SUSTAINABLE INVESTING
THE APPROACH OF ODDO BHF ASSET MANAGEMENT
ODDO BHF AM is the asset management division of the ODDO BHF Group. It is the common brand of four legally separate asset management companies: ODDO BHF AM SAS (France), ODDO BHF PRIVATE EQUITY (France), ODDO BHF AM GmbH (Germany) and ODDO BHF AM Lux (Luxembourg).

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From January 3, 2018, when ODDO BHF ASSET MANAGEMENT provides investment advisory services, please note that it's always on a non-independent basis pursuant to the European Directive 2014/65/EU (so-called “MIFID II Directive”). Please also note that all recommendations made by ODDO BHF ASSET MANAGEMENT are always provided for diversification purposes.
We are perfectly aware that our responsibility now goes far beyond our company’s corporate and legal mission alone.

For years, we have taken a corporate social responsibility (CSR) approach in both France and Germany that is based on solidarity with regards to our clients, our employees and society at large.

We have built up our offering over the past 15 years around sell-side financial research based on environmental, social and governance (ESG) criteria, making our Group a pioneer on the Paris marketplace. Paris itself is one of the world’s leading sites for sustainable finance and climate issues.

We have developed this approach in both our asset management business (23% of assets integrate ESG criteria) and our private banking and equity and debt financing activities.

The momentum that we have created is further boosted internally by proposals from staff at all levels, aiming at reducing our environmental footprint, for example by limiting our consumption and paying attention to how we travel. All these initiatives are proposed and implemented by an in-house committee of employees.

In the meantime, our HR policy aims to promote gender diversity, the commitment of all our employees and the perpetuation of our shareholding model which allows each employee to have a stake in share capital (25% of the capital is held by the Group’s employees).

Our efforts extend beyond our business activities, via our foundations Agir pour Demain in France and the BHF BANK Stiftung in Germany. In France, our endowment supports medical research (Fondation pour la recherche sur Alzheimer), first responses to natural disasters, and education and training (Espérances Banlieues and Institut Télémaque). In Germany, these initiatives are complemented by BHF BANK Stiftung’s participation in medical research and social and cultural charities.

Companies are playing an ever-growing role in our societies. We see it as our mission to take full part in this process.
01 Why sustainable investment?

02 Our approach

03 ODDO BHF’s commitment
01
WHY SUSTAINABLE INVESTMENT?
Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It comprises environmental and social issues.

**EXAMPLES:**

### ENVIRONMENT

<table>
<thead>
<tr>
<th>WATER</th>
<th>785 million people remain without basic drinking water services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>By 2030, 700 million people could be displaced by severe water scarcity</td>
</tr>
<tr>
<td>GLOBAL WARMING</td>
<td>The global mean temperature in 2018 is approximately +1°C above the preindustrial baseline</td>
</tr>
<tr>
<td>DEPLETION OF NATURAL RESOURCES</td>
<td>Land degradation is affecting 1/5 of the earth’s land area and the lives of more than 1 billion people</td>
</tr>
<tr>
<td>POLLUTION</td>
<td>2 billion people do not have access to waste collection services</td>
</tr>
</tbody>
</table>

### SOCIAL

<table>
<thead>
<tr>
<th>HUNGER</th>
<th>821 million people worldwide lived in hunger in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCOLARISATION</td>
<td>1 out of 5 children aged between 6 and 17 years are not attending school</td>
</tr>
<tr>
<td>GENDER EQUALITY</td>
<td>Women represent 39% of the workforce 27% of managerial positions</td>
</tr>
</tbody>
</table>

Source: UN’s Sustainable development goals report, ODDO BHF AM, 2019
In 2017, human-induced warming has reached approximately +1°C above the 1860 level. Without strong action, global warming is expected to reach +1.5°C around 2040.

Source: Office for climate education, ODDO BHF AM, 2019
### Illustration of the impact of global warming at +1.5°C or +2°C

<table>
<thead>
<tr>
<th>HEAT WAVE INTENSITY</th>
<th>TORRENTIAL RAIN</th>
<th>BIODIVERSITY LOSS</th>
<th>CEREAL CROPS</th>
</tr>
</thead>
</table>
| • At +1.5°C: heat waves warmer by 3°C  
• At +2°C: heat waves 4°C warmer | Higher risk at 2°C than at 1.5°C in the high latitudes of the Northern Hemisphere, East Asia and North America | Loss of more than half of the natural habitat for…  
  • 4% of vertebrates at +1.5°C versus 8% at +2°C  
  • 6% of insects at +1.5°C versus 18% at +2°C  
  • 8% of plants at 1.5°C compared to 16% at +2°C | Larger yield loss at +2°C, especially in Sub-Saharan Africa, South-East Asia and Latin America |

<table>
<thead>
<tr>
<th>CORALS</th>
<th>RISING SEA LEVELS</th>
<th>FISHING</th>
<th>ARTIC FLOE</th>
</tr>
</thead>
</table>
| Loss of coral reefs…  
• 70 to 90% at 1.5°C  
• Up to 99% at +2°C | • At 1.5°C: from 26cm to 77cm by 2100  
• At +2°C: 10cm more, 10 million more people threatened | Annual fish catch reduced by…  
• 1.5 million tons at 1.5°C  
• More than 3 million tones at +2°C | Complete melting of the ice pack in summer…  
• 1 time per century at +1.5°C  
• 1 time per decade at +2°C |

Source: Office for climate education, GIEC, October 2018 report, ODDO BHF AM
For more than 30 years, the international community has been aware of the need to find an economic model capable of responding globally to the challenges of sustainable development.

**Timeline with key dates**

1997

- **Kyoto Protocol**
  - An international agreement to reduce greenhouse gas emissions

2000

- **UN Global Compact**
  - An initiative of the United Nations encouraging companies worldwide to adopt socially responsible practices

2002

- **Carbon Disclosure Project**
  - An international organization that has the world’s largest data base of cities and companies’ environmental performance. CDP encourages investors, companies and cities to take measures to build a truly sustainable economy by measuring their environmental impact.

2015

- **Paris Climate Conference: COP 21**
  - An international climate agreement aiming to limit global warming to between 1.5°C and 2°C by 2100

2017

- **Climate Action 100+**
  - An initiative launched in 2017 at the One Planet Summit. Its five-year mission is to engage with and weigh in on major greenhouse gas emitters worldwide

2019

- **European Green Deal**
  - Moving towards carbon neutrality by 2050

- **Sustainable Development Goals (SDGs)**
  - A roadmap for promoting sustainable development worldwide between now and 2030

Source: ODDO BHF AM, 2019
Sustainable investment is the application of the concept of sustainable development to financial investments. It involves investing in companies that create value over the long term and that have a positive impact on all stakeholders (employees, customers, shareholders and suppliers) and on the environment.

ESG, WHAT IS IT?

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Gouvernance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon emissions</td>
<td>Gender diversity</td>
<td>Rights of minority shareholders</td>
</tr>
<tr>
<td>Energy transition</td>
<td>Profile of the CEO</td>
<td>Remuneration policy</td>
</tr>
<tr>
<td>Pollution</td>
<td>Composition of the Executive Committee</td>
<td>Composition of the Board of Directors</td>
</tr>
<tr>
<td>Deforestation</td>
<td>Employee retention</td>
<td>Exposure to the risk of corruption</td>
</tr>
<tr>
<td>Depletion of resources</td>
<td>Working conditions</td>
<td></td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

Taking ESG criteria into account in investment decisions:

- Enables investors to play a role in sustainable development
- Identifies material risks and long-term growth opportunities
The Sustainable Development Goals are a roadmap for achieving a better and more sustainable future for everyone by the year 2030. They address global challenges of poverty, inequality, the climate, environmental damage, prosperity, peace and justice.

SUSTAINABLE DEVELOPMENT GOALS

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals
A GROWING MARKET

Annual growth rate forecasts for global markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy</td>
<td>+8% CAGR* 2018-25</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>+6% CAGR* 2018-2023</td>
</tr>
<tr>
<td>Sustainable mobility</td>
<td>+32% CAGR* 2017-25</td>
</tr>
<tr>
<td>Sustainable agriculture</td>
<td>+13% CAGR* 2017-25</td>
</tr>
<tr>
<td>Circular economy</td>
<td>+10% CAGR* 2017-26</td>
</tr>
</tbody>
</table>

INVESTMENT NEEDS

€1,500 bn / year are needed at the global level to keep global warming below 1.5°C

€270 bn / year are needed in Europe to meet the 2030 targets.

Transport ~€80 bn  Water and waste ~€90 bn  Energy ~€100 bn

*CAGR : Compound Annual Growth Rate I Source: ODDO BHF AM, 2019
Both in Europe and worldwide, ESG indices have outperformed traditional indices over the last 10 years.

10-YEAR PERFORMANCE OF SUSTAINABLE INDICES VS. EUROPE AND WORLD INDICES

Past performance is not a reliable indicator of future performance and is not constant over time.

*MSCI Europe SRI NR EUR, **MSCI Europe NTR, ***MSCI KLD 400 Social Index, ****MSCI World NTR | Source: Bloomberg, ODDO BHF AM, November 2019
Controversies have immediate and substantial negative impacts on stock prices

On 20 April 2010, an offshore oil platform, the Deepwater Horizon exploded, and BP’s safety measures were quickly blamed. For the first time, a company’s environmental liability was recognized. BP would ultimately pay more than $50bn in fines and damages between 2010 and 2015.

In November 2018, the chairman and CEO of the Renault-Nissan Alliance, Carlos Ghosn, was arrested at the Tokyo airport after an investigation into possible tax evasion. This led to his resignation in January 2019. In June 2019, an internal audit uncovered suspicious spending within the Dutch subsidiary.

Bayer finalized the acquisition of Monsanto in May 2018 while several lawsuits were pending. An initial guilty verdict was handed down in June 2018, followed by another one in March 2019, and fears increased of a class action lawsuit. In April 2019, 55% of shareholders voted against Bayer management’s strategy.

Past performance is not a reliable indicator of future performance and is not constant over time.
These examples do not constitute an investment recommendation.

Source: Bloomberg, ODDO BHF AM
ODDO BHF Asset Management | Key figures

A European specialist in asset management and private equity

- ** €60 bn** assets under management
- ** €13.7 bn** assets under management integrating ESG criteria
- ** Since 1969** in Germany
- ** Since 1989** in France
- ** 4 investment centres:** Paris, Düsseldorf, Frankfurt, Luxemburg
- ** 7 representative offices:** Geneva and Zurich (via ODDO BHF AG), Madrid***, Milan***, Stockholm, Hong Kong, Abu Dhabi
- ** 60%** institutional clients
- ** 40%** Distribution partners
- ** 64%** of our mutual funds are ranked Q1 or Q2 over 5 years by Morningstar

**ASSET BREAKDOWN BY STRATEGY**

- **30%** Fixed income and convertible bonds
- **20%** Fundamental equities
- **7%** Quantitative equities
- **21%** Multi Asset
- **14%** Money Market
- **1%** Alternative Investments
- **4%** Private Equity
- **1%** KVG** and administrative services

(*) of which € 2.2 bn ODDO BHF Private Equity I
(**) KVG: German fund administration platform for institutional clients
(***) branch offices

Source: ODDO BHF AM, Morningstar™ | Consolidated figures at 31/12/2019
Created in 2001, the FIR aims to promote Socially Responsible Investment (SRI) and to ensure that more investments integrate the issues of social cohesion and sustainable development.

**ODDO BHF AM IS A MEMBER OF THE FIR**

Launched by the United Nations in 2005 to encourage investors to apply the six Principles for Responsible Investment.

**ODDO BHF AM IS A SIGNATORY OF THE PRI**

The Carbon Disclosure Project is an international organization that has the world's largest data base of cities and companies' environmental performance. CDP encourages investors, companies and cities to take measures to construct a truly sustainable economy by measuring their environmental impact.

**ODDO BHF AM IS A SIGNATORY OF THE CDP**

Created in 2001, the Forum Nachhaltige Geldanlagen (FNG) is the equivalent of the FIR in Germany. Its aim is to promote Socially Responsible Investment in Germany, Austria and Switzerland.

**ODDO BHF AM IS A MEMBER OF THE FNG**

In 2011 the FIR and the Principles for Responsible Investment (PRI) have joined forces for the European Research Award for Finance and Sustainable Development.

**ODDO BHF AM IS A SPONSOR AND MEMBER OF THE JURY OF THE ACADEMIC FIR-PRI AWARDS**

A program developed to allow the global investor community to accelerate and intensify measures that are essential in fighting climate change and meeting the Paris Agreement objectives of keeping the average rise in global temperatures under 1.5 degrees Celsius.

**ODDO BHF AM IS A SIGNATORY OF THE PROGRAM**

An initiative launched in 2017 at the One Planet Summit, its mission over the next five years is to encourage and to influence the large greenhouse gas issuers in the global economy.

**ODDO BHF AM IS A SIGNATORY OF THE CLIMATE ACTION 100+**

7 ODDO BHF AM FUNDS HAVE BEEN LABELLED SRI AND 2 HAVE RECEIVED THE FNG LABEL

Source: ODDO BHF AM, 2019
**OUR TEAM**
- 3 investment professionals
- An ESG Integration Committee
- An ESG Sales & Marketing Committee

**OUR RESULTS**
- Publications and exchanges of best practices on responsible investment
- PRI rating: A+ for 10 years
- €13.7bn in 8 strategies

**OUR VALUE ADDED**
- A dedicated team that spreads its expertise to all management teams
- A proprietary ESG analysis platform
- A pragmatic approach that allows the integration of ESG criteria into our investment processes

**ODDO BHF Asset Management | A dedicated ESG team**

**Nicolas Jacob**
Head of ESG Research
ODDO BHF AM SAS
19 years of investment experience

**Valentin Pernet**
ESG analyst
ODDO BHF AM GmbH
5 years of investment experience

**Simona Rizzuto**
ESG analyst
ODDO BHF AM SAS
3 years of experience in asset management

**ESG Integration Committee**
- ESG Sales & Marketing Committee
  - Global Co-CIO, ESG Research, Portfolio managers, Marketing, Compliance
  - Recruitment in progress
# Our sustainable investment approach

A holistic approach

<table>
<thead>
<tr>
<th>COMMITMENTS</th>
<th>INTEGRATION OF ESG CRITERIA</th>
<th>DIALOGUE WITH COMPANIES</th>
<th>CLIMATE APPROACH</th>
<th>VOTING POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signatory PRI since 2010</td>
<td>A “best-in-universe” approach with an internal rating scale based on the analysis of ESG factors</td>
<td>Meet with companies on a regular basis</td>
<td>Quantitative measure of carbon intensity</td>
<td>Vote systematically with an emphasis on corporate governance and human capital management.</td>
</tr>
<tr>
<td>Complying with Ottawa Treaty 1997 and Oslo Convention 2008</td>
<td>A rating that influences directly the construction of portfolios with an emphasis on human capital and corporate governance</td>
<td>Participate in the global Climate Action 100+ initiative to engage dialogue with the most polluting companies</td>
<td>Qualitative measure of portfolio contribution to energy transition towards a low-carbon economy</td>
<td></td>
</tr>
<tr>
<td>Member of the FIR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of the FNG</td>
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</tbody>
</table>
We have identified 5 priority targets to expand our ESG integration approach, including SRI labels, and to become a major player in the sustainable investment field.

**ESG roadmap for 2019 - 2022**

**ESG COVERAGE**
- Investment universe of ODDO BHF AM covered by our internal model
- Active monitoring of an enlarged universe via our external ESG data provider (Sustainalytics)

**ESG INTEGRATION**
- Extend the ESG integration to more asset classes and investment expertise (European small cap equities, convertible bonds, quantitative European equities, Private Equity, High Yield, Total Return Credit and Multi Asset)
- Labelling of a selection of open-ended funds

**CLIMATE STRATEGY**
- Pursue a continuous improvement approach to measuring the alignment of portfolios integrating ESG criteria on the 2° C trajectory

**TRAINING & PROMOTION**
- Internal training of investment, sales and marketing teams
- Publication and exchange of good practices on responsible investment

**REPORTING**
- Provide quality ESG and climate reporting for all our sustainable funds
ESG INTEGRATION | 3 systematic steps

EXCLUSIONS

• Norm-based
• Sector-based

ESG RATING

• Internal model

Impact on portfolio construction
• Portfolio’s ESG rating

DIALOGUE & ENGAGEMENT

• Systematic dialogue with low-ESG rated issuer (1/5)
• Divestment if no positive result within 18 to 24 months

• Fundamental Equity → stock’s valuation
• Quantitative Equity → optimization parameter
• Fixed Income → issuer’s weight

Source: ODDO BHF AM SAS
**EXCLUSION | Exclusion policy for certain activities and/or practices**

<table>
<thead>
<tr>
<th>NORM-BASED EXCLUSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Exclusion of companies that do not comply with certain international standards</em></td>
</tr>
<tr>
<td>• Chemical Weapons (Paris, 1993)</td>
</tr>
<tr>
<td>• Anti-personnel mines (Ottawa, 1997)</td>
</tr>
<tr>
<td>• Cluster bombs (Oslo, 2008)</td>
</tr>
<tr>
<td>• Violation of international conventions (UN Global Compact)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECTOR-BASED EXCLUSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Total or partial exclusion of sectors or activities based on ethical considerations</em></td>
</tr>
<tr>
<td>• Tobacco</td>
</tr>
<tr>
<td>• Alcohol</td>
</tr>
<tr>
<td>• Coal</td>
</tr>
<tr>
<td>• Gambling</td>
</tr>
<tr>
<td>• Weapons</td>
</tr>
<tr>
<td>• Nuclear</td>
</tr>
<tr>
<td>• …</td>
</tr>
</tbody>
</table>
**ESG RATING | We favor a “Best-in-Universe” approach**

<table>
<thead>
<tr>
<th>« BEST-IN-CLASS »</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Relative approach:</td>
</tr>
<tr>
<td>• Favoring the best rated companies within each sector</td>
</tr>
<tr>
<td>• Very “benchmarked” approach</td>
</tr>
<tr>
<td>• Large caps bias</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Materiality / impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Limited</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>« BEST-IN-UNIVERSE »</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Absolute approach:</td>
</tr>
<tr>
<td>• Favouring the best rated companies in the entire investment universe</td>
</tr>
<tr>
<td>• Very &quot;bottom-up&quot; and &quot;stock-picking“-oriented approach: Profound analysis and rigorous stock selection</td>
</tr>
<tr>
<td>• Eliminates size and information bias</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Materiality / impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Significant</strong></td>
</tr>
</tbody>
</table>

- Diagram showing the comparison between relative and absolute approaches in terms of materiality/impact.
### ESG Rating | Our Internal Model

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
</table>
| - Environment Management System  
- Environmental opportunities  
- Environmental risks | - Regulation  
- License to operate / reputation  
- **Human capital (30%)**  
- Social ecosystem | - Sustainable development strategy  
- **Corporate governance (25%)**  
- Business ethics |

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 to 30%</td>
<td>40 to 50%</td>
<td>30 to 45%</td>
<td></td>
</tr>
</tbody>
</table>

**Final Score Out of 100**

*Internal ESG rating scale measuring the “execution risk”*

- High risk …  
- … strong opportunity

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ESG RATING | Focus on human capital

OUR RATING GRID: 4 AXIS OF ANALYSIS

1 CEO
- Profile
- Organisation of the succession
- Vision and leadership

2 Executive Committee
- Size
- Composition and functioning (cognitive diversity)
- Management of reorganisations
- Integration of acquisitions
- Equity participations

3 Organisation / middle management
- Complexity
- Ability to generate organic growth
- Innovation capacity

4 Human resources
- Dysfunctions and social risks
- HR management policy (gender mix, turnover, training, incidents…)
- Productivity
- Employee shareholding

A KEY SOURCE OF LONG-TERM PERFORMANCE ACCORDING TO OUR ANALYSIS

* A sample of 118 companies with the best human capital score, based on our model | ** A sample of 103 companies with the worst human capital score, based on our model

Past performance is not a reliable indicator of future performance and is not constant over time.

Source: ODDO BHF AM SAS, Factset data as of 30/09/2019
ESG RATING | Focus on corporate governance

OUR RATING GRID: 4 AXIS OF ANALYSIS

1 Minority shareholder rights
   • One share / One vote
   • Poison pill

2 Top management
   • Separation of functions
   • Organization of the succession
   • Remuneration policy

3 Board of directors
   • % of independence
   • Composition & experience
   • Committees

4 Internal audit & Financial communication
   • Accounting debates / irregularities
   • % of non-audit fees
   • Access to top management
   • Track-record & profit warning history

A KEY SOURCE OF RISK MITIGATION

3-year volatility

Source: ODDO BHF AM SAS, Factset as of 30/09/2019 | * 129 companies | ** 79 companies

3Y average volatility: Stoxx 600 = 24.9%
ESG RATING | An integrated process involving ESG research & fund managers/analysts

COMPANIES

Meetings & dialogue

ESG RESEARCH

Meetings & dialogue

ANALYSTS / FUND MANAGERS

Exchanges & inputs
## ESG RATING | Our climate approach

### AWARENESS
- Analysis of the ESG positioning of our portfolios according to long-term climate scenarios. Communication of these analyses to the management teams in order to make them aware of the importance of integrating these criteria into portfolio management.

### DIALOGUE & ENGAGEMENT
- Active policy of dialogue and engagement with companies on environmental issues.

### EXCLUSION
- Coal-focused exclusionary policy in view of its importance in global CO2 emissions and numerous negative externalities.
An initiative launched in 2017 at the One Planet Summit, its mission over the next five years is to encourage and to influence the large greenhouse gas emitters in the global economy.

Since the Climate Action 100+ group of investors attended the AGM in May 2019, ArcelorMittal has released its first Carbon Action report and committed to carbon neutrality in Europe by 2050.

A.P. Moeller Maersk announced in December 2018 its goal of achieving carbon neutrality by 2050 in accordance with the Paris Agreement. The group announced a profitable carbon-neutral ship development plan by 2030.

These issuers do not constitute an investment recommendation.
ESG / SRI PRODUCTS | ESG / SRI mutual funds (1/2)

<table>
<thead>
<tr>
<th>Funds</th>
<th>Characteristics</th>
<th>Why is this fund sustainable?</th>
</tr>
</thead>
<tbody>
<tr>
<td>ODDO BHF Avenir Europe European small and mid caps</td>
<td>1️⃣2️⃣3️⃣4️⃣5️⃣6️⃣7️⃣ AUM: €3 100m ** ** ** ** Launched in 1999</td>
<td>Integrating ESG criteria has a direct impact on portfolio construction. The fund excludes coal, nuclear power, tobacco, gambling and alcohol. An active dialogue and engagement policy with companies.</td>
</tr>
<tr>
<td>ODDO BHF Avenir Euro Euro zone small and mid caps</td>
<td>1️⃣2️⃣3️⃣4️⃣5️⃣6️⃣7️⃣ AUM: €529m ** ** ** ** Launched in 1985</td>
<td>Integrating ESG criteria has a direct impact on portfolio construction. The fund excludes coal, nuclear power, tobacco, gambling and alcohol. An active dialogue and engagement policy with companies.</td>
</tr>
<tr>
<td>ODDO BHF Avenir French small and mid caps</td>
<td>1️⃣2️⃣3️⃣4️⃣5️⃣6️⃣7️⃣ AUM: €832m ** ** ** ** ** ** Launched in 1992</td>
<td>Integrating ESG criteria has a direct impact on portfolio construction. The fund excludes coal, nuclear power, tobacco, gambling and alcohol. An active dialogue and engagement policy with companies.</td>
</tr>
<tr>
<td>ODDO BHF Génération European family-owned companies</td>
<td>1️⃣2️⃣3️⃣4️⃣5️⃣6️⃣7️⃣ AUM: €651m ** ** ** ** Launched in 1996</td>
<td>Integrating ESG criteria has a direct impact on valuation and portfolio construction. The fund excludes coal, nuclear power, tobacco, and gambling. An active dialogue and engagement policy with companies.</td>
</tr>
<tr>
<td>ODDO BHF Algo Sustainable Leaders European companies that are leaders in their responsible practices</td>
<td>1️⃣2️⃣3️⃣4️⃣5️⃣6️⃣7️⃣ AUM: €26m ** ** ** ** ** ** Launched in 2002</td>
<td>Integrating ESG criteria has a direct impact on portfolio construction. The fund excludes coal, nuclear power, tobacco, gambling and alcohol, weapons, pornography, shale gas, GMOs, pesticides, and the greatest UN Global Compact controversies. An active dialogue and engagement policy with companies.</td>
</tr>
</tbody>
</table>

All these funds present a risk of capital loss. Past performances are not a reliable indicator of future performances and are not constant over time.

1 Synthetic risk and return indicator: with lower risk, potentially lower return and higher risk, potentially higher return. The risk profile is not constant and may change over time

2 Morningstar stars: Morningstar™ historical data –Parts CR-EUR units’ ratings as of 31.12.2019, with the categories being respectively as follows: Europe Flex Cap Equities / Euro zone mid cap equities / French small and mid cap equities / Euro zone flex-cap equities / Europe large cap mixed. Source: ODDO BHF AM SAS. Data as of 31.12.2019
### FIXED INCOME

<table>
<thead>
<tr>
<th>Funds</th>
<th>Characteristics</th>
<th>Why is this fund sustainable?</th>
</tr>
</thead>
</table>
| ODDO BHF Euro Corporate Bond                | ![ESG logo] 1                    | **Integrating ESG criteria has an impact on how issuers are weighted in the portfolio.**  
An active dialogue and engagement policy with issuers  
  **AUM:** €496m  
  **Launched in 2002**                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ODDO BHF Green Bond                        | ![ESG logo] 1                    | **Minimum allocation to green bonds:** 51%  
Additional diversification via issuers with a high ESG ratings (no more than 30%) and non-euro green bonds that meet minimum environmental standards.  
An active dialogue and engagement policy with issuers.  
  **AUM:** €121m  
  **Launched in 1984**                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ODDO BHF European Convertible Moderate     | ![ESG logo] 1                    | **Integrating ESG criteria has an impact on how issuers are weighted in the portfolio.**  
An average portfolio rating equal to, or higher than, 3 on the ESG rating scale. This shrinks the investment universe by more than 20%.  
An active dialogue and engagement policy with issuers.  
  **AUM:** €87million  
  **Launched in 2000**                                                                                                                                                                                                                                                                                                                                                                                                                   |

All these funds present a risk of capital loss. Past performances are not a reliable indicator of future performances and are not constant over time.

1 Synthetic risk and return indicator: with lower risk, potentially lower return and higher risk, potentially higher return. The risk profile is not constant and may change over time.

2 Morningstar stars: Morningstar TM historical data – CR-EUR units’ ratings as of 31/12/2019, with the categories being respectively as follows: EUR corporate bonds / Global Bonds / Europe convertibles.

Source: ODDO BHF AM SAS. Data as of 31/12/2019.
03
ODDO BHF’S COMMITMENT
ENTREPRENEURIAL
A family-owned company in which employees have a stake in the share capital and thus similar interests to clients.

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

INDEPENDENT
Freedom of spirit and action acknowledged by our clients.

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

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

Source: ODDO BHF data as of 31/12/2018
<table>
<thead>
<tr>
<th>ASSET MANAGEMENT</th>
<th>PRIVATE WEALTH MANAGEMENT</th>
<th>CORPORATES &amp; MARKETS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Equity – fundamental and quantitative management</td>
<td>• Custodian platforms</td>
<td>• Research &amp; brokerage</td>
</tr>
<tr>
<td>• Artificial intelligence - global thematic equities</td>
<td>• Financing solutions</td>
<td>• Corporate finance</td>
</tr>
<tr>
<td>• Multi asset</td>
<td>• Investment solutions</td>
<td>• International banking</td>
</tr>
<tr>
<td>• Fixed income &amp; money market</td>
<td>• Heritage engineering</td>
<td>• Foreign exchange</td>
</tr>
<tr>
<td>• Private equity &amp; private debt</td>
<td>• Family office</td>
<td>• Metal trading</td>
</tr>
<tr>
<td>• Responsible investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Independant Financial Advisors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Life Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Retirement and employee savings plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Securities accounts and PEAs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CSR POLICY* | At the heart of the Group's strategy and its businesses

- Foster a sustainable future within our business activities
- Work towards a cohesive society
- Committed to our employees
- Reducing our environmental impact
- Fight corruption and tax evasion

We support humanitarian, social, educational and medical projects through our foundations.

Training and awareness-raising of our employees and implementation of strict control tools.

Talent retention, facilitation and promotion of professional development.

Supplier evaluation campaign, responsible printing policy and travel restrictions.

*Corporate Social Responsibility
In France and Germany, the ODDO BHF Agir pour demain endowment fund and the BHF Bank Stiftung work to serve the Group’s values through joint actions. Our ambition is to involve our employees and clients in our initiatives.

**HUMANITARIAN EMERGENCIES**
Partnership with Doctors without borders: Internal fund raising (e.g.: Cyclone Idai 2019, Chad 2018, Mali in 2017), solidarity foot races...

**MEDICAL RESEARCH**
Partnership with the Alzheimer’s Research Foundation

**EDUCATION**
- Financing of the Frédéric OZANAM School located in the underprivileged areas of northern Marseille. About ten of our clients are also involved
- Project dedicated to French and German youth “Jeunesse et Résistances” (youth and resistance)

**ARTISTIC PROJECTS OF A SOCIAL NATURE:**
- Festival “UNART Performance”: Artistic performance written and played by young people from all backgrounds (Theater, Dance, Music, etc.)
- Festival “Frankfurter Positionen”: Multi-arts festival organised every 2 years (movies, visual arts, readings, music, artistic performances…)
- Support of organisations dedicated to Arts, Youth & Elderly care, Social Justice and Charities

**CHRISTOPHE ROUX**
Endowment Fund Coordinator ODDO BHF Agir pour demain christophe.roux@oddo-bhf.com

**SIGRID SCHERER**
BHF Bank Stiftung Project Manager sigrid.scherer@oddo-bhf.com
# SUSTAINABLE DEVELOPMENT | Reducing our environmental impact

<table>
<thead>
<tr>
<th>Trains</th>
<th>Food</th>
<th>Water</th>
<th>Waste</th>
<th>Paper</th>
</tr>
</thead>
</table>
| • Travel policy giving priority to using the train  
• Car policy: Inclusion of CO₂ bonus/malus in policy (underway) | • Plastic cups replaced by individual eco cups  
• Grain coffee machines in lounges (which eliminates aluminum capsules) | • Plastic bottles replaced by glass bottles in reception halls  
• Efficient water management | • In France: Test of bins in progress to better sort and limit the amount of waste.  
• In Germany: Centralized waste sorting and treatment in place | • Printers calibrated by default to black/white and double-sided printing. Policy to reduce number of printers. Use of recycled paper  
• Electronic invoices |

<table>
<thead>
<tr>
<th>Electricity</th>
<th>Heating</th>
<th>Cleaning</th>
<th>Office Space</th>
</tr>
</thead>
</table>
| • Initiatives to reduce electricity consumption (automatic switch-off of lights at night, motion sensor switches, etc.)  
• Implementation of green electricity contracts (in progress) | • Use of partially geothermal energy or energy from waste-to-energy plants  
• Use of district heating to reduce CO₂ emissions | • Agreement with cleaning companies to use only ecological and environmentally friendly products (“SAMSIC”) | • Modern working standards are being defined to contribute to a more efficient use of office space. |

**ODILE JOURNY**  
Head of HR Development  
odile.journy@oddo-bhf.com
The Group implements five "HR" levers aimed at promoting the sustainable development of its employees.

### OUR PARTNERSHIP STRUCTURE, A GUARANTEE OF LONG-TERM VISION

The partnership system, which is open to all employees, is a very important guarantee of mutual commitment, which allows us to be long term oriented.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Stakeholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>Employees</td>
</tr>
<tr>
<td>65%</td>
<td>Oddo family</td>
</tr>
<tr>
<td>10%</td>
<td>Others</td>
</tr>
</tbody>
</table>

### SHAREHOLDING STRUCTURE

- **10% Others**
- **65% Oddo family**
- **25% Employees**

### AGE PYRAMID MANAGEMENT

- Build mixed teams
- Succession planning
- Hiring and retaining young talents

**Average age of employees within the group:** 42.3 years

### GENDER BALANCE

**4 levers**

- Commitment of top management
- Raising awareness among our managers
- New HR processes
- Coaching our female talents

### RETAINING EMPLOYEES WITH DISABILITIES, RECRUITING, RAISING AWARENESS AND TRAINING

- “Mission handicap” committee involving employees from each business lines/departments of the group
- 50 employees with disabilities benefiting from personalized arrangements

### TRAINING

- 1,097 employees trained in 2019
- Emphasis on the development of managerial skills

Source: ODDO BHF, 2019
### ENVIRONMENT

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2018</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper consumption per FTE*</td>
<td>4 888</td>
<td>5 950</td>
<td>↓/↑</td>
</tr>
<tr>
<td>Electricity consumption per FTE*</td>
<td>6 918</td>
<td>9 582</td>
<td>↓/↑</td>
</tr>
</tbody>
</table>

### SOCIAL

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2018</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid people with disabilities: % of requests granted</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% of total workforce trained over the course of the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>France: 82%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Germany: 52%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>France: 77%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Germany: 46%</td>
<td></td>
</tr>
<tr>
<td>% of employees involved in the endowment fund’s action</td>
<td>8%</td>
<td>7%</td>
<td>↑</td>
</tr>
</tbody>
</table>

### SUSTAINABLE INVESTMENT

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2018</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>% assets under management integrating ESG criteria</td>
<td>23%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

*FTE: Full Time Equivalent | Source: ODDO BHF, 2019
APPENDIX
## ESG / SRI PRODUCTS | The various European labels

<table>
<thead>
<tr>
<th>Labels</th>
<th>Governance</th>
<th>Type de label</th>
<th># of funds</th>
<th>AuM (€ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ISR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISR Label (France)</td>
<td>An independent committee supported by the Ministry of Finances</td>
<td>ESG / SRI investment processes: ESG assessment of at least 90% of the portfolio. 20% reduction in the investment universe. Average ESG rating significantly higher than that of the starting universe.</td>
<td>321</td>
<td>121</td>
</tr>
<tr>
<td>ISR FNG-Siegel (Germany, Austria &amp; Switzerland)</td>
<td>University of Hamburg / external multi-stakeholder committee</td>
<td>ESG / SRI investment processes with ethical and sectorial exclusions (points system) ESG assessment of 100% of the portfolio</td>
<td>104</td>
<td>30</td>
</tr>
<tr>
<td>ISR LuxFLAG ESG (Luxembourg)</td>
<td>LuxFLAG, an independent agency, Luxembourg financial services</td>
<td>ESG / SRI investment processes based on a pre-set ESG strategy (e.g. best-in-universe, best-in-class, etc.), ESG assessment of 100% of the portfolio.</td>
<td>82</td>
<td>34</td>
</tr>
<tr>
<td>ISR Towards Sustainability (Belgium)</td>
<td>Febelfin QS</td>
<td>Application of quality standards to the portfolio: standards regarding the investment process (sustainability, transparency, disclosures, supervision and ethical and sector exclusions). ESG assessment of 100% of the portfolio.</td>
<td>271</td>
<td>125</td>
</tr>
<tr>
<td><strong>Finance verte</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordic Swan Ecolabel (Nordic countries)</td>
<td>Committee mandated by the governments of Nordic countries</td>
<td>ESG / SRI investment processes with climate exclusions and green reporting (point-based system). ESG assessment of at least 90% of the portfolio. More than 50% of the fund is invested in securities with “strong ESG practices”. Ethical and sector exclusions.</td>
<td>32</td>
<td>10</td>
</tr>
<tr>
<td>Finance verte LuxFLAG Environment (Luxembourg)</td>
<td>LuxFLAG</td>
<td>Thematic investments and ESG criteria. Minimum thresholds at the company level (at least 20% of revenues generated in environmentally responsible businesses) and at the portfolio level (75% green companies)</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Finance verte LuxFlag Climate Finance (Luxembourg)</td>
<td>LuxFLAG</td>
<td>Thematic investments and ESG criteria. Climate exclusions. Minimum thresholds at company level (50% min of turnover generated in eco-responsible activities) and portfolio level (75% green companies).</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Finance verte Greenfin Label (France)</td>
<td>Ministry of the environment and the energy transition</td>
<td>Thematic investments and ESG criteria. Climate exclusions. Distinction between three types of companies: type 1 (&gt; 50% of revenues in environmentally responsible companies) / type 2 (between 10% and 50% of revenues in environmentally responsible companies) / type 3 (less than 10%). At least 20% of the portfolio must be made up of type-1 companies; no more than 25% may consist of type-3 companies.</td>
<td>36</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Novethic, as of 02/12/2019