Exclusion Policy

JULY 2026

ODDO BHF Asset Management (ODDO BHF AM) has been a signatory to the UN Principles for Responsible Investment (UN PRI) since 2010. Our approach to sustainable investing is based on our long-term oriented investment philosophy. As such, we ensure that environmental, social and governance (ESG) criteria are reflected in our issuer research, alongside traditional financial criteria.

In this respect, ODDO BHF Asset Management SAS (France), ODDO BHF Asset Management GmbH (Germany) and ODDO BHF Asset Management Lux (Luxembourg) are operating under the single brand ODDO BHF Asset Management (ODDO BHF AM). We have established an exclusion policy covering a range of controversial activities across sectors and practices that are contrary to major international norms and conventions. Nevertheless, the above-mentioned asset management companies remain independent and autonomous in their management decisions in accordance with the regulations in force.

Depending on their nature, our common base of exclusions applies to all funds open to the public, managed by ODDO BHF AM as management company or delegated to other entities of the ODDO BHF Group. It also applies to Private Assets depending on the investment strategy. However, certain funds open to the public, whose management is delegated to third parties or not, are not affected by these exclusions unless otherwise stated in the prospectus (in particular some open funds but with a single holder).

These exclusions may also apply to management mandates or dedicated funds, if explicitly named in the relevant prospectus or information memorandum.

The fund ODDO BHF Merger Arbitrage managed by ODDO BHF Asset Management SAS is excluded from this policy, except for the following unconventional weapons: anti-personnel mines, cluster munitions, chemical weapons and biological weapons.

Other potential exclusions that are not part of our common base of exclusions may apply to some funds upon clients' request or to respect specific ESG labels (French SRI Label, Towards Sustainability, FNG).

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01
COMMON BASE OF EXCLUSION

Our common base of exclusions applies to all open-ended funds managed by the various legal entities operating under the single brand "ODDO BHF AM": ODDO BHF Asset Management SAS, ODDO BHF Asset Management GmbH and ODDO BHF Asset Management Lux. They also apply to delegated fund managers within the ODDO BHF Group and to Private Assets depending on the investment strategy[1].

However, funds of funds on listed assets and listed derivative products are excluded. The fund ODDO BHF Merger Arbitrage managed by ODDO BHF Asset Management SAS is also excluded from this policy, except for the following unconventional weapons: anti-personnel mines, cluster munitions, chemical weapons and biological weapons.

When managing dedicated funds, third party advised or managed funds or segregated accounts, these exclusions will apply if so stated in the relevant prospectus or information memorandum

1.1 COAL

Background

The report from the Intergovernmental Panel on Climate Change (IPCC)[2] published in 2018 has reminded us that we need to act in order to be carbon neutral by 2050 if we are to meet the Paris Agreement target and to limit global warming to 1.5°C compared to pre-industrial levels.

In our effort to do so, one of our priorities around which a consensus has now formed is to halt financing thermal coal[3], which accounts for about 40% of global greenhouse gas emissions. The carbon intensity of electricity generated by thermal coal is more than twice as high as that of natural gas.

As a long-term investor, ODDO BHF AM is aware that continuing to invest in companies active in the mining and production of thermal coal carries increasing risks:

- a regulatory risk, given the increasing number of commitments by many countries to reduce their CO2 emissions;
- a growing financial risk on asset valuation, as tougher regulation will ultimately make it impossible to exploit proven designated reserves (“stranded assets");
- a reputational risk, given the growing negative social and environmental externalities, which include water and ground pollution, generation of hazardous waste (heavy metals such as chromium, mercury or arsenic), human and labour rights violations, and human health (with more than 12,000 deaths per year in Europe).

1 *More details on Section 5*

2 *Intergovernmental Panel on Climate Change (IPCC), Special Report on Global Warming of 1.5 °C*

3 *Thermal coal is extracted from mines and is used to generate electricity. It differs from steelmaking coal, which is used for steel production and for which there is currently no economically viable substitute.*

Exclusion criteria

In January 2021, ODDO BHF AM published an updated version of its exclusion policy for companies in the coal sector with a view to contributing to climate neutrality by 2050 and to limiting global warming to a maximum of 1.5 °C, as stipulated in the Paris Climate Agreement.

In line with the recent work of leading authorities on climate issues (Intergovernmental Panel on Climate Change, International Energy Agency, United Nations Environment Programme), ODDO BHF AM is guided by the timetable of a complete coal phase-out by 2030 for countries in the European Union and the OECD and by 2040 for the rest of the world.

ODDO BHF AM no longer invests in companies that exceed the following thresholds:

- Coal mining: Any company with an annual production in excess of 8 million tonnes or, alternatively, a production equivalent to 5% of its revenues. These thresholds will be lowered to zero by 2030 for EU and OECD countries and by 2040 for the rest of the world.
- Power generation: Any company for which coal accounts for more than 10% of its production mix or, alternatively, more than 10% of its installed capacity. These thresholds will be lowered to 5% in 2028 and to 0% in 2030 for EU and OECD countries. In absolute terms, any power company whose installed coal power capacity is greater than 15 GW.
- Development of new projects: Any company engaged in coal mining or coal-fired power generation that is developing new projects involving thermal coal, regardless of the project's size. This includes coal infrastructure projects such as port or road developments favouring the development of coal production.

The analysis of the aforementioned companies and thresholds is based on data[4] compiled annually by the non-governmental organisation Urgewald through the Global Coal Exit List, as well as information collected by our extra-financial data provider MSCI ESG Research. Our ESG Investment Forum reserves the right to make its own decisions based on this list and to put certain issuers on a watch list, depending wether their climate commitments are compatible with the Paris Agreement. No exceptions are made for companies developing new thermal coal mining capacities, coal-fired power generation or new coal infrastructures.

1.2 UNCONVENTIONAL OIL & GAS

Background

To comply with the Paris Agreement and the goal of limiting global warming to 1.5°C, it is necessary to reduce the share of fossil fuels in the global energy mix. The explosion of unconventional oil and gas activities (shale oil and gas, oil sands) in the United States since the 2000s has contributed to a significant increase in greenhouse gas emissions, particularly methane. Less known than carbon dioxide (CO2), methane warms the earth 80 times more in the first twenty years after it is released into the air according to the Intergovernmental Panel on Climate Change (IPCC). Beyond greenhouse gas emissions, the very nature of these activities is controversial. Fracking is a technique that is still debatable in some countries for its negative impact on local communities (impact of local pollution on people's health) and on the environment (pollution on the surface and incompatibility with the fight against global warming).

ODDO BHF AM considers that many unconventional oil and gas activities are not compatible with the goal of reducing global warming as set out in the Paris Agreement. Thus, they represent a significant financial and environmental risk that ODDO BHF AM does not want to bear.

[4] *For more details, see the following link: https://coalexit.org/*

Exclusion criteria

ODDO BHF AM excludes all companies from the energy sector that generate more than 5 % of their revenues from the extraction and production of unconventional oil and gas. This includes shale oil and gas as well as oil sands.

1.3 ARCTIC EXPLORATION

Background

The Arctic is one of the regions most affected by global warming, which is more pronounced at the poles due to polar amplification[5]. The most recent weather records show that temperatures have been abnormal and have warmed twice as much as in the rest of the world since the mid-1980s[6]. This rapid change in weather conditions has direct implications for biodiversity due to increased forest fires, loss of habitats and species, local populations, ecosystems, and the wider trajectory of global warming. The gradual release of carbon dioxide, nitrous oxide and methane, previously trapped in frozen ground (permafrost), will further add to global greenhouse gas emissions. Therefore, preserving the Arctic is crucial in combatting global warming.

Exclusion criteria

ODDO BHF AM excludes all companies from the energy sector that generate more than 10 % of their revenues from the extraction and production of (conventional and unconventional) oil and gas in the Arctic. We engage in dialogue with companies undertaking new projects in this region.

1.4 TOBACCO

Background

The tobacco industry causes a significant environmental impact, a fact often overshadowed by stakeholders' focus on health issues. Yet, the impact on the environment is very real. The use of arable land, deforestation, soil erosion and acidification, pollution of waterways, significant consumption of energy and water in countries where these are in short supply are examples of the negative impact of the tobacco industry on the environment. For example, tobacco production in China and Zimbabwe – two of the world's leading producers – contributes to 18% and 15% of national deforestation respectively[7].

Where cigarette butts end up is also relevant, as it is the most common waste in coastal and urban areas. Around two-thirds of the 6,000 billion filters (i.e. 3,600 billion) produced each year are tossed away outdoors, in nature. These take up to twelve years to vanish and a single cigarette butt can pollute up to 500 liters of water[8]. With more than 4,000 harmful substances, about 50 of which are highly toxic, cigarette butts contribute to the spread of hazardous substances in nature. However, application of the "polluter pays" principle, designed to fight against cigarette pollution, is still marginal worldwide. As a result, the cost of managing cigarette waste is still unfairly shared between local authorities and the industry.

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[5] *Due to melting ice surfaces, solar energy can no longer be reflected, which contributes to the effect of increased warming.*

[6] *World Meteorological Organization (2021)*

[7] *World Health Organization (2017) " Tobacco and its environmental impact ".*

[8] *French Ministry for the Ecological Transition*

All these environmental impacts are contrary to the United Nations Sustainable Development Goals (UN SDGs) dedicated to nature, i.e. Goal 14 on the protection of aquatic life and Goal 15 on the conservation of terrestrial ecosystems. According to the World Health Organization (WHO), tobacco industry financing poses a serious threat to public health and is thus incompatible with Goal 3, which aims to ensure good health and wellbeing for all.

Exclusion criteria

ODDO BHF AM excludes all companies that generate more than 0% of their revenues from the production of tobacco.

1.5 UNCONVENTIONAL WEAPONS

Background

In accordance with international treaties and agreements signed by the majority of European member States and in line with the European sustainable finance regulatory framework (SFDR, Benchmark regulation), ODDO BHF AM fully excludes all companies involved in the following types of unconventional weapons:

- Chemical weapons as defined in the Chemical Weapons Convention ratified in Paris in 1993;
- Biological weapons as defined in the Convention on the Prohibition of Biological Weapons negotiated in Geneva in 1972.
- Anti-personnel mines as defined by the Ottawa Convention of 1997;
- Cluster munitions as defined in the Oslo Convention of 2008.

In addition, although not mandatory from a regulatory perspective, ODDO BHF AM also excludes all companies involved in the following types of unconventional weapons:

- Depleted uranium weapons
- Blinding laser weapons, incendiary weapons and non-detectable fragments weapons as defined in the amended and supplemented Convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects.
- Nuclear weapons produced by a company incorporated in a country that does not form part of the Nuclear Non-Proliferation Treaty (NPT).

Exclusion criteria

Based on MSCI data, ODDO BHF AM excludes all companies involved in the production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapon systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons (not including producers of elemental white phosphorus or white phosphorus smokescreen/smoke bomb), or weapons with non-detectable fragments; or is involved indirectly through ownership ties to companies involved in such products. We also use MSCI data to define the list of companies involved in the production of nuclear weapons and only exclude the relevant companies that are registered in the countries that do not form part to the NPT.

1.6 GOVERNANCE AND INTERNATIONAL NORMS AND CONVENTIONS

Background

There are numerous international standards dealing with human rights, labour rights, environmental protection and business ethics. These set out minimum rights and fundamental principles, as well as the responsibilities of signatories. The Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO), the Rio Declaration on Environment and Development or the United Nations Convention against Corruption are examples of normative frameworks covering key environmental, social and governance issues. These standards serve ODDO BHF AM as a reference framework for its investment decisions.

Exclusion criteria

ODDO BHF AM relies on MSCI ESG Research, an external provider of extra-financial data, to compile and update its monthly exclusion list for violations against the United Nations Global Compact as well as OECD Guidelines for Multinational Enterprises. Eligible companies are identified using the Global Norms Screening filter within the MSCI ESG Controversies module. In addition, our ESG Investment Forum reserves the right to add or exclude issuers from this list at our discretion.

1.7 BIODIVERSITY

Background

Global warming and the progressive destruction of biodiversity are not isolated problems, but are interrelated and affect each other, as the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) has pointed out. Accordingly, the fight against global warming cannot be conducted without a clear strategy to protect living organisms.

This biodiversity loss and extinction crisis also has a global economic impact. According to a 2019 OECD report, economic losses due to inaction on biodiversity protection are estimated to be between US$4 trillion and US$10 trillion globally for the period 1997-2011[9]. This major economic impact is likely to be even greater in the years to come. The World Bank estimates that the global economy could lose US$2.7 trillion annually from 2030 onwards if the collapse of ecosystem services such as pollination, availability of fish and forest resources continues [10]. Therefore, preserving biodiversity is necessary to ensure future growth and prosperity.

The increase in biodiversity risks has led us to increase our vigilance and to define our exclusions relating to biodiversity according to two guidelines: the first relates to the palm oil industry, often associated with deforestation and biodiversity loss, the second to environmental damages.

Exclusion criteria

ODDO BHF AM excludes all companies that generate more than 5% of their revenues from the production of palm oil as well as any company involved in serious controversies linked to biodiversity.

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[9] *OECD (2019) « Biodiversity: Finance and the Economic and Business Case for Action »*

[10] *World Bank (2021) « The economic case for nature »*

02
RELEVANT EUROPEAN LABELS

Some of ODDO BHF AM's funds have an ESG label or have applied for an ESG label in Europe. These are primarily the German FNG label, the Belgian "Towards Sustainability" label and the French SRI label. For each of these labels, in addition to the exclusions already mentioned, we also comply with the sector exclusions and exclusion thresholds specific to each label. Furthermore, we follow changes in the label's methodology in order to integrate new exclusions and to take into account adjustments to the thresholds used. The exclusion criteria defined by the labels may go beyond the exclusion thresholds we defined in our common base of exclusion (see sections 1.1 to 1.7). ODDO BHF AM and its delegated fund managers within the ODDO BHF Group hence apply the most stringent thresholds for the funds concerned.

2.1 THE GERMAN FNG LABEL

For a fund with the German FNG label, ODDO BHF AM and its delegated fund managers within the ODDO BHF Group undertake to strictly exclude the following sectors[11] if thresholds are exceeded:

Weapons

- Production of unconventional weapons and/or essential components: 0% of revenues
- Production of conventional weapons/armaments and/or essential components: 5% of revenues

Nuclear

- Uranium mining, nuclear power generation and production of essential components for nuclear power generation, operators of nuclear power plants: 5% of revenues

Fossil energy sources

- Production / extraction of thermal coal: 5% of revenues
- Coal-fired power generation: 5% of revenues
- Production of unconventional oil & gas (fracking and/or oil sands): 5% of revenues

Tobacco

- Tobacco production: 5% of revenues

Gouvernance and international conventions

- Policy for monitoring violations of the ten principles of the UN Global Compact

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[11] *FNG (2025), Procedures/Conditions of the FNG label 2025. Available at: https://fng-siegel.org/kriterien/*

Controls

ODDO BHF AM monitors compliance with these exclusions using MSCI ESG Research tools.

2.2 THE FRENCH SRI LABEL

For a fund with the French SRI label, ODDO BHF AM and its delegated fund managers within the ODDO BHF Group undertake to comply with the normative and sectoral exclusions of the French SRI label.

The French SRI label's exclusions are designed to exclude issuers that, in terms of social criteria, exceed the following thresholds or to which the following applies:

- Tobacco: 5% of revenues from tobacco production or distribution;
- Controversial weapons: any involvement in chemical weapons, cluster munitions, biological weapons or anti-personnel mines;
- United Nations Global Compact: violation of UNGC principles.

The French SRI label's exclusions are designed to exclude issuers that exceed the following thresholds on environmental criteria:

- Thermal coal: 5% of revenues or development of new projects;
- Oil and Gas: development of new projects or 5% of the production from non-conventional sources;
- Electricity generation: carbon intensity too high according to IEA thresholds provided by the label.

The French SRI label's exclusions are designed to exclude issuers that exceed the following thresholds on governance criteria:

- Tax cooperation: State on the EU list of non-cooperative countries and territories for tax purposes, or any company whose registered office is in one of these countries;
- Money laundering and terrorism financing: States with money laundering and terrorism financing deficiencies (FATF black or grey list), or any company with its head office in one of these countries;

Corruption: countries whose Transparency International corruption index is strictly below 40/100.

03
EXCLUSIONS SPECIFIC TO GREEN, SOCIAL AND SUSTAINABILITY BONDS

The common base of exclusions also applies to our green, social and sustainability (GSS) bonds[12] investments.

We will particularly review the following principles:

- The issuer's sustainability commitments and actions, showing evidence of improvement towards becoming more sustainable;
- The issuer is not exposed to proven violation of the UN Global Compact.The bond complies with the Green Bond Principles (GBP), the Social Bond Principles (SBP) or the Sustainability Bond Guidelines (SBG) of the International Capital Market Association (ICMA);
- The bond is used to finance projects as defined in the GBP, the SBP, the SBG and/or by the French label Greenfin, or activities that are considered sustainable according to the European taxonomy.

Within the framework of the "Towards Sustainability" label, funds which which apply for the label need to comply with all the provisions applicable to green bonds. This implies full compliance with the GBP and the financing of activities that are considered as green under the "Towards Sustainability". Any green bonds used to finance activities not in line with these requirements are strictly excluded. On the other hand, funds with the "Towards Sustainability" label which do not promote GSS Bonds only need to comply with the above provisions when investing in GSS Bonds issued by companies which would otherwise be excluded under the label's "Fossil Energy Sources" or "Energy Production" categories,

In line with the guidelines on funds' names using ESG or sustainability-related terms of the ESMA, we use a look-through approach to ensure that no financed project falls under an excluded category of the Paris-aligned Benchmarks exclusions for GSS bonds not issued under the European Green Bonds standard.

GSS bonds for which the investment team may have an interest for our dedicated funds are assessed in line with our internal framework developed by the investment teams and the ESG team. The Control team ensures adherence to this policy by implementing internal rules notably the compliance with ICMA standards.

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[12] *However, investments in GSS bonds from issuers excluded under the coal category remain eligible unless these issuers are developing new capacities except if stated differently in the prospectus.*

04
EXCLUSIONS IN OUR PRIVATE ASSETS ACTIVITIES

Depending on the investment strategies, private assets funds seek to avoid investing in funds and companies which breach our Common base of exclusion. Our Common base of exclusion is applied every time it is feasible. However additional criteria may apply depending on each investment strategy as stated in their legal documentation:

- Private Debt[13]: we apply our Common base of exclusion to all Article 8 private debt funds
- Direct Private Assets Funds[14]: we apply our Common base of exclusion to all our Article 8 funds
- Article 8 Fund of funds investment strategies:
  - For investments in primary funds our Common base of exclusion may apply depending on the availability of data on existing transactions already made at the time of the due diligence.
  - For co-investments as well as for some transactions with clear and strong visibility on the underlying assets (Continuation funds - Single assets), we apply our Common base of exclusion.
  - For secondary transactions, we strive to avoid investing in funds and companies which breach our Common base of exclusion. As such, the exclusion policy will be monitored on a best effort basis given the lack of visibility of underlying assets.

Please note that, Article 8 funds may apply additional exclusions reported in the respective legal documents.

[13] *It is refering to funds managed by ODDO BHF Asset Management Lux*

[14] *It is refering to funds managed by ODDO BHF Asset Management SAS*

05
ODDO BHF AM'S EXCLUSION POLICY AT A GLANCE

THRESHOLDS USED TO DEFINE OUR COMMON EXCLUSIONS (EXCLUDING LABEL REQUIREMENTS)

	COMMON GROUND EXCLUSIONS						
Sectoral and normative exclusions	Coal	UNGC / OECD breach	Unconventional Oil & Gas	Arctic	Tobacco	Unconventional weapons	Palm oil
Exclusion thresholds	5% * 10% **	0	5%	10%	0%	0%	5%

* Production of coal: 8 million tonnes or, alternatively, 5% of revenues
→ EU: 0% (2030) – Rest of the world: 0% (2040)

** Power generation: 10% of the production mix (alternatively, of the installed capacity)
→ EU and OECD countries: 5% (2028) - 0% (2030)

Successively adjusted threshold value
Absolute threshold as % of revenues

06
PROCEDURES FOR MONITORING EXCLUSIONS

ODDO BHF AM’s relies mainly on external data vendors to screen issuers to be excluded in compliance with our exclusion policy.

ODDO BHF AM's ESG research team oversees and shares the various exclusion lists with the portfolio investment teams responsible for the funds concerned in order to ensure adherence with the ODDO BHF AM Exclusion Policy.

- Listed assets

The exclusion lists are also distributed to the controlling teams to ensure that they are included in the portfolio constraint management and monitoring tools:

- Pre-trade in Bloomberg AIM (blocking of buy orders) at portfolio level in real time in the case of ODDO BHF AM SAS, ODDO BHF AM GmbH and ODDO BHF AM Lux;
- Post-trade through the tools Sentinel (ODDO BHF AM SAS), AIM in the case of ODDO BHF AM GmbH and ODDO BHF AM Lux.

- Non-listed (private) assets

Prior to any transaction, the investment team ensures the compliance with the exclusion policy. The compliance team also verifies at second level that the transaction abides with the funds legal documents.

07
UPDATING THE EXCLUSIONS

The proposition to include new exclusion criteria or to deviate from an existing exclusion list is made by our ESG Investment Forum. It is discussed and validated by our Global Management Committee (GMC).

The list of excluded sectors and companies is updated monthly based on the MSCI ESG Research tools, Urgewald data and our internal analyses.

Nicolas Chaput
Global Chief Executive Officer
Asset Management & Private Assets

Laurent Denize
Chief Investment Officer
Asset Management

ODDO BHF ASSET MANAGEMENT SAS

12 boulevard de la Madeleine

75440 Paris Cedex 09 France

am.oddo-bhf.com

ODDO BHF
ASSET MANAGEMENT