



**SUSTAINABLE INVESTING**  
THE APPROACH OF ODDO BHF ASSET MANAGEMENT



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## CLIENTS' ASSETS

€ 58.4bn\*

€ 18.4bn\*

Thereof managed in line with ESG criteria

52%

of mutual funds **integrate ESG criteria** in their investment process

## 10 LOCATIONS

Düsseldorf, Frankfurt, Luxembourg, Paris, Geneva, Zurich, Madrid, Milan, Stockholm, Abu Dhabi

61%

OF OUR MUTUAL FUNDS ARE RANKED Q1 OR Q2 OVER 3 YEARS BY MORNINGSTAR™

## CREATED IN

1969  
in Germany

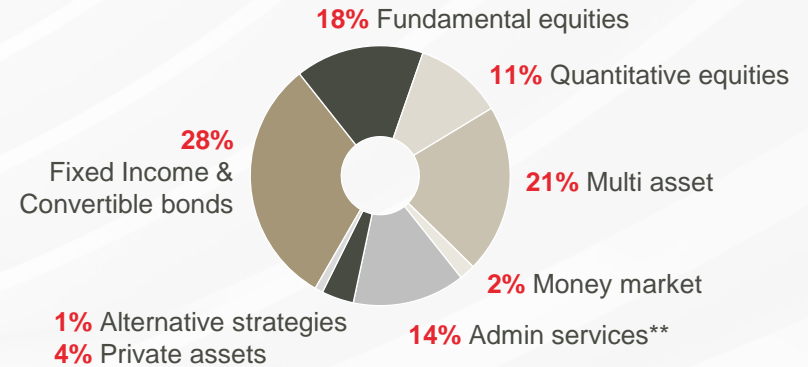
1989  
in France

## 4 INVESTMENT CENTRES

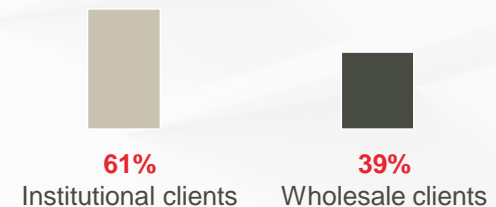
Düsseldorf, Frankfurt, Paris & Luxembourg

## BREAKDOWN OF ASSETS UNDER MANAGEMENT

### BREAKDOWN OF ASSETS BY STRATEGY



### BREAKDOWN OF ASSETS BY CLIENT TYPE



(\* of which € 2.4bn of Private Equity AuM I (\*\* KVG: German fund administrative platform for institutional clients



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 (52% 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.



**PHILIPPE ODDO**  
General Partner



- 01** Why sustainable investment?
- 02** Our Approach
- 03** Our Fund Range
- 04** ODDO BHF's commitment



# 01

## WHY SUSTAINABLE INVESTMENT?



### Environment



### Social



### Governance

- Carbon emissions
- Energy transition
- Pollution
- Deforestation
- Depletion of resources
- ...

- Gender diversity
- Profile of the CEO
- Composition of the Executive Committee
- Employee retention
- Working conditions
- ...

- Rights of minority shareholders
- Remuneration policy
- Composition of the Board of Directors
- Exposure to the risk of corruption
- ...

#### Taking ESG criteria into account in investment decisions:

- ▶ enables investors to play a role in sustainable development and avoids involvement in significant controversies
- ▶ provides opportunities that are seized by focusing on a company's alignment with future trends and topics
- ▶ considers financial risks and non-financial risks and their potential impact on investments



## UN Sustainable Development Goals A Global Framework of 17 Goals and 169 Sub-Targets



## UN Sustainable Development Goals A Global Framework for Engagement

### The 17 U.N. SDG goals address challenges relating to:

- Economic prosperity
- Environmental sustainability
- Social inclusion

### They represent an aspirational view for global E&S ambitions










- 193 nations collectively created, and committed to achieving, the goals, signaling broad political consensus.
- The estimated costs to achieving the UNSDGs are c.US\$90 trillion.
- Corporate alignment with the UNSDGs can enhance long-term growth potential and reduce risks.

The Just Transition, as outlined in the EU's Green Deal, highlights the interconnectedness between Climate Change, Social Inclusion and Growing Inequality. Finance has a leading role to support it.





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.

ENVIRONMENT		SOCIAL	
	<p><b>GLOBAL WARMING</b></p> <ul style="list-style-type: none"> <li>The global mean temperature in 2018 is approximately <b>+1°C</b> above the preindustrial baseline (Bloomberg Green)</li> </ul>		<p><b>POVERTY AND HUNGER</b></p> <ul style="list-style-type: none"> <li><b>821 million</b> people worldwide lived in hunger in 2017 (UN)</li> </ul>
	<p><b>DEPLETION OF NATURAL RESOURCES AND BIODIVERSITY LOSS</b></p> <ul style="list-style-type: none"> <li>Land degradation is affecting <b>1/5</b> of the earth's land area and the lives of more than <b>1 billion</b> people (UN)</li> <li><b>1 million</b> animal and plant species are now threatened with extinction (IPBES)</li> </ul>		<p><b>EDUCATION</b></p> <ul style="list-style-type: none"> <li><b>1 out of 5</b> children aged between 6 and 17 years are not attending school (UN)</li> </ul>
	<p><b>WATER</b></p> <ul style="list-style-type: none"> <li><b>785 million</b> people remain without basic drinking water services (UN)</li> </ul>		<p><b>GENDER EQUALITY AND INCLUSION</b></p> <ul style="list-style-type: none"> <li>Women represent <b>39%</b> of the workforce and <b>27%</b> of managerial positions (UN)</li> <li>However, women in the EU earned on average <b>14.1%</b> less than their male counterparts in 2018 (EU Commission, EU27)</li> </ul>
	<ul style="list-style-type: none"> <li>In less than four years, <b>half of the global population</b> could be living in <b>water stressed areas</b> (UN)</li> </ul>		<p><b>HUMAN CAPITAL AND SOCIAL RESILIENCE</b></p> <ul style="list-style-type: none"> <li><b>225 million</b> full time employment positions have been lost due to COVID-19 in 2020 (ILO)</li> <li><b>162 million workers</b> in the EU and US are involved in independent work related to the <b>"Gig Economy"</b> (McKinsey)</li> </ul>
	<p><b>POLLUTION</b></p> <ul style="list-style-type: none"> <li><b>2 billion</b> people do not have access to waste collection services (UN)</li> </ul>		



In 2017, human-induced warming has reached approximately  $+1^{\circ}\text{C}$  above the 1860 level. Without strong action, global warming is expected to reach  $+1.5^{\circ}\text{C}$  around 2040.

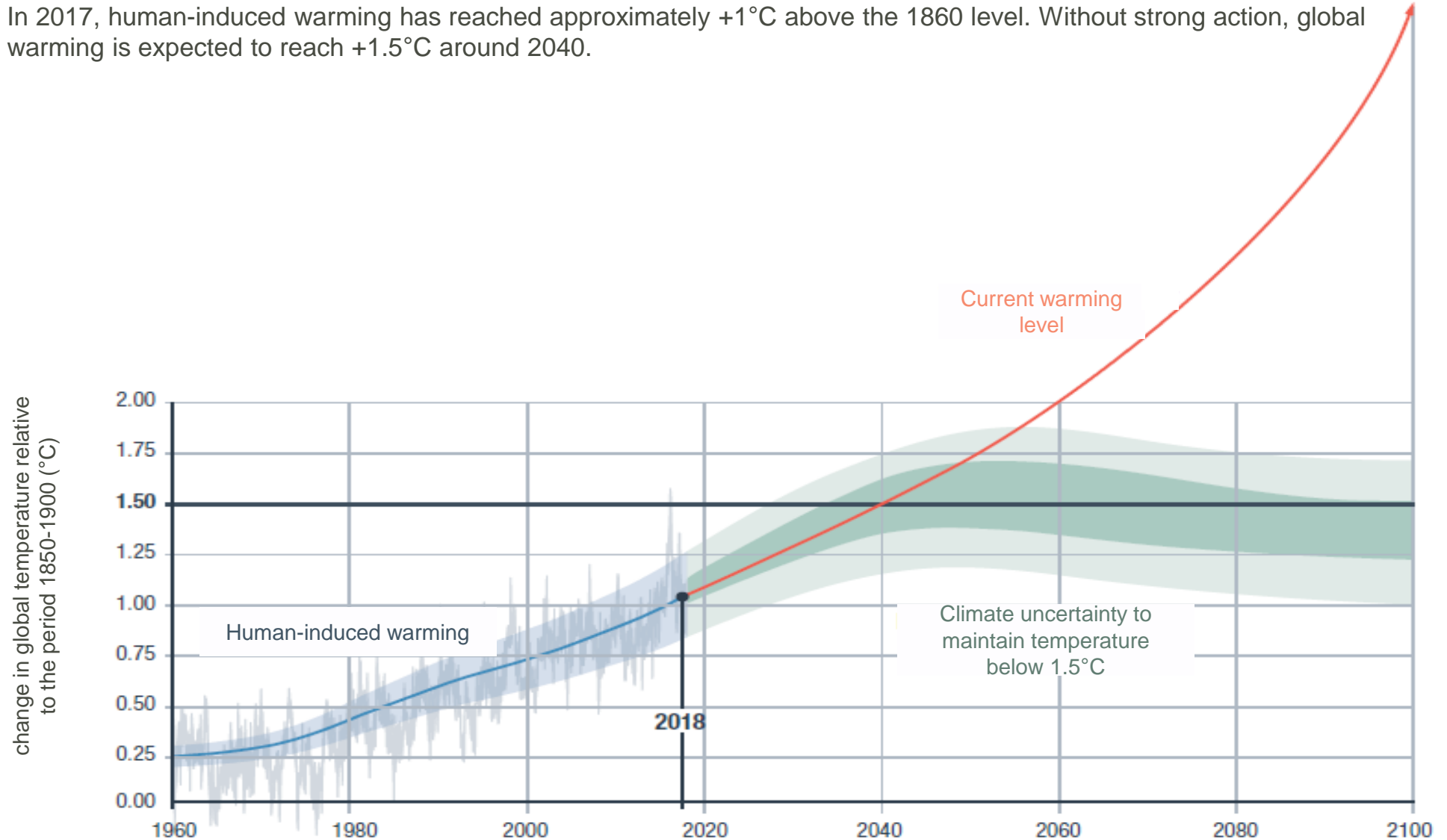




Illustration of the impact of global warming at +1.5°C or +2°C

<p><b>HEAT WAVE INTENSITY</b></p>	<p><b>TORRENTIAL RAIN</b></p>	<p><b>BIODIVERSITY LOSS</b></p>	<p><b>CEREAL CROPS</b></p>
<ul style="list-style-type: none"> <li>• At +1.5°C: heat waves warmer by 3°C</li> <li>• At +2°C: heat waves 4°C warmer</li> </ul>	<p>Higher risk at 2°C than at 1.5°C in the high latitudes of the Northern Hemisphere, East Asia and North America</p>	<p>Loss of more than half of the natural habitat for ...</p> <ul style="list-style-type: none"> <li>• 4% of vertebrates at +1.5°C versus 8% at +2°C</li> <li>• 6% of insects at +1.5°C versus 18% at +2°C</li> <li>• 8% of plants at 1.5°C compared to 16% at +2°C</li> </ul>	<p>Larger yield loss at +2°C, especially in Sub-Saharan Africa, South-East Asia and Latin America</p>
<p><b>CORALS</b></p>	<p><b>RISING SEA LEVELS</b></p>	<p><b>FISHING</b></p>	<p><b>ARTIC FLOE</b></p>
<p>Loss of coral reefs...</p> <ul style="list-style-type: none"> <li>• 70 to 90% at 1.5°C</li> <li>• Up to 99% at +2°C</li> </ul>	<ul style="list-style-type: none"> <li>• At 1.5°C: from 26cm to 77cm by 2100</li> <li>• At +2°C: 10cm more, 10 million more people threatened</li> </ul>	<p>Annual fish catch reduced by...</p> <ul style="list-style-type: none"> <li>• 1.5 million tons at 1.5°C</li> <li>• More than 3 million tones at +2°C</li> </ul>	<p>Complete melting of the ice pack in summer...</p> <ul style="list-style-type: none"> <li>• 1 time per century at +1.5°C</li> <li>• 1 time per decade at +2°C</li> </ul>



## 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

## A GROWING MARKET

Annual growth rate forecasts for global markets

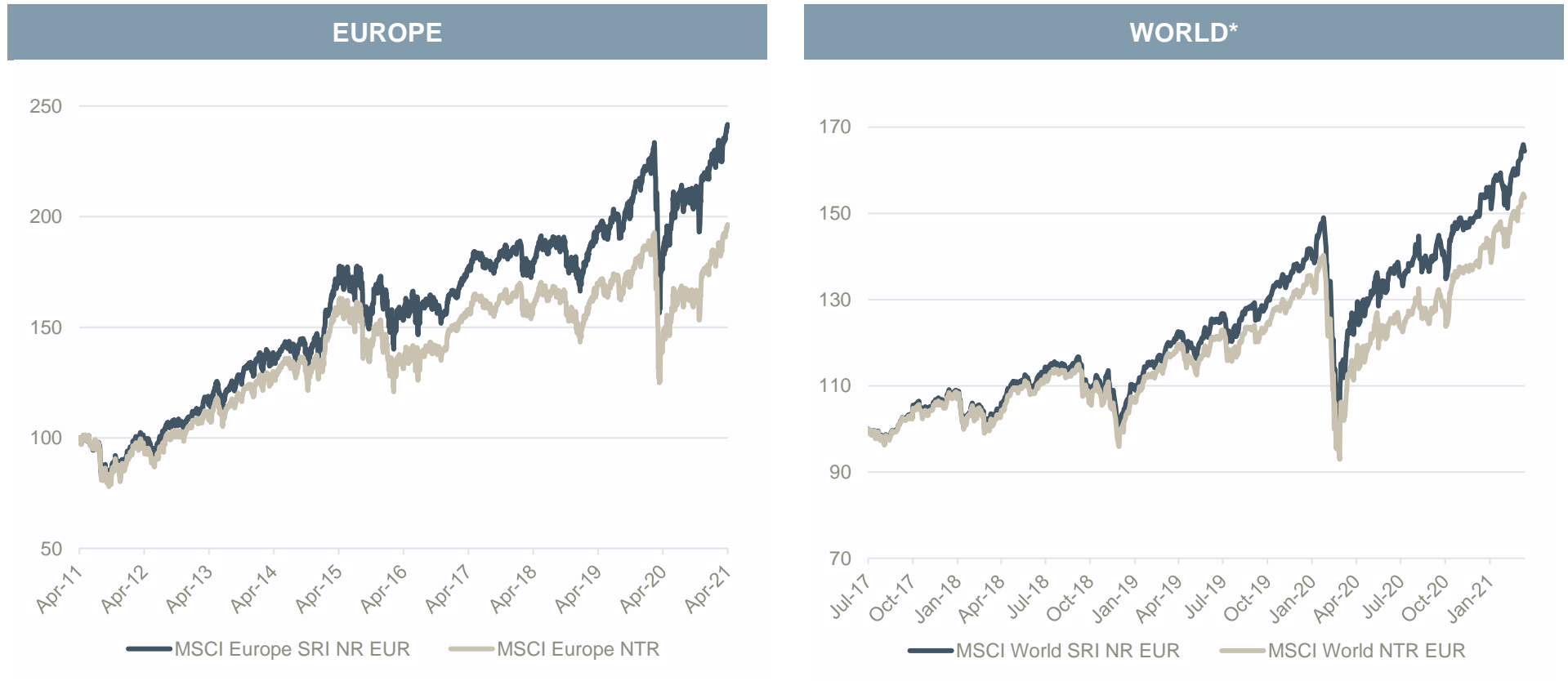
Renewable energy	<b>+8%</b> CAGR* 2018-2025
Energy efficiency	<b>+6%</b> CAGR* 2018-2023
Sustainable mobility	<b>+32%</b> CAGR* 2017-2025
Sustainable agriculture	<b>+13%</b> CAGR* 2017-2025
Circular economy	<b>+10%</b> CAGR* 2017-2026

\* CAGR Compound Annual Growth Rate



Both in Europe and worldwide, ESG indices have outperformed traditional indices over the last 10 years

### Performance of sustainable indices vs Europe and World indices over time

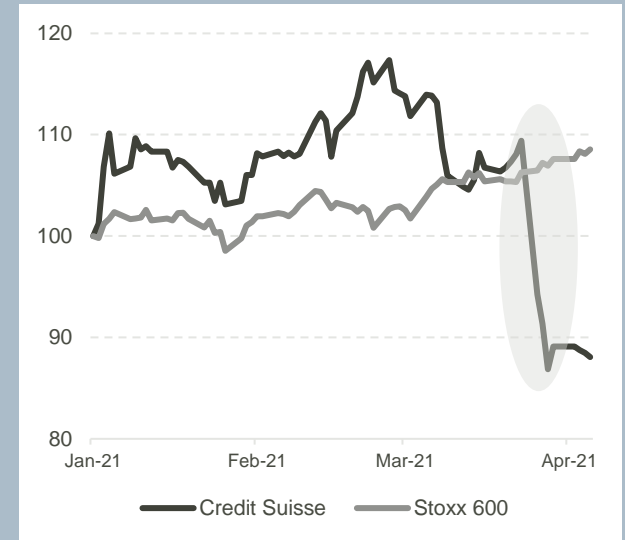
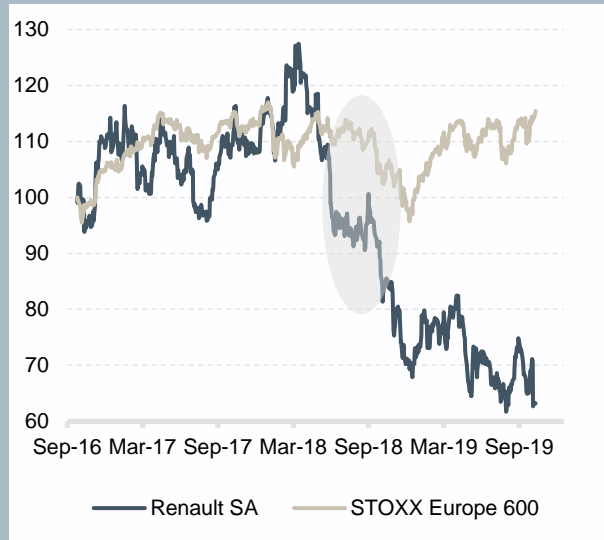


**Past performance is not a reliable indicator of future performance and is not constant over time.**

\* MSCI World SRI NR EUR was created in 2017



Controversies have immediate and substantial negative impacts on stock prices



**GROUPE RENAULT**

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.

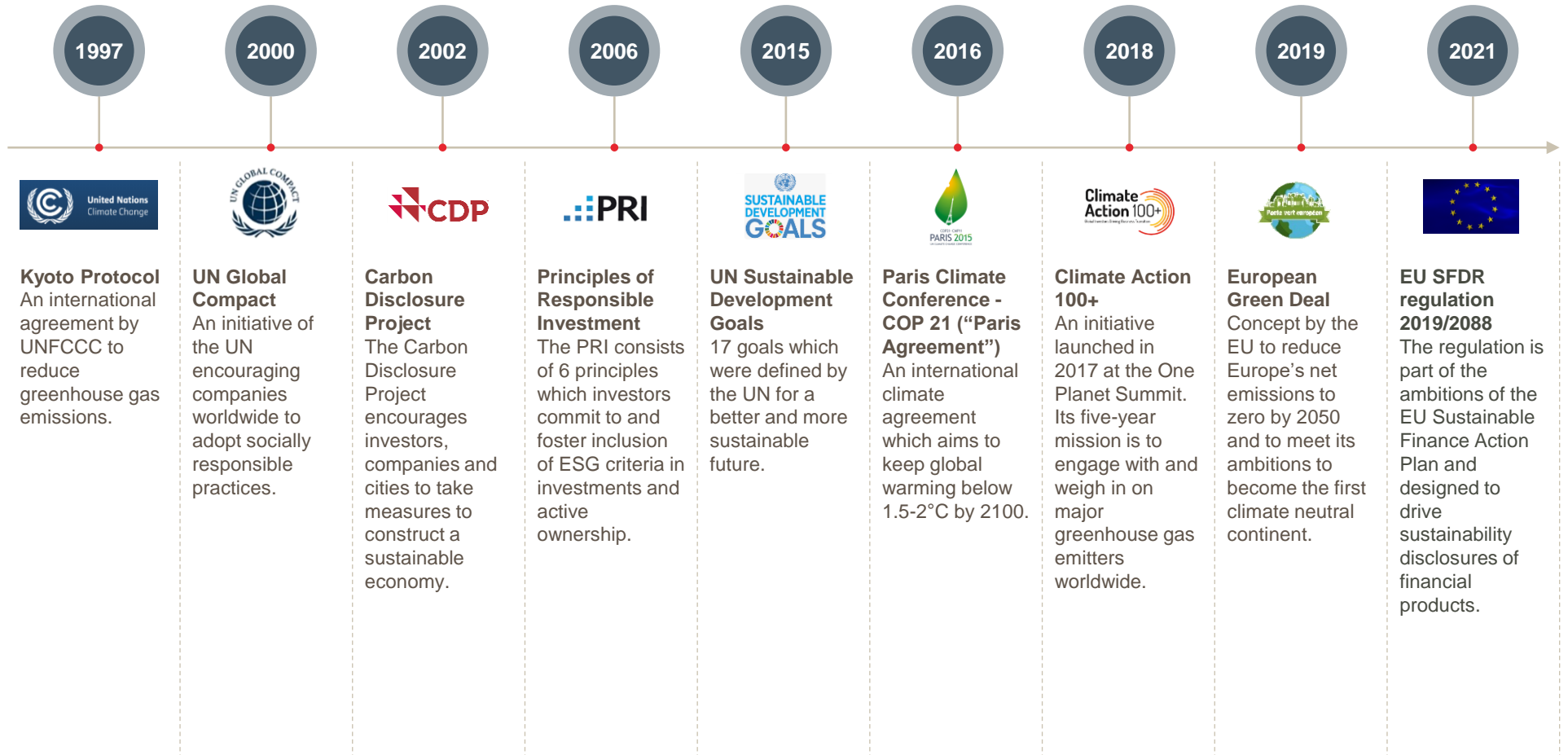


Bayer finalized the acquisition of Monsanto in May 2018 while several lawsuits were pending. An initial guilty verdict was handed down in June 2018, followed by another one in March 2019, and fears increased of a class action lawsuit. In April 2019, 55% of shareholders voted against Bayer management’s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












Credit Suisse gave large loans to the American investment firm Archegos. Archegos used the loans for risky bets on American and Chinese shares. As the shares lost in value, Archegos was not able to meet the collaterals. Credit Suisse had to write off 900 million francs in the first quarter 2021 and responsible managers had to leave the bank.

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





	Labels	Governance	Type de label	# of funds	AuM (€ bn)
ISR	 <b>Label ISR</b> (France)	An independent committee supported by the Ministry of Finances	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.	651	359
	 <b>FNG-Siegel</b> (Germany, Austria & Switzerland)	Expert committee under the stewardship of FNG (sustainable investment forum)	ESG / SRI investment processes with ethical and sectorial exclusions (points system) ESG assessment of 100% of the portfolio	169	60
	 <b>LuxFLAG ESG</b> (Luxembourg)	LuxFLAG, an independent agency, Luxembourg financial services	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.	238 <sup>1</sup>	121 <sup>1</sup>
	 <b>Towards Sustainability</b> (Belgium)	Central Labelling Agency (CLA, non-profit association)	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.	494	284
	 <b>Umweltzeichen</b> (Autriche)	Austrian Federal Ministry for the Environment	ESG / SRI investment processes: integration of mandatory ESG criteria, meaning that less than 50% of the investment universe can be investable. Ethical and sector exclusions.	123	34
Finance verte	 <b>Nordic Swan Ecolabel</b> (Nordic Countries)	Committee mandated by the governments of Nordic countries	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.	54	25
	 <b>LuxFLAG Environment</b> (Luxembourg)	LuxFLAG	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)	2 <sup>1</sup>	<1 <sup>1</sup>
	 <b>LuxFLAG Climate Finance</b> (Luxembourg)	LuxFLAG	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).	4 <sup>1</sup>	<1 <sup>1</sup>
	 <b>Greenfin Label</b> (France)	Standalone stakeholder committee, chaired by the Ministry for the Ecological and Fair Transition	Thematic investments and ESG criteria. Climate exclusions. Distinction between three types of companies: type 1 (> 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.	55	14

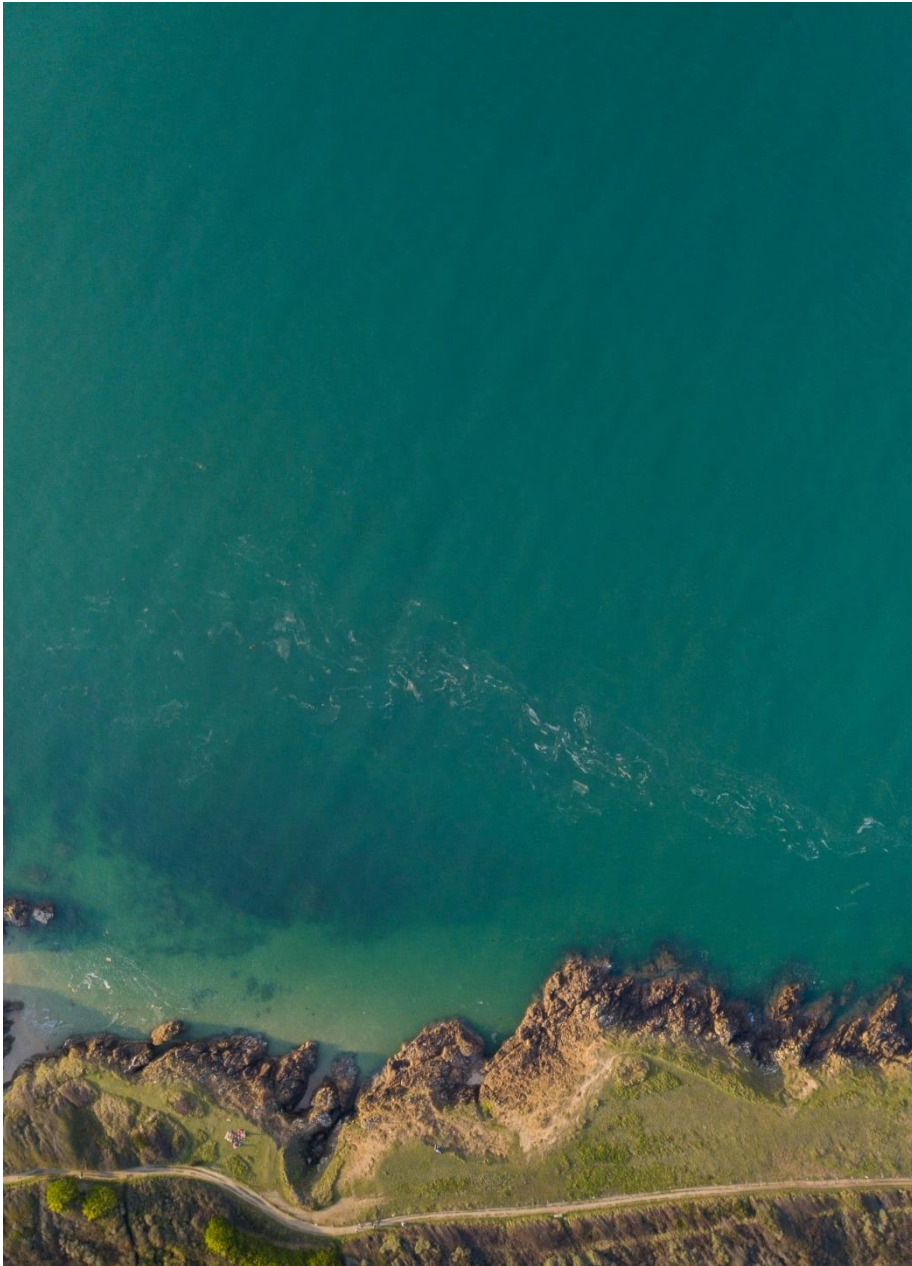
<sup>1</sup> Data as of September 2020





# 02

## OUR APPROACH





**Nicolas Jacob**  
Head of ESG Research & Methodology  
ODDO BHF AM SAS  
20 years in Investment Management



**Martina Macpherson**  
Head of ESG Strategy, GMC Member  
ODDO BHF AM GmbH  
20+ years in ESG Strategy & Products



**Valentin Pernet**  
Deputy Head of ESG Research  
ODDO BHF AM GmbH  
5 years in Investment Management



**Simona Rizzuto**  
Active Ownership Lead - ESG Analyst  
ODDO BHF AM SAS  
5 years in Investment Management



**Lea Miomandre**  
Sustainable Finance Lead - ESG Analyst  
ODDO BHF AM SAS  
2 years in Investment Management



**Sarah Schmid**  
Innovation Lead - ESG Analyst  
ODDO BHF AM GmbH  
1 year in Investment Management

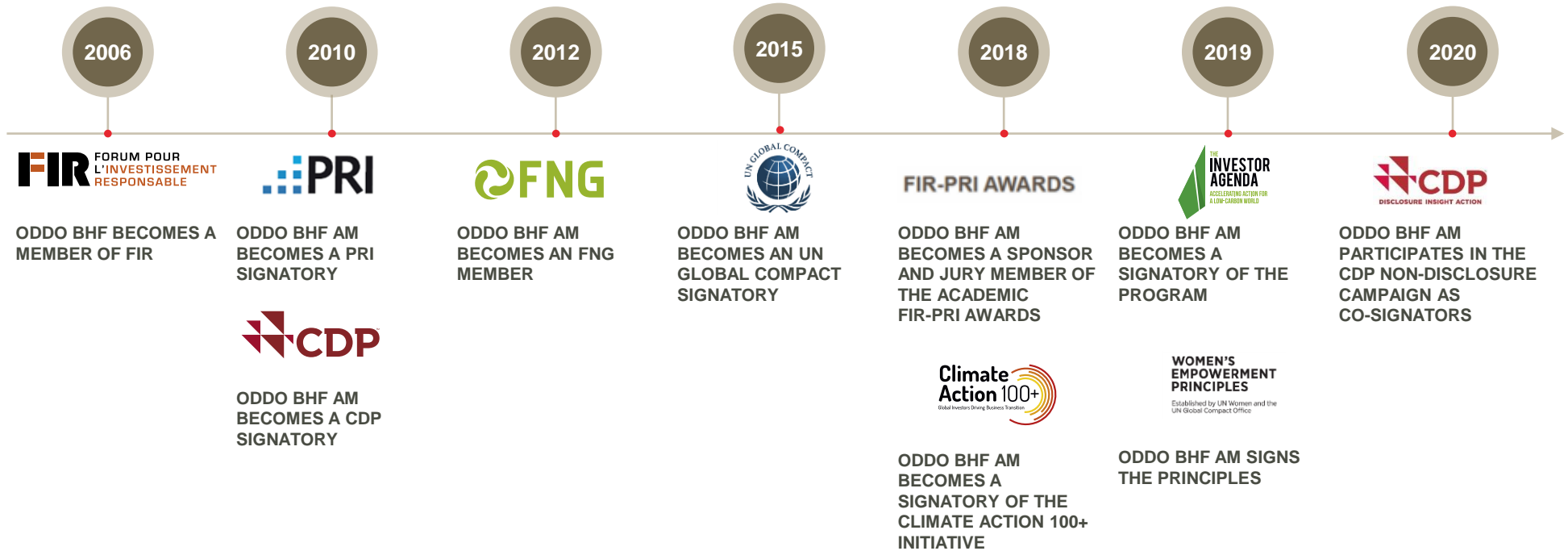
## AT A GLANCE

- A dedicated and diversified team that works in collaboration with investment and product management professionals across the firm
- Expertise across ESG research, analysis, investment products and strategy
- Head of ESG Strategy is a member of the Global Management Committee

55+

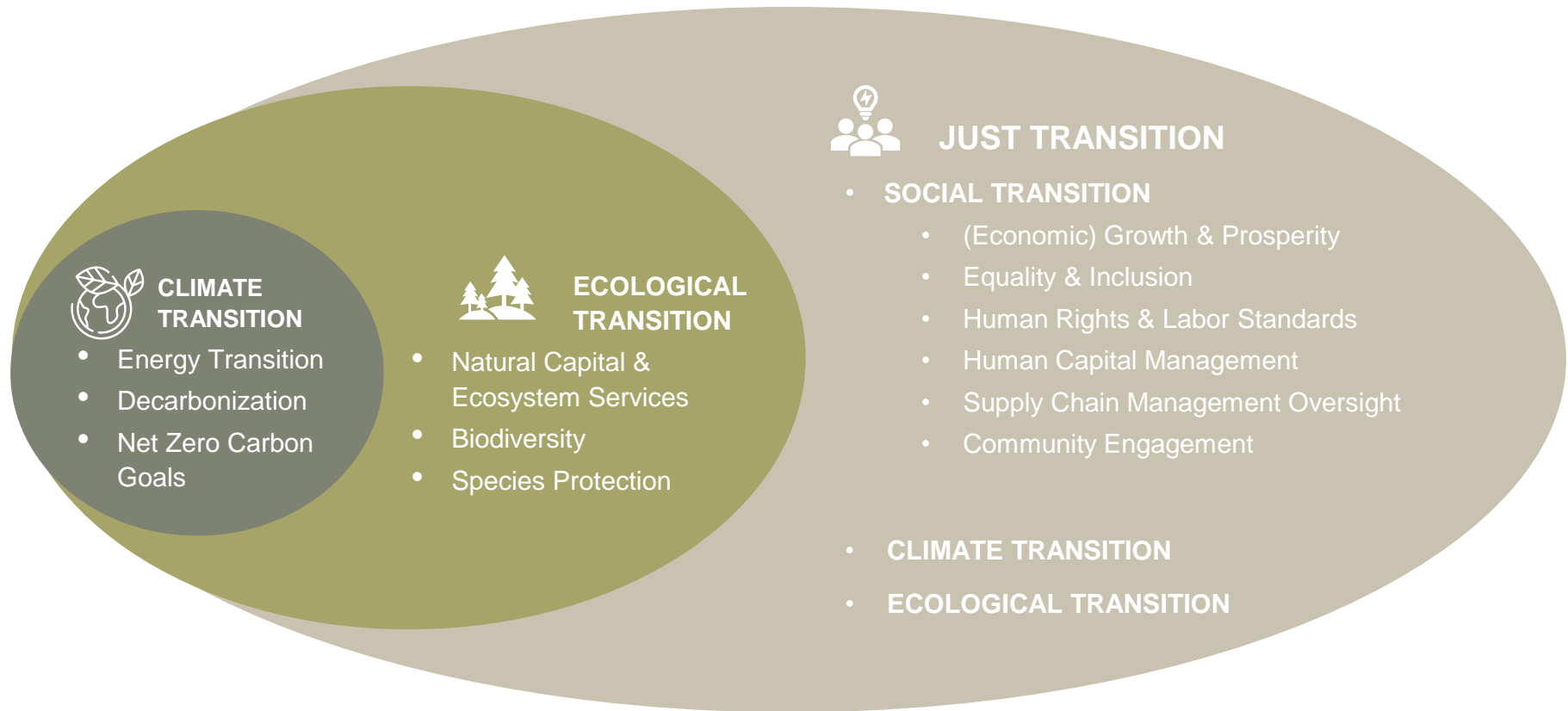
years of combined experience in ESG and investing

- 6 European ESG strategy, product and investment professionals
- 2 ODDO BHF AM ESG Committees for Strategy and Policy





## Alignment with Agenda 2030





## EXCLUSIONS

- ODDO BHF AM wide **norm-based exclusions**:
  - Non-compliance with UN Global Compact
  - Coal (mining and thermal) exclusions along a trajectory
  - Controversial weapons
- **Sector-based exclusions**, dependent on the investment strategy, they can include tobacco, nuclear, adult entertainment, GMO pesticides, weapons, shale oil & gas, alcohol, natural gas



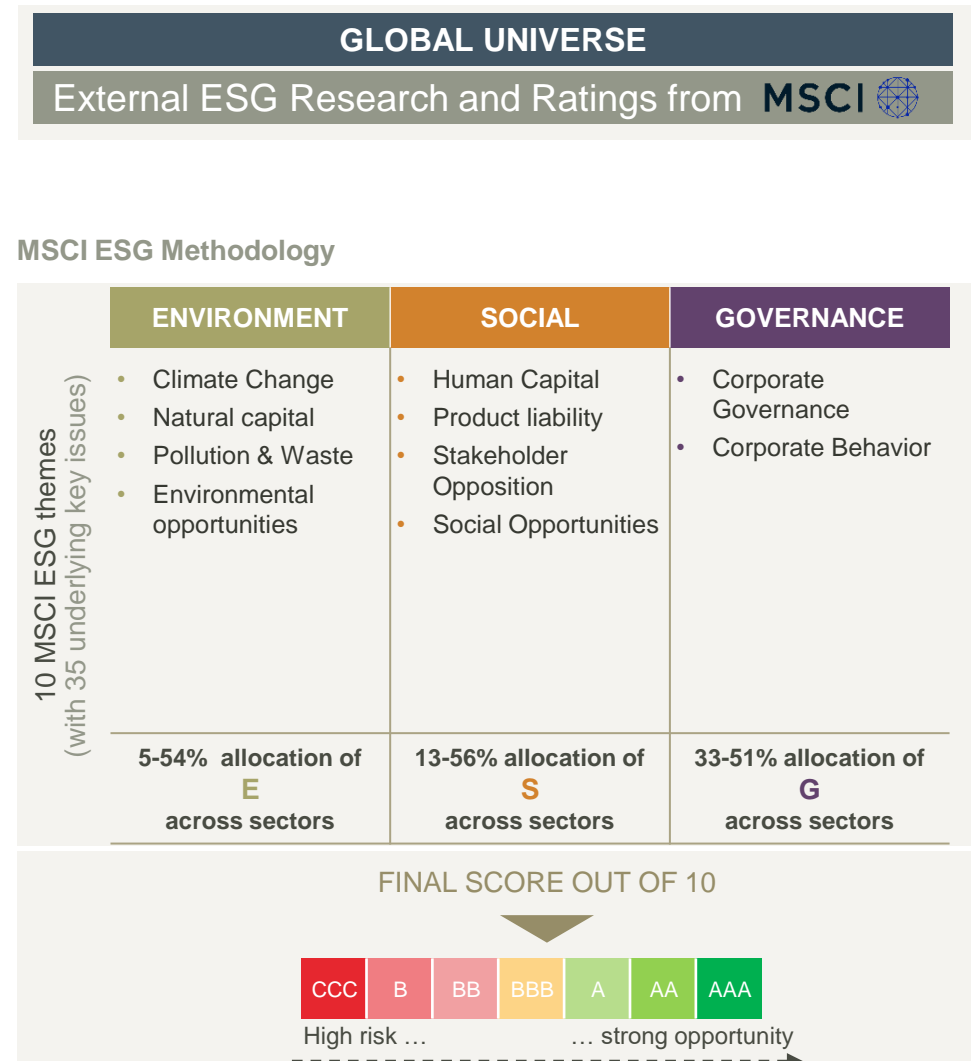
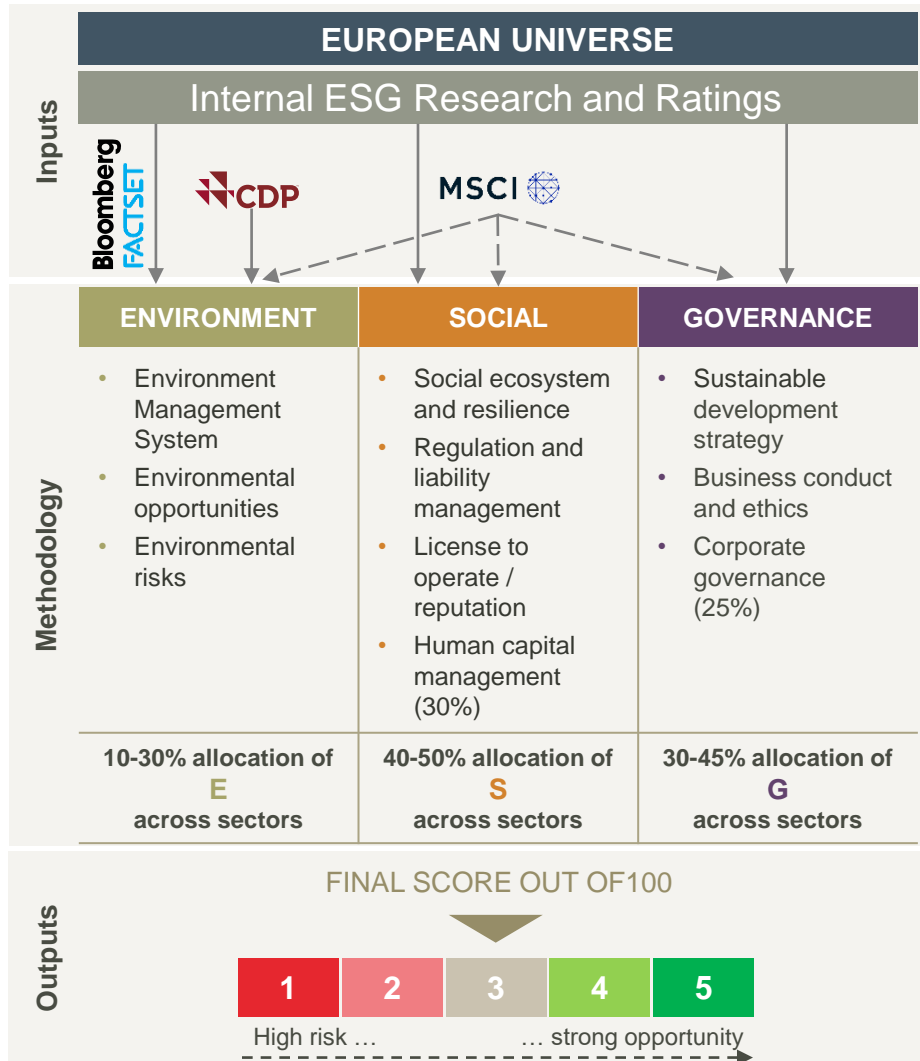
## INTEGRATION

- Internal model covering 900+ companies based on **inhouse research** and **MSCI**
- **Impact** on portfolio construction in equity and bond selection and weighting **across asset classes**
- Portfolio's ESG rating based on internal model (1-5)



## ACTIVE OWNERSHIP

- **Regular dialogue** with companies within the investment universe on ESG topics
- Individual and collaborative **engagement** with companies for which we see improvement potentials for ESG topics
- **Divestment** if no positive development within 18 to 24 months for some ESG strategies



Source: MSCI ESG, ODDO BHF AM, 2021



ENGAGEMENT FOCUS			
<b>1. Identification of Key Engagement Issues</b>	<b>2. Preparation of Company Meeting</b>	<b>3. Company and Stakeholder Dialogue</b>	<b>4. Monitoring &amp; Reporting of Meeting</b>
<ul style="list-style-type: none"> <li>• <b>Identify companies</b> in which we have invested with a long-term perspective and within a multi-strategy context</li> <li>• <b>Define engagement KPIs</b> in line with:                             <ul style="list-style-type: none"> <li>○ portfolio manager priorities for long term value creation</li> <li>○ events at a specific company and/or sector level</li> <li>○ (time)-sensitive issues for the sector</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Define and communicate approach</b> for company interaction including level and expertise of contacts</li> <li>• <b>Establish process for individual and collaborative engagement and dialogue:</b> <ul style="list-style-type: none"> <li>○ approach and inform about ESG issues</li> <li>○ communicate engagement objectives</li> <li>○ align on desired outcomes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Provide regular updates on ESG progress:</b> <ul style="list-style-type: none"> <li>○ discuss key issues</li> <li>○ communicate expectations and desired outcomes on vs a reliable timeline</li> <li>○ agree on next steps / targets and potentially future meetings</li> </ul> </li> <li>• <b>Participate in stakeholder dialogue</b> with other investors and through membership organizations</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Document and monitor next engagement steps</b> as agreed with the company and other stakeholders</li> <li>• <b>Include engagement outcomes in regular reporting</b> to ensure transparency on active ownership and stewardship dialogue</li> <li>• <b>Share best practices in collaborative engagement groups</b> and incorporate learning from other engagement experts</li> </ul>
ESG TEAM + PORTFOLIO MANAGERS	ESG TEAM	ESG TEAM	ESG TEAM + PORTFOLIO MANAGERS
RESPONSIBILITY			



### OVERVIEW & POLICIES

- Our active ownership and dialogue is supported by dedicated policies (Shareholder Engagement Policy & Voting Policy) and annual reports to publish results and track progress.
- Company engagement is growing year on year: 2019 = 66; 2020 = 128
- Our aim for 2021 is to further strengthen our stakeholder engagement and market / ESG bodies dialogue activities.

### COLLABORATIVE ENGAGEMENT & DIALOGUE



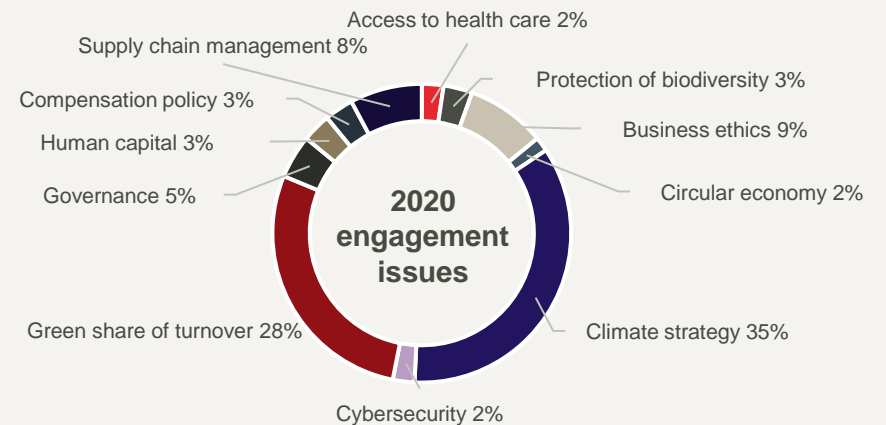
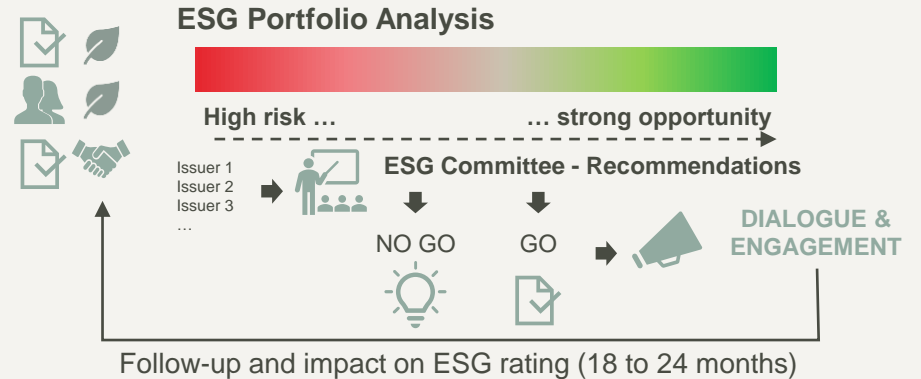
This initiative launched in 2017 at the “One Planet Summit”. Its mission over the next five years is to encourage and to influence the large greenhouse gas emitters in the global economy.



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.

This does not constitute an investment recommendation.

### INDIVIDUAL ENGAGEMENT







CLIMATE TRANSITION	ECOLOGICAL TRANSITION	JUST TRANSITION	GLOBAL ESG FORUMS
<ul style="list-style-type: none"> <li>• Climate Action 100+ (CA100+)</li> <li>• Coalition for Climate Resilience in Investment (CCRI)</li> <li>• Institutional Investor Group on Climate Change (IIGCC)</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity Pledge</li> <li>• Investors Policy Dialogue on Deforestation (IPDD)</li> <li>• Taskforce for Nature-Related Financial Disclosures</li> </ul>	<ul style="list-style-type: none"> <li>• ShareAction Workforce Disclosure Initiative</li> <li>• Fondsfrauen</li> <li>• Access to Medicine Index (ATMI)</li> </ul>	<ul style="list-style-type: none"> <li>• Principles for Responsible Investment (PRI)</li> <li>• CFA ESG Leaders Group</li> <li>• International Capital Markets Association (ICMA)</li> <li>• Sustainable Investment Forums (SIFs)</li> <li>• UN Global Compact (UNGC)</li> <li>• World Benchmarking Alliance (WBA)</li> </ul>



# 03

## OUR FUND RANGE



EQUITIES						
Fund Information	Launch	AuM	Label	Ratings	SFDR	SRR1
<b>ODDO BHF Avenir Europe</b> European small and mid caps	1999	€3 293m		★★★★★ <sup>2</sup> ●●●●● <sup>3</sup> MSCI ESG: AA <sup>5</sup>	6   8 <sup>4</sup>   9	① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Avenir Euro</b> Euro zone small and mid caps	1985	€715m		★★★★★ <sup>2</sup> ●●●●● <sup>3</sup> MSCI ESG: AA <sup>5</sup>	6   8 <sup>4</sup>   9	① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Avenir</b> French small and mid caps	1992	€824m		★★★★★ <sup>2</sup> ●●●●● <sup>3</sup> MSCI ESG: AA <sup>5</sup>	6   8 <sup>4</sup>   9	① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Génération</b> European family-owned companies	2008	€491m		★★★★★ <sup>2</sup> ●●●●● <sup>3</sup> MSCI ESG: AA <sup>5</sup>	6   8 <sup>4</sup>   9	① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Algo Sustainable Leaders</b> European companies that are leaders in their responsible practices	2002	€189m		★★★★★ <sup>2</sup> ●●●●● <sup>3</sup> MSCI ESG: AA <sup>5</sup>	6   8   9 <sup>4</sup>	① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>

**All these funds present a risk of capital loss. Past performance are not a reliable indicator of future performance 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 31.12.2020, with the categories being respectively as follows: Europe Mid-Cap Equity, Eurozone Mid-Cap, France Small/Mid-Cap, Eurozone Large-Cap, Fund Europe Large-Cap Blend

3 Morning star globes as of 31/01/2021

4 The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process. Article 9: The management team follows a strict sustainable investment objective that significantly contributes to the challenges of the ecological transition, and addresses Sustainability Risks through ratings provided by the Management Company's external ESG data provider.

5 MSCI ESG Rating as of 28/02/2021; © 2020 MSCI ESG Research LLC. Reproduced by permission



EQUITIES						
Fund Information	Launch	AuM	Label	Ratings	SFDR	SRI
<p><b>ODDO BHF Immobilier</b> Real estate and property (related) stocks in the Euro Zone</p>	1989	€384m		<p>★★★★<sup>2</sup>  <sup>3</sup>                      MSCI ESG: AA<sup>5</sup></p>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<p><b>ODDO BHF Green Planet</b> Companies that support the ecological transition</p>	2020	€69m		<p> <sup>3</sup>                      MSCI ESG: AA<sup>5</sup></p>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<p><b>ODDO BHF Active Small Cap</b> European small and mid cap companies</p>	2013	€344m		<p>★★★★<sup>2</sup>  <sup>3</sup>                      MSCI ESG: A<sup>5</sup></p>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>

**All these funds present a risk of capital loss. Past performance are not a reliable indicator of future performance 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 31.12.2020, with the categories being respectively as follows: Property – indirect Eurozone, Europe Small-Cap Equity

3 Morning star globes as of 31/01/2021

4 The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process.

5 MSCI ESG Rating as of 28/02/2021; © 2020 MSCI ESG Research LLC. Reproduced by permission



FIXED INCOME						
Fund Information	Launch	AuM	Label	Ratings	SFDR	SRR1
<b>ODDO BHF Sustainable Euro Corporate Bond</b> Euro zone investment grade bonds	2018	€445m		 MSCI ESG: AA <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ ①
<b>ODDO BHF Green Bond</b> Euro zone bonds that fund sustainable projects	1984	€125m		MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ ①
<b>ODDO BHF European Convertible Moderate</b> Fund invested in European convertible bonds	2000	€69m		 MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ ①
<b>ODDO BHF Sustainable Credit Opportunities</b> Debt securities with a high yield and investment grade exposure	2018	€208m		 MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ ①
<b>ODDO BHF Euro High Yield Bond</b> Investments in lower quality debt issues of international issuers	2000	€458m		 MSCI ESG: BB <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ ①
<b>ODDO BHF Euro Credit Short Duration</b> Debt securities with a rating of at least B3 or B-	2011	€1 269m		 MSCI ESG: BBB <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ ①

**All these funds present a risk of capital loss. Past performance are not a reliable indicator of future performance 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 31.12.2020, with the categories being respectively as follows: Fund EUR Corporate Bond, Fund Global Bond, Fund Convertible Bond, Fund Alt –Long/Short Credit, Fund EUR High Yield Bond

3 Morning star globes as of 31/01/2021

4 The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process. Article 9: The management team follows a strict sustainable investment objective that significantly contributes to the challenges of the ecological transition, and addresses Sustainability Risks through ratings provided by the Management Company's external ESG data provider MSCI ESG Rating as of 28/02/2021; © 2020 MSCI ESG Research LLC. Reproduced by permission



MULTI-ASSET						
Fund Information	Launch	AuM	Label	Ratings	SFDR	SRR1
<b>ODDO BHF Polaris Moderate*</b> International multi-asset fund with a high bond share	2005	€1 149m		 MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Exklusiv: Polaris Dynamic*</b> International multi-asset fund with a high equity share	2007	€544m		 MSCI ESG: AA <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Exklusiv: Polaris Balanced*</b> International multi-asset fund with similar bond and equity shares	2007	€795m		 MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Polaris Flexible*</b> International multi-asset fund with a high equity share	2007	€393m		 MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>
<b>ODDO BHF Wertefonds</b> Fund invested in European bonds and equities	2002	€39m		 MSCI ESG: A <sup>5</sup>		① ② ③ ④ ⑤ ⑥ ⑦ <sup>1</sup>

**All these funds present a risk of capital loss. Past performance are not a reliable indicator of future performance 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 31.12.2020, with the categories being respectively as follows: Multi-Asset Defensive, Fund EUR Cautious Allocation, Fund EUR Moderate Allocation, Fund EUR Aggressive Allocation, Fund EUR Flexible Allocation

3 Morning star globes as of 31/01/2021

4 The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process.

5 MSCI ESG Rating as of 28/02/2021; © 2020 MSCI ESG Research LLC. Reproduced by permission

\* The Polaris funds follow the ESG approach from ODDO BHF Trust

Source: ODDO BHF AM, 2021



		UNGC	Alcohol	Coal	Gambling	GMOs Pesticides	Natural Gas	Nuclear	Adult Entertainment	Shale oil & gas	Tobacco	Conventional Weapons	Key ESG specifications and additional specific exclusions
		No exclusion	Total exclusion	Exclusion with a trajectory (evolving threshold)	No exclusion	Total exclusion	No exclusion	Total exclusion	No exclusion	Total exclusion	No exclusion	Total exclusion	
Equities	ODDO BHF Avenir Range	Y	Y	Y	Y	N	Y	Y	N	Y	Y	N	<ul style="list-style-type: none"> <li>Max 10% of portfolio in company with internal ESG score 1/5 (1/5 on corporate governance and/or human capital systematically excluded) and portfolio rating <math>\geq 3</math></li> <li>Companies not monitored by our internal model or by our external non-financial data provider are systematically excluded</li> <li>Exclusion of the regulated utilities and telecommunications sectors</li> </ul>
	ODDO BHF Génération	Y	N	Y	Y	N	N	Y	N	N	Y	N	<ul style="list-style-type: none"> <li>Max 10% of portfolio in company with internal ESG score 1/5 (1/5 on corporate governance and/or human capital systematically excluded) and portfolio rating <math>\geq 3</math></li> <li>Companies not monitored by our internal model or by our external non-financial data provider are systematically excluded as well as companies not following our internal model with a ESG CCC or B rating by our external non-financial data provider MSCI ESG Ratings</li> <li>Exclusion of banks that have not committed to meet international standards for fossil fuel phase-out</li> </ul>
	ODDO BHF Algo Sustainable Leaders	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	<ul style="list-style-type: none"> <li>Exclusion of 1/3 of the investment universe</li> <li>Portfolio ESG score &gt; Sustainable benchmark ESG score</li> </ul>
	ODDO BHF Green Planet	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	<ul style="list-style-type: none"> <li>MSCI ESG rating of BB or better</li> <li>MSCI ESG Controversies score of 1/5 or above</li> <li>20% exclusion from the starting investment universe</li> </ul>
	ODDO BHF Immobilier	Y	N	Y	N	N	N	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>Sector exclusions in addition to generally non-controversial real estate sector</li> <li>ESG rating of the portfolio to be higher than benchmark</li> </ul>
	ODDO BHF Active Small Cap	Y	N	Y	N	N	N	Y	N	N	Y	Y	<ul style="list-style-type: none"> <li>Sector exclusions</li> <li>ESG criteria are considered in investment decisions</li> </ul>



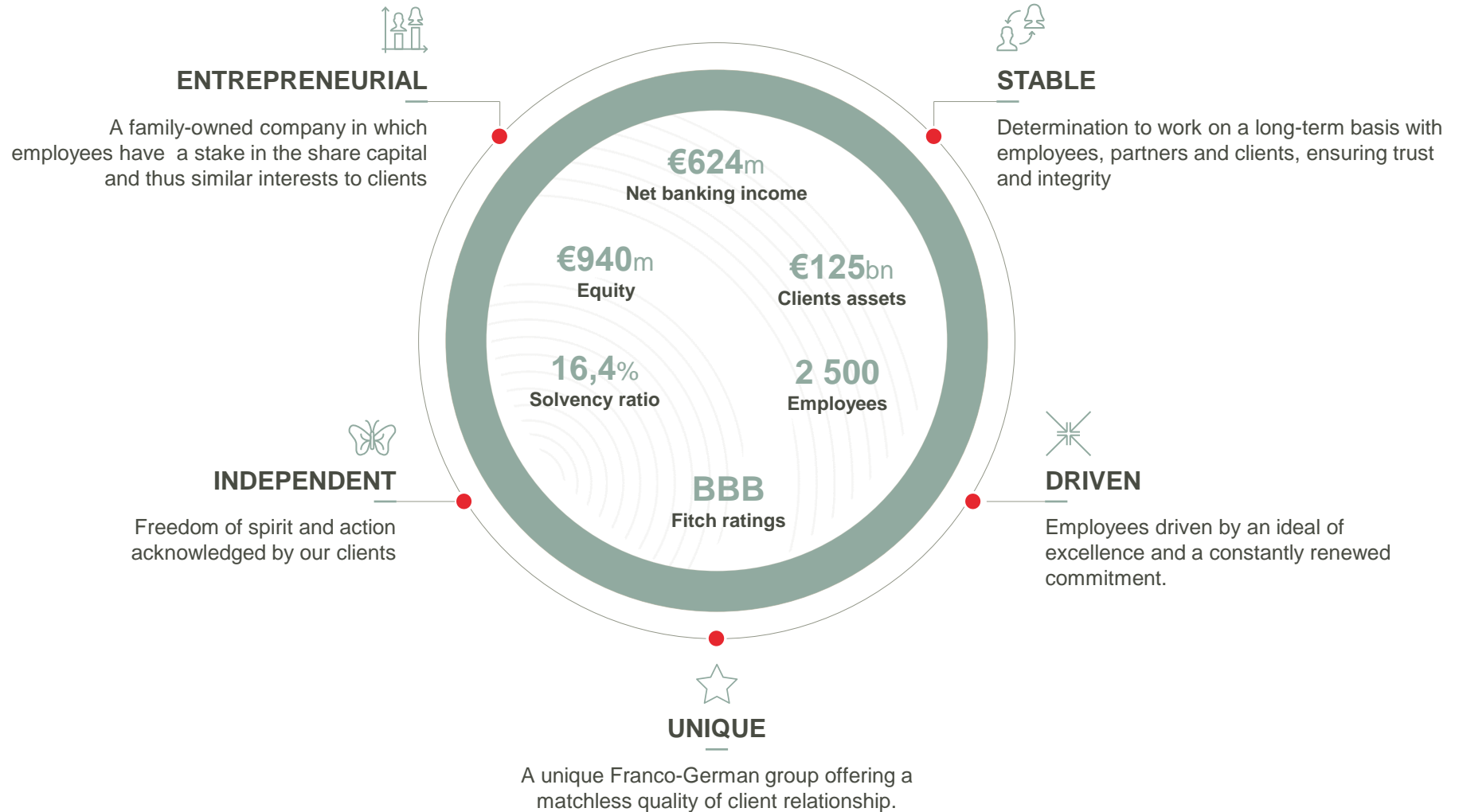
		UNGC	Alcohol	Coal	Gambling	GMOs Pesticides	Natural Gas	Nuclear	Adult Entertainment	Shale oil & gas	Tobacco	Conventional Weapons	Key ESG specifications and additional specific exclusions
		No exclusion	Total exclusion	Exclusion with a trajectory (evolving threshold)	No exclusion	Total exclusion	Exclusion with a trajectory (evolving threshold)	No exclusion	Total exclusion	Exclusion with a trajectory (evolving threshold)	No exclusion	Total exclusion	
Fixed Income	ODDO BHF Sustainable Euro Corporate Bond	Y	N	Y	Y	Y	N	Y	N	Y	Y	Y	<ul style="list-style-type: none"> <li>• Max 1/3 of portfolio in companies with ESG score 1/5 or 2/5, the average ESG score to be &gt;3/5</li> <li>• 20% exclusion from the starting investment universe</li> <li>• 1/5 on corporate governance and/or human capital excluded</li> </ul>
	ODDO BHF Green Bond	Y	N	Y	N	N	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Only issuers with strong ESG scores (4-5/5) for the diversification pocket (max 25%)</li> <li>• Min. allocation to Green Bonds 75%</li> </ul>
	ODDO BHF Sustainable European Convertibles Moderate	Y	N	Y	N	N	N	N	N	N	Y	N	<ul style="list-style-type: none"> <li>• Overall ESG quality level of the portfolio of min 3/5 (1/5 on corporate governance and/or human capital systematically excluded)</li> <li>• Portfolio rating &gt; 3 implying a reduction of at least 20% of its investment universe</li> <li>• Exclusion of coal, tobacco, and banks without any commitment about fossil energy phase-out</li> <li>• Exclusion of companies rated BB and below by MSCI when we do not have the internal coverage</li> </ul>
	ODDO BHF Sustainable Credit Opportunities	Y	N	Y	Y	Y	N	Y	N	Y	Y	Y	<ul style="list-style-type: none"> <li>• CCC MSCI Ratings and companies with a rating below 3/10 on E, S, or G are excluded if they are not covered by our internal scoring model</li> <li>• Exclusion of companies with Human Capital or Corporate Governance score of 1/5 in our model</li> </ul>
	ODDO BHF Euro Credit Short Duration	Y	N	Y	N	N	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• Companies with a 1/5 or 2/5 ESG rating are limited in the portfolio</li> </ul>
	ODDO BHF Euro High Yield	Y	N	Y	N	N	N	N	N	N	N	N	<ul style="list-style-type: none"> <li>• The fund has to maintain a better ESG rating than its benchmark</li> </ul>
Multi-Asset	ODDO BHF Exklusiv Polaris Range	Y	N	Y	Y	N	N	N	N	N	Y	Y	<ul style="list-style-type: none"> <li>• Min average ESG rating of single A</li> <li>• MSCI ESG sub-score has to be &gt; 3 for one of the environmental, social or governance categories</li> </ul>
	ODDO BHF WerteFonds (DE)	Y	N	Y	Y	Y	N	Y	Y	Y	Y	Y	<ul style="list-style-type: none"> <li>• The fund performs against a sustainable benchmark for the equity exposure</li> <li>• Alcohol is excluded for equities only = partial exclusion</li> </ul>
Other open-ended funds managed in Germany		Y		Y									






# 04

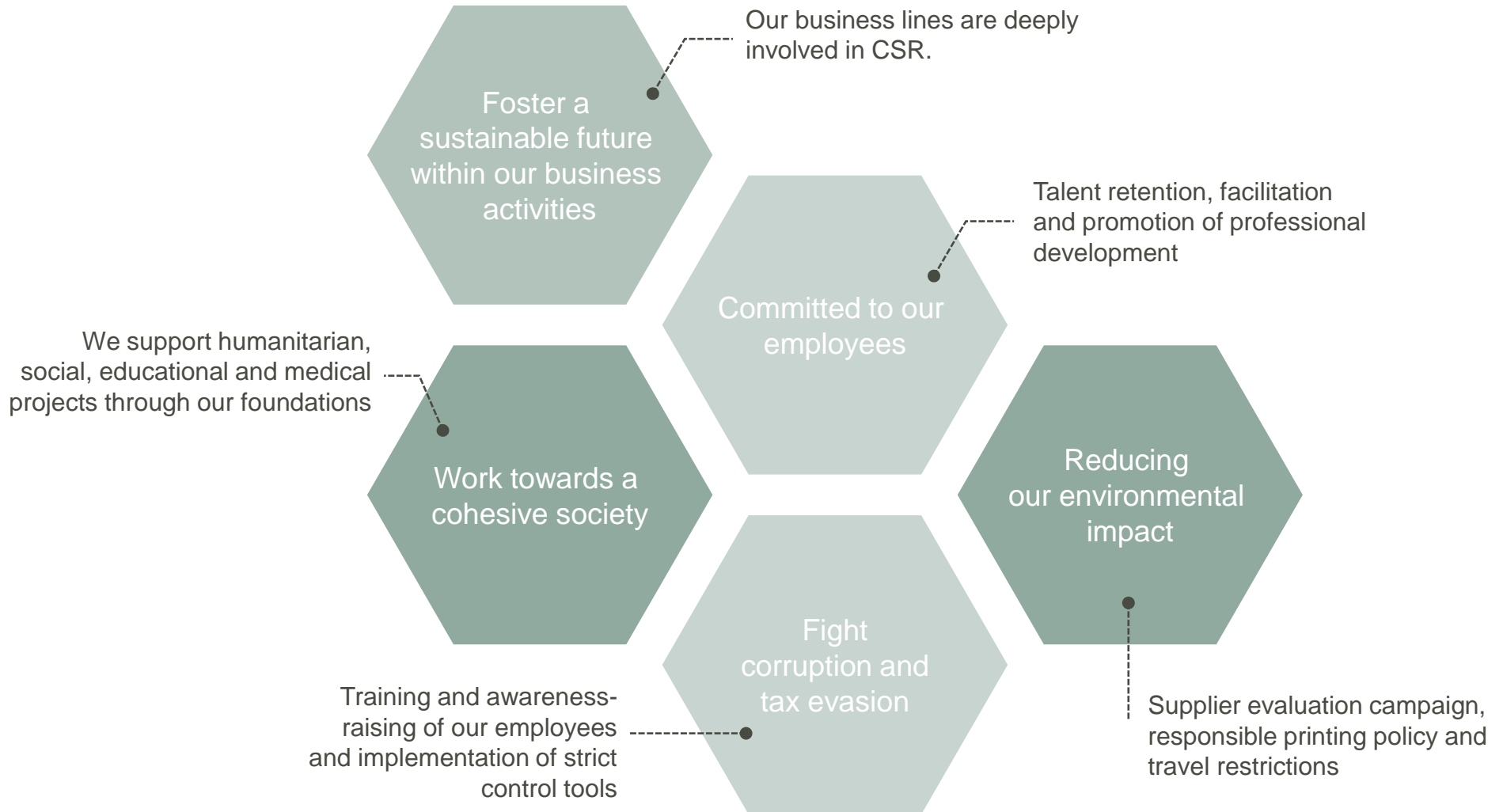
## ODDO BHF'S COMMITMENT







		
ASSET MANAGEMENT	PRIVATE WEALTH MANAGEMENT	CORPORATES & MARKETS
<p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>• Equity – fundamental and quantitative management</li> <li>• Artificial intelligence - global thematic equities</li> <li>• Multi asset</li> <li>• Fixed income &amp; money market</li> <li>• Private equity &amp; private debt</li> <li>• Responsible investment</li> </ul> <p><b>Independant Financial Advisors</b></p> <ul style="list-style-type: none"> <li>• Life Insurance</li> <li>• Retirement and employee savings plans</li> <li>• Securities accounts and PEAs</li> </ul>	<ul style="list-style-type: none"> <li>• Custodian platforms</li> <li>• Financing solutions</li> <li>• Investment solutions</li> <li>• Heritage engineering</li> <li>• Family office</li> </ul>	<ul style="list-style-type: none"> <li>• Research &amp; brokerage</li> <li>• Corporate finance</li> <li>• International banking</li> <li>• Foreign exchange</li> <li>• Metal trading</li> </ul>



\* Corporate Social Responsibility

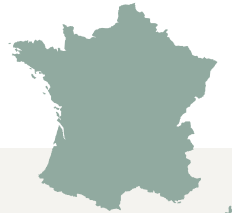


	Dec 2020	Dec 2019	Trend
ENVIRONMENT			- -/+ +
Paper consumption per FTE*	2499	4 888	
Electricity consumption per FTE*	6 253	6 918	
SOCIAL			
Aid people with disabilities: % of requests granted	100%	100%	
% of total workforce trained over the course of the year	France: 62% Germany: 56%	France: 82% Germany: 52%	
% of employees involved in the endowment fund's action	14%	8%	
SUSTAINABLE INVESTMENT			
% assets under management integrating ESG criteria	32%	23%	

\* FTE: Full Time Equivalent



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)



**CHRISTOPHE ROUX**

Endowment Fund Coordinator ODDO BHF Agir pour demain  
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### 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



**SIGRID SCHERER**

BHF Bank Stiftung Project Manager  
sigrid.scherer@oddo-bhf.com



The decarbonization strategy is structured around three dimensions

**Realistic but ambitious set of measures** to reduce emissions, the five identified material topics:

- Responsible **sourcing**
- Low-carbon **mobility**
- Efficient usage of **buildings**
- Improved usage of **hardware**
- Internal and external **communication** and **awareness** raising



**Strategy to**










1. Reduce own emissions,
2. help others to reduce their emissions and
3. support CO<sub>2</sub> sinks

The success is **tracked via KPIs** measuring emitted, avoided and negative emissions

**Decarbonization committee** which includes representatives from all departments

**Internal stakeholder groups** in France, Germany and Tunisia engage for further, local developments



				
<p><b>Travels</b></p>	<p><b>Food</b></p>	<p><b>Water</b></p>	<p><b>Waste</b></p>	<p><b>Paper</b></p>
<ul style="list-style-type: none"> <li>• Travel policy giving priority to using the train</li> <li>• Car policy: Inclusion of CO<sub>2</sub> bonus/malus in policy (underway)</li> </ul>	<ul style="list-style-type: none"> <li>• Plastic cups replaced by individual eco cups</li> <li>• Grain coffee machines in lounges (which eliminates aluminum capsules)</li> </ul>	<ul style="list-style-type: none"> <li>• Plastic bottles replaced by glass bottles in reception halls</li> <li>• Efficient water management</li> </ul>	<ul style="list-style-type: none"> <li>• In France: Test of bins in progress to better sort and limit the amount of waste.</li> <li>• In Germany: Centralized waste sorting and treatment in place</li> </ul>	<ul style="list-style-type: none"> <li>• Printers calibrated by default to black/white and double-sided printing. Policy to reduce number of printers. Use of recycled paper</li> <li>• Electronic invoices</li> </ul>
				
<p><b>Electricity</b></p>	<p><b>Heating</b></p>	<p><b>Cleaning</b></p>	<p><b>Office Space</b></p>	
<ul style="list-style-type: none"> <li>• Initiatives to reduce electricity consumption (automatic switch-off of lights at night, motion sensor switches, etc.)</li> <li>• Implementation of green electricity contracts (in progress)</li> </ul>	<ul style="list-style-type: none"> <li>• Use of partially geothermal energy or energy from waste-to-energy plants</li> <li>• Use of district heating to reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement with cleaning companies to use only ecological and environmentally friendly products ("SAMSIC ")</li> </ul>	<ul style="list-style-type: none"> <li>• Modern working standards are being defined to contribute to a more efficient use of office space.</li> </ul>	<div data-bbox="1632 1096 1742 1200" data-label="Image"> </div> <p><b>ODILE JOURNY</b>                      Head of HR Development                      odile.journy@oddo-bhf.com</p>

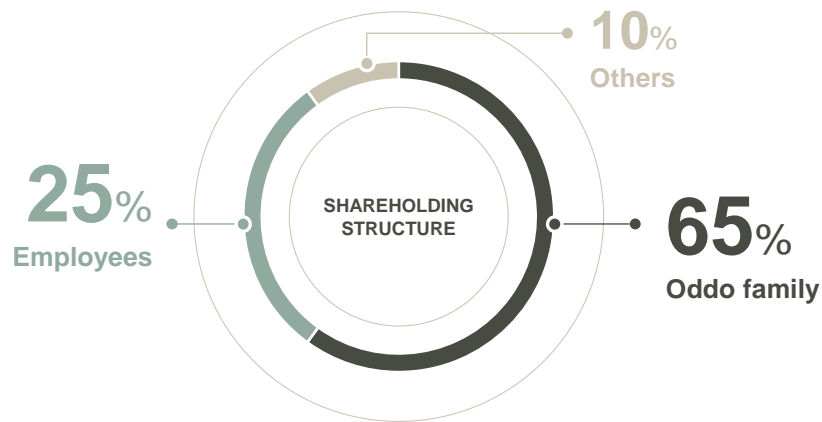




The Group implements five "HR" levers aimed at promoting the sustainable development of its employees

### 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



### AGE PYRAMID MANAGEMENT

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

**42,3**  
Average age of employees within the group

### 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



## ODDO BHF Asset Management SAS (France)

Portfolio Management Company approved by the Autorité des Marchés Financiers under GP 99011.  
*Société par actions simplifiée* with capital of 9 500 000 €. Trade Register (RCS) 340 902 857 Paris.  
12 boulevard de la Madeleine – 75440 Paris Cedex 09 France – Tél. : +33 (0)1 44 51 85 00.

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