of employees involved in the endowment fund's activities	Geographical scope: Staff at ODDO BHF Tunis and ODDO BHF AG staff located in Abu Dhabi, Vietnam and Hong Kong are excluded from this KPI. Contracts taken into account: Permanent contracts, temporary contracts and trainees.
RISK 6	% of assets under management invested in line with ESG criteria Indicators taken into account (carbon emissions, use of fossil fuels, green share)	Geographical scope: OBAM Group.

*Headcount and FTE figures were calculated as of 31 December 2019 unless indicated otherwise in the table.

RISK	KEY PERFORMANCE INDICATOR	SCOPE*
RISK 7	Development of paper consumption per FTE (number of sheaves of paper per FTE)	<p>Geographical scope: France (Madeleine, Millénaire, Haussmann, Lyon, Strasbourg), Tunis and Germany (Frankfurt, Offenbach, branches in Germany, ODDO BHF AM GmbH).</p> <p>Contracts taken into account: No exclusion from the calculation of FTE at the sites taken into account.</p>
	Development of electricity consumption per FTE (kWh per FTE)	<p>Geographical scope: France (Madeleine, Millénaire, Haussmann, Lyon, Strasbourg), Tunis and Germany (Frankfurt and Offenbach).</p> <p>Contracts taken into account: No exclusion from the calculation of FTE at the sites taken into account.</p>
RISK 8	Ratio of contacted suppliers that were assessed in the EcoVadis campaign	Geographical scope: France and Allemagne.
RISK 9	% of employees exposed to AML/CFT risks who have received training	<p>French scope: The list of employees exposed to AML/CFT risks is defined by Compliance.</p> <p>German scope: All employees are exposed to AML/CFT risks except Management Board members and canteen employees.</p>

*Headcount and FTE figures were calculated as of 31 December 2019 unless indicated otherwise in the table.

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