

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

Financial market participant ODDO BHF Trust GmbH (LEI: 529900JTX500P0G5A152)

### Summary

ODDO BHF Trust GmbH considers principal adverse impacts (hereinafter also: "PAI") of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of ODDO BHF Trust GmbH.

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

This statement issued by ODDO BHF Trust GmbH (LEI: 529900JTX500P0G5A152) in its function as financial market participant serves to fulfil the obligation to disclose the approach taken by ODDO BHF Trust GmbH in considering the principal adverse impacts of investment decisions on sustainability factors as provided for in Article 4 SFDR. It applies to all portfolios managed by ODDO BHF Trust GmbH within the scope of Portfolio Management (financial products within the meaning of the SFDR).

As it can be extrapolated from the following, ODDO BHF Trust GmbH considers various types of adverse impacts when making investment decisions. It should be noted, in particular, that PAIs are considered as additional criteria in course of the selection of financial instruments, but without PAIs necessarily always having a higher weighting than other decisive aspects being of relevance in course of investment decisions. It should be noted that not all of the PAIs listed below are taken into account by ODDO BHF Trust GmbH when making investment decisions. Where PAIs are taken into account, ODDO BHF Trust GmbH considers them to be of equal importance.

### 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	132,240 tCO <sub>2</sub>	149,678 tCO <sub>2</sub>	Sum of portfolio companies' Carbon Emissions- Scope 1 (tCO <sub>2</sub> e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	GHG emissions (Scope 1-3) were only considered as a relative indicator of turnover in the reporting period.  Sustainability indicator 3 was considered in the reporting period and will continue to be considered for the next reference period (target: portfolio has lower emissions than overall market MSCI ACWI).  With regard to indicator 4, companies with a share of turnover of 5% or more in thermal coal (mining) and a share of turnover of 25% or more in thermal coal (power generation) are excluded.
		Scope 2 GHG emissions	53,755 tCO <sub>2</sub>	57,379 tCO <sub>2</sub>	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO <sub>2</sub> e) 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	1,787,385 tCO <sub>2</sub>	2,111,872 tCO <sub>2</sub>	Sum of portfolio companies' Scope 3 - Total	

					Emission Estimated (tCO <sub>2</sub> e) 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	1,888,393 tCO <sub>2</sub>	2,312,227 tCO <sub>2</sub>	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	213 tCO <sub>2</sub> /MEUR invested	243 tCO <sub>2</sub> /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	667 tCO <sub>2</sub> /MEUR revenue	589 tCO <sub>2</sub> /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	Share of investments in companies active	Share of investments in companies active	3.3%	4.2%	The percentage of the

	in the fossil fuel sector	in the fossil fuel sector			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	72.5 %	63.1 %	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: 0.7	NACE A: 0.6	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: 1.4			NACE B: 1.3			
NACE C: 0.2			NACE C: 2.6			
NACE D: 2.2			NACE D: 1.7			
NACE E: 2.8			NACE E: 3.1			
NACE F: 0.2			NACE F: 0.2			
NACE G: 0.2			NACE G: 0.2			
NACE H: 0.6			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 %	0.1 %	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.	Companies that claim to operate in or near biodiversity-sensitive areas and have been involved in controversies with serious or very serious adverse environmental impacts were excluded in the reporting period and will continue to be excluded in 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	26.5 t/ MEUR invested	5.4 t/ MEUR invested	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing	Data availability and coverage rate are currently insufficient to define concrete measures and targets. We will monitor the development and, if necessary, check how this indicator can be

					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).	considered by ODDO BHF Trust GmbH.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.6 t/ MEUR invested	1.0 t/ MEUR invested	The total annual hazardous waste (metric tons reported) associated with 1 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).	Data availability and coverage rate are currently insufficient to define concrete measures and targets. We will monitor the development and, if necessary, check how this indicator can be considered by ODDO BHF Trust GmbH.
<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	0.1 %	0.1 %	The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.	Companies that violate the principles of the UN Global Compact were excluded from investing in the reporting period and will continue to be excluded in 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	28.8 %	26.5 %	The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.	We will monitor the development of this indicator in the next reference period and, in the event of a substantial deterioration, if necessary, seek dialog with selected target companies.

		Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13.0	12.7	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.	We will monitor the development of this indicator in the next reference period and, in the event of a substantial deterioration, if necessary, seek dialog with selected target companies.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36.9 %	37.8 %	The portfolio holdings' weighted average of the ratio of female to male board members.	We will monitor the development of this indicator in the next reference period and, in the event of a substantial deterioration, if necessary, seek dialog with selected target companies.
	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.	Companies with a turnover limit of 0% for individual titles or a 5% limit for funds/ETFs were excluded in the reporting period and will continue to be excluded for the next reference period.
<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	384 tCO <sub>2</sub> /MEUR GDP	298 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	57	38	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS)	

		countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law			restrictive measures (sanctions) on imports and exports	
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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

<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTER</b>		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
<b>Indicators applicable to investments in investee companies</b>		
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 approved by the management of ODDO BHF Trust GmbH as of 30 June 2021.

Ongoing and future updates will be made in agreement with the management. ODDO BHF Trust GmbH takes a holistic approach in addressing sustainability issues, which is anchored in various policies and procedures. ODDO BHF Trust GmbH's sustainability strategy outlines the relevant principles, sets out requirements and defines responsibilities (in the business allocation plan) to be considered in connection with sustainability issues. In particular, criteria are established to identify and prioritize the principal adverse impacts. The principal adverse impacts are being reviewed by ODDO BHF Trust GmbH on a quarterly basis.

ODDO BHF Trust GmbH has taken various measures to manage the identified PAIs. ODDO BHF Trust GmbH has established corresponding guidelines for the investment process in its Portfolio Management. The relevant guidelines for the investment universe relevant to Portfolio Management and the investment decisions made therein are made available to all portfolio managers and are continuously developed with them. The relevant components of the investment process form a sound basis for sustainability-oriented decisions within the selection process.

The relevant specifications take particular account of data from service providers specializing in sustainability analyses (currently MSCI ESG Research). On this basis, all investments are analyzed in terms of their sustainability in the environmental, social, and corporate governance areas as part of the **basic solutions of the Classic Portfolio Management** of ODDO BHF Trust GmbH. An ESG approach specially developed by ODDO BHF Trust GmbH is used for individual securities or the respective overall portfolio, which serves to consider the principal adverse impacts of investment decisions on sustainability factors (at the same time it serves to include sustainability risks in investment decisions). This approach is essentially based on the following pillars:

- Application of exclusion criteria at the individual instrument level:
  - Sector exclusions: Companies with certain turnover shares in the areas of weapons, gambling, pornography, tobacco, or coal are excluded from investment. The question of which turnover threshold is decisive in each case is resolved on a sector-specific basis: for most sectors, a turnover share of more than 5% is currently considered decisive, but for some sectors or subsectors of these sectors, other thresholds are in part considered decisive (for example, an investment in companies that generate turnover in the area of certain weapons is completely excluded; for other sectors, turnover shares greater than 5% are also possible).
  - Non-compliance with principles of the United Nations Global Compact: Companies that violate the principles of the United Nations Global Compact are excluded from investment.

- Biodiversity: exclusion of companies that claim to operate in or near biodiversity-sensitive areas and have been involved in controversies with serious or very serious adverse environmental impacts.
- Poor sustainability ratings: Companies and sovereigns with poor sustainability ratings are excluded from investment (according to MSCI ESG Research methodology: "B" sustainability rating or worse).
- Ensure achievement of specific targets at the overall portfolio level:
  - A sustainability rating of at least "A" according to MSCI ESG Research at the level of the overall portfolio is targeted.
  - A sustainability rating shall be available for at least 90% of the portfolio positions (measured by market value).
  - The minimum share of sustainable investments shall be 4% and the minimum share of environmentally sustainable investments shall be 0.5%.
  - At the level of the individual instruments and the overall portfolio, carbon dioxide emissions (CO<sub>2</sub>) are considered. The goal is for the portfolio to have lower CO<sub>2</sub> emissions than the overall market (represented by the MSCI All Country World Index).

The application of the exclusion criteria at the individual instrument level, the assurance of the achievement of certain objectives at the overall portfolio level and the investment philosophy of ODDO BHF Trust GmbH are intended to significantly reduce the likelihood of occurrence and the severity of the considered principal adverse impacts.

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

Within the scope of the Individual Portfolio Management Solutions of ODDO BHF Trust GmbH, the same ESG approach as for the basic Solutions of classic Portfolio Management is applied in principle. In addition, the investment guidelines of **Individual Portfolio Management Solutions** may - depending on the client's wishes - provide for other ESG criteria.

Within the scope of the **Individual Portfolio Management Solutions** for funds of ODDO BHF Trust GmbH, only the above exclusion criteria apply at individual instrument level. In addition, the fund-specific investment guidelines may provide for other ESG criteria. Furthermore, it should be noted that ODDO BHF Trust GmbH always makes investment decisions in the best interests of its clients in course of Portfolio Management, which means that PAIs are considered as additional criteria alongside other factors relevant to the decision. This means in particular that PAIs are not necessarily given greater weight than other decision-relevant factors in every case.

The principal adverse impacts will be reviewed on a quarterly basis by ODDO BHF Trust GmbH as of 30 June 2021.

To determine the principal adverse impacts on sustainability factors, current research (in-house and third-party research), political decisions, social discussions, publications by associations and companies, press articles, availability of data, discussions with customers and advisors, etc. are considered.

Based on this information, the employees with a sustainability focus ("ESG team") discuss current developments and develop a proposal that includes and, if necessary, prioritizes the principal adverse impacts. The proposal is submitted to the management of ODDO BHF Trust GmbH at the beginning of each quarter and discussed if necessary. On this basis, the management of ODDO BHF Trust GmbH decides on a quarterly basis as to whether changes need to be made regarding the principal adverse impacts. If changes are made to the existing principal adverse impacts, these must be documented accordingly and, if necessary, also considered in ODDO Trust GmbH's investment approach, together with other factors relevant to the decision.

Global climate change, with its devastating consequences for people and nature, and the ongoing threat to biodiversity, also intensified by climate change, are two of the most pressing issues of our time, and also pose major challenges for the financial sector. Due to the urgency, the serious consequences and the associated high significance of these two environmental crises in politics and society, as well as their potential negative impact on investments, they carry enormous weight in the determination of the principal adverse impacts on sustainability factors and indicators by ODDO BHF Trust GmbH, and therefore currently represent the focus here.

The selection of the principal adverse impacts is currently made as described above. As soon as reliable methods for the selection of indicators become established on the market, ODDO BHF Trust GmbH will review its approach accordingly and, if necessary, develop it further.

ODDO BHF Trust GmbH relies on the data it receives from the companies in which it holds an interest and from external data providers.

In principle, ODDO BHF Trust GmbH uses the data from MSCI ESG Research. ODDO BHF Trust GmbH reserves the right to obtain data directly from the company and to give preference to such data if necessary. In general, it should be noted that no system-side adjustments are made and that the systems are based on MSCI ESG Research data.

In perspective, ODDO BHF Trust GmbH will continue to develop its approach, whereby it is significantly dependent on corresponding data and their quality. For any margins of error, reference is made to the external data provider used (MSCI ESG Research). Furthermore, it should be noted that ODDO BHF Trust GmbH has no possibility to obtain missing data, unless they are provided by MSCI or the companies directly.

#### Engagement policies

Portfolio Management is carried out based on a power of attorney under which ODDO BHF Trust GmbH does not become the owner of the securities under management. In its function as portfolio manager, ODDO BHF Trust GmbH does not exercise any shareholder rights. It monitors the important affairs of the Portfolio Companies by taking note of the Portfolio Companies'

statutory publication, disclosure and announcement obligations and exchanges views with the Portfolio Companies' executive bodies and stakeholders within the framework of telephone conferences, investment congresses and company meetings. In addition to this fundamental economic exchange of opinions, direct contact can also be established with Portfolio Companies to address questions on sustainability issues in order to fulfil its ecological, social and economic responsibility. This includes, for example, the principal adverse impacts identified by the company. There is no cooperation with other shareholders.

#### References to international standards

ODDO BHF Trust GmbH bases its due diligence and reporting obligations on internationally recognized principles for sustainable business and banking activities. An example of this are the principles of the United Nations' Global Compact.

Compliance with internationally recognized standards is achieved by applying exclusion criteria at the individual stock level. Companies that violate the principles of the United Nations Global Compact are excluded from an investment. For the selection of investments, a data point from the external data provider MSCI ESG Research is used for this purpose.

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