

Environmental and/or social characteristics

Product name: ODDO BHF European High Dividend

Legal entity identifier: 969500BDRMS84PA5VT39

DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?

<input type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: N/A</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: N/A</p>	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.0% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments.</p>

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



WHAT ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS ARE PROMOTED BY THIS FINANCIAL PRODUCT?

The Fund promotes (1) climate transition (i.e. reducing carbon emissions); (2) natural capital (i.e. protecting biodiversity and reducing environmental damage); and (3) human rights and human capital (i.e. health and safety, human capital development, labour management, community relations, privacy and data security, and product safety and quality) by applying a combination of exclusions and an external MSCI ESG rating system reflecting its consideration of these environmental and social characteristics.

This approach can be broken down into two consecutive stages.

First stage: exclusions

The Fund applies the common exclusion framework detailed in the Management Company's Exclusion Policy, which is available at am.oddo-bhf.com. This framework covers coal, tobacco and non-conventional weapons, in particular.

Second stage: ESG rating

This stage involves taking into account the ESG rating of the securities.

The management team uses the ESG ratings supplied by an external data provider, MSCI ESG Research.

MSCI uses a methodology that assigns issuers a rating relative to their sector, ranging from 0 (worst in the sector) to 10 (best in the sector), based on their ability to manage relevant sustainability risks and opportunities in light of their activities. Specifically, the environmental and social characteristics outlined above are analysed by MSCI: (1) climate transition (carbon emissions, vulnerability to climate change, opportunities in clean technologies and

renewable energy), (2) natural capital (biodiversity and land use, raw material supply and water stress) and (3) human rights and human capital (health and safety, human capital development, workforce management, community relations, data privacy and security, product safety and quality). MSCI also provides an ESG rating for funds, in addition to those for issuers described above.

The Management Company has two options if an issuer has not been rated by MSCI ESG Research:

- First, it can use the ESG rating that the Management Company has awarded to securities of the issuer concerned.
- Second, if the Management Company has not awarded an ESG rating to securities of the issuer concerned, then it can create an alternative ESG rating based, amongst other things, on MSCI's average rating for the relevant industry, market capitalisation or country. This alternative rating will stop being used if MSCI ESG Research creates its own ESG rating for the issuer concerned, or if the Management Company awards its own ESG rating.

The Management Company may also adjust an ESG rating supplied by MSCI. The ESG team would make this adjustment and may go as far as replacing the MSCI rating with a new internal ESG rating.

ESG ratings influence the structure of the Fund, which undertakes to have a Fund weighted average ESG rating strictly higher than that of its investment universe (STOXX 600), also used as an ESG benchmark.

If the ESG rating of investments is downgraded or the ESG rating methodology is changed to the detriment of the Fund's average ESG rating, then the management team will consider unitholders' interests and market conditions and ensure the portfolio's average ESG rating is strictly higher than that of the investment universe (STOXX 600).

Finally, at least 90% of the securities that make up the Fund's net assets have an ESG rating once weightings have been taken into account.

WHAT SUSTAINABILITY INDICATORS ARE USED TO MEASURE THE ATTAINMENT OF EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT?

The following sustainability indicators are used to measure the attainment of the Fund's ESG characteristics:

- **Rate of ESG coverage:** due to the commitment that at least 90% of the Fund's securities have an ESG rating once weightings have been taken into account;
- **The Fund's weighted average ESG rating:** to assess the attainment of environmental, social and governance characteristics, particularly in relation to that of the investment universe;
- **The Fund's sustainable investment:** which will be at least 20%;
- **The Fund's carbon intensity:** (weighted average of scope 1 and 2 CO₂ emissions divided by the revenue of each company in which the Fund invests).

WHAT ARE THE OBJECTIVES OF THE SUSTAINABLE INVESTMENTS THAT THE FINANCIAL PRODUCT PARTIALLY INTENDS TO MAKE AND HOW DOES THE SUSTAINABLE INVESTMENT CONTRIBUTE TO SUCH OBJECTIVES?

The Fund does not seek to select its investments solely on the basis of one or more of these objectives. Contributions to these objectives are taken into account by the sustainability indicators used in the ESG strategy. As such, the Fund seeks to take advantage of both aspects of a company's contribution: its positive social and/or environmental contribution arising from 1/ the revenue generated by the company's products and/or services or 2/ its contribution to the environmental and/or social objective arising more broadly from its operations where these are aligned with the environmental and/or social objectives.

To be eligible as a Sustainable Investment, a company must meet at least one of the criteria detailed below:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

a) Criteria based on the company's activities:

- Implied Temperature Rise (ITR):

The activities of companies where climate target initiatives are aimed at keeping the temperature increase at or below 2°C, in line with the Paris Agreement trajectory of 2°C or less, are considered to contribute to an environmental objective and, as such, qualify as a sustainable investment. To assess temperature alignment, we use MSCI's ITR data.

- Emission targets approved by SBTi (Science Based Targets Initiative):

Greenhouse gas emissions are one of the factors used to measure an environmental objective. Our approach to measuring sustainable investments also includes companies whose GHG emissions reduction targets have been approved by the SBTi.

b) Criteria based on the company's sustainable solutions revenues:

- Economic activity contributing to the achievement of specific environmental or social objectives.

We assess how an economic activity contributes to the achievement of specific environmental or social objectives. To do this, we use the sustainable solutions revenues calculated by MSCI. Sustainable solutions revenues range from 0 to 100% and represent a specific proportion of a company's overall income.

- EU Taxonomy-aligned income:

The EU taxonomy is designed to identify economic activities that meet environmental objectives. For each company, we will base taxonomy alignment on the percentage of income generated by activities that are aligned with the taxonomy.

- Capital expenditure aligned with the EU taxonomy:

For each company, we will base taxonomy alignment on the percentage of investment expenditure resulting from activities that are aligned with the taxonomy.

- "Green percentage" of a company patent:

This indicator enables us to identify companies that generate revenues and hold patents on emission reduction technologies and practices that contribute to an environmental objective.

c) Additional criteria: Sustainability bonds:

We consider that green, social and sustainability bonds can be considered sustainable investments if their proceeds are used to finance projects that make a positive contribution to an environmental and/or social objective.

HOW DO THE SUSTAINABLE INVESTMENTS THAT THE FINANCIAL PRODUCT PARTIALLY INTENDS TO MAKE NOT CAUSE SIGNIFICANT HARM TO ANY ENVIRONMENTAL OR SOCIAL SUSTAINABLE INVESTMENT OBJECTIVE?

The following approach is taken to comply with Article 2 (17) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

- **Sectors excluded from investments:** The Management Company's exclusion policy is applied to eliminate sectors that have significant adverse impacts on sustainability objectives. The Fund applies the common framework of our Exclusion Policy, which is available online: am.oddo-bhf.com.
- **Controversies:** After the ESG team has double-checked, companies that are the most controversial according to our MSCI ESG data will not be considered sustainable.
- **Consideration of the principal adverse impacts:** In order to ensure no significant harm to the sustainability objectives, the Management Company sets (pre-trade) testing rules for selected significantly harmful activities: exposure to controversial weapons (zero tolerance) and serious violations of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises (zero tolerance).
- **Dialogue and engagement:** our dialogue and engagement approach helps identify significant risks and gives us a voice to encourage changes and improvements

HOW WERE THE INDICATORS FOR ADVERSE IMPACTS ON SUSTAINABILITY FACTORS TAKEN INTO ACCOUNT?

Regulation (EU) 2020/852 establishes certain areas of concern that may have an adverse impact (“PAI”).

The Management Company applies pre-trade rules to the following PAIs:

- Exposure to controversial weapons (PAI 14 and zero tolerance),
- Serious violations of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises (PAI 10 and zero tolerance).

MSCI ESG Research’s ESG ratings incorporate environmental, social and governance themes. Other PAI data on companies and sovereign states may be collected to support the ESG rating. For companies, assuming the data is available and the subject is material, the ESG analysis includes total greenhouse gas emissions (PAI 1), carbon footprint (PAI 2), greenhouse gas intensity of investee companies (PAI 3), activities negatively affecting biodiversity-sensitive areas (PAI 7), hazardous waste and radioactive waste ratio (PAI 9), violations of United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises (PAI 10), lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), the unadjusted gender pay gap (PAI 12), and board gender diversity (PAI 13). In particular, for sovereign issuers, it may also include greenhouse gas intensity (PAI 15). However, the management company does not set specific targets or monitoring rules for these other PAIs, with the exception of those mentioned in the first paragraph.

More information on MSCI ESG ratings: <https://www.msci.com/en/esg-ratings>.

HOW ARE THE SUSTAINABLE INVESTMENTS ALIGNED WITH THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES AND THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS? DETAILED DESCRIPTION:

The Management Company ensures that the Fund’s sustainable investments are aligned by applying its UN Global Compact (UNGC) exclusion list, as indicated in the Management Company’s exclusion policy.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The other underlying investments do not take into account EU criteria on environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



DOES THIS FINANCIAL PRODUCT CONSIDER PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS?

Yes, in accordance with the provisions of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR), the Management Company takes sustainability risks into account by integrating ESG (Environmental and/or Social and/or Governance) criteria into its investment decision-making process, as set out in the “Investment Strategy” section. This process also makes it possible to assess the management team’s ability to manage the adverse impacts of their business activities on sustainable development. For more information, please refer to the Fund prospectus, which is available on the Management Company’s website: am.oddo-bhf.com.

No



WHAT INVESTMENT STRATEGY DOES THIS FINANCIAL PRODUCT FOLLOW?

The investment strategy consists in investing in European Union (EU) equities on a discretionary basis. Equities are selected on the basis of a stock-picking approach.

The investment universe (STOXX 600) mainly comprises stocks that pay a dividend with a yield greater than the market average and companies that pay out exceptional dividends and/or buy back shares worth at least 10% of their market capitalisation over a two-year period.

This approach can be broken down into two consecutive stages.

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ESG ratings influence the structure of the Fund, which undertakes to have a Fund weighted average ESG rating strictly higher than that of its investment universe (STOXX 600).

If the ESG rating of investments is downgraded or the ESG rating methodology is changed to the detriment of the Fund's average ESG rating, then the management team will consider unitholders' interests and market conditions and ensure the portfolio's average ESG rating is strictly higher than that of the investment universe (STOXX 600).

Finally, at least 90% of the securities that make up the Fund's net assets have an ESG rating once weightings have been taken into account.

Stocks are then selected through a structured, selective investment process designed by the management team which conducts a fundamental analysis of each company based on relevant sector criteria. There are five of these criteria, adapted to each sector: low valuation, profitability, growth and cash generation, financial structure and dividend cover.

The Fund is eligible for the French Equity Savings Plan (Plan d'Épargne en Actions or PEA). To this end, at least 75% of its portfolio is permanently invested in equities which are eligible for a PEA. Furthermore, the Fund may invest up to a maximum of 23% in stocks issued by companies headquartered on the European continent but outside the EU.

The Fund invests at least 51% of its total value in equity participations, within the meaning of Section 2 Para. 8 of the German Investment Tax Act (GITA) and as laid down in the "Tax regime" section of this Prospectus. Even in the event of a downturn in the equity markets, the portfolio's exposure to equities may not fall below 60% of the Fund's net assets. The portion invested in fixed income products may represent up to a maximum of 25% of the Fund's assets.

The portfolio is constructed with the intention of optimising the risk/return ratio; the fixed income component will be managed in the same way, and will be used to counter the risk of a significant fall in the equity markets. The Fund's maximum exposure to the instruments (equities, debt securities, funds and derivatives) may not exceed 120% of net assets, it being understood that the maximum exposure is the sum of the net exposures to each of the markets (equity, fixed income, money) to which the Fund is exposed (the sum of long and hedging positions).

WHAT ARE THE BINDING ELEMENTS OF THE INVESTMENT STRATEGY USED TO SELECT THE INVESTMENTS TO ATTAIN EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT?

The binding elements of the investment strategy guarantee that investments are aligned with the stated environmental and/or social characteristics. The binding elements are as follows:

- **The Fund's sustainable investment:** which will be at least 20%;
- **Exclusions applied by the Fund:** which covers coal, tobacco and non-conventional weapons, in particular.
- **Rate of ESG coverage:** due to the commitment that at least 90% of the Fund's securities have an ESG rating once weightings have been taken into account;
- **The Fund's weighted average ESG rating:** must be strictly higher than that of the investment universe (STOXX 600) to assess the attainment of environmental, social and governance characteristics.

WHAT IS THE COMMITTED MINIMUM RATE TO REDUCE THE SCOPE OF THE INVESTMENTS CONSIDERED PRIOR TO THE APPLICATION OF THAT INVESTMENT STRATEGY?

The fund management team does not have any committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.

WHAT IS THE POLICY TO ASSESS GOOD GOVERNANCE PRACTICES OF THE INVESTEE COMPANIES?

ODDO BHF Asset Management's Responsible Investment Policy describes our definition and assessment of good governance practices. Good governance practices can be assessed using a number of criteria, such as anti-corruption policies and practices, executive remuneration policies, shareholder structure, quality of financial reporting and business ethics.



WHAT IS THE ASSET ALLOCATION PLANNED FOR THIS FINANCIAL PRODUCT?

At least 80% of net assets must be aligned with environmental and social characteristics.

The Fund may hold up to 20% of its net assets in the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Fund has a minimum 20% of sustainable investments. However, the Fund may hold investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund does not have a minimum Taxonomy alignment rate. However, the Fund may hold investments that present these characteristics.

At least 90% of the issuers in the portfolio are subject to an ESG rating after the weighting of each share is taken into account.

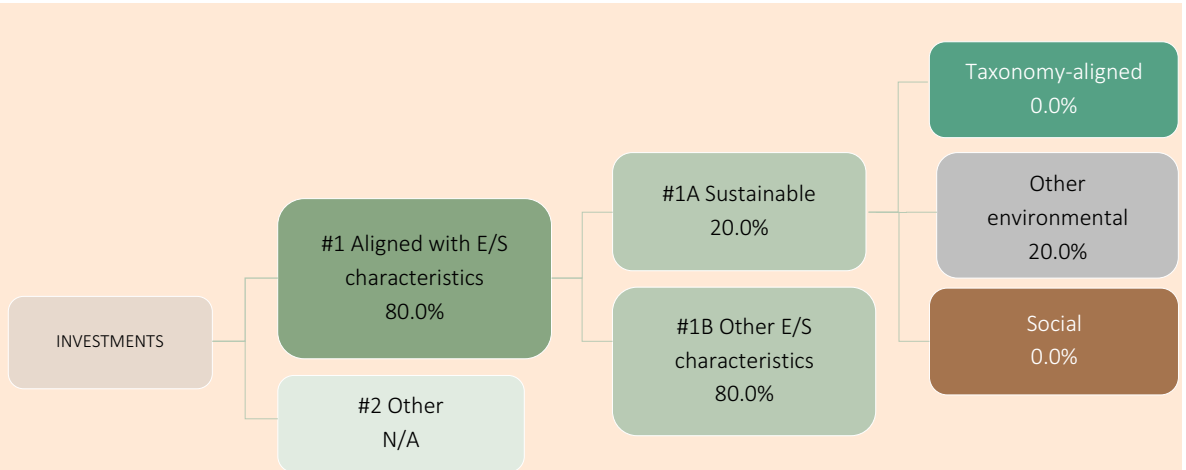
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

– **turnover** reflecting the share of revenue from green activities of investee companies.

– **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

– **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives;
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

HOW DOES THE USE OF DERIVATIVES ATTAIN THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT?

Derivatives are not used to improve ESG alignment or reduce ESG risk. As part of the investment strategy, the Fund is authorised to use derivatives for hedging and exposure purposes.



TO WHAT MINIMUM EXTENT ARE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?

DOES THE FINANCIAL PRODUCT INVEST IN FOSSIL GAS AND/OR NUCLEAR ENERGY RELATED ACTIVITIES THAT COMPLY WITH THE EU TAXONOMY?

Yes

In fossil gas

In nuclear

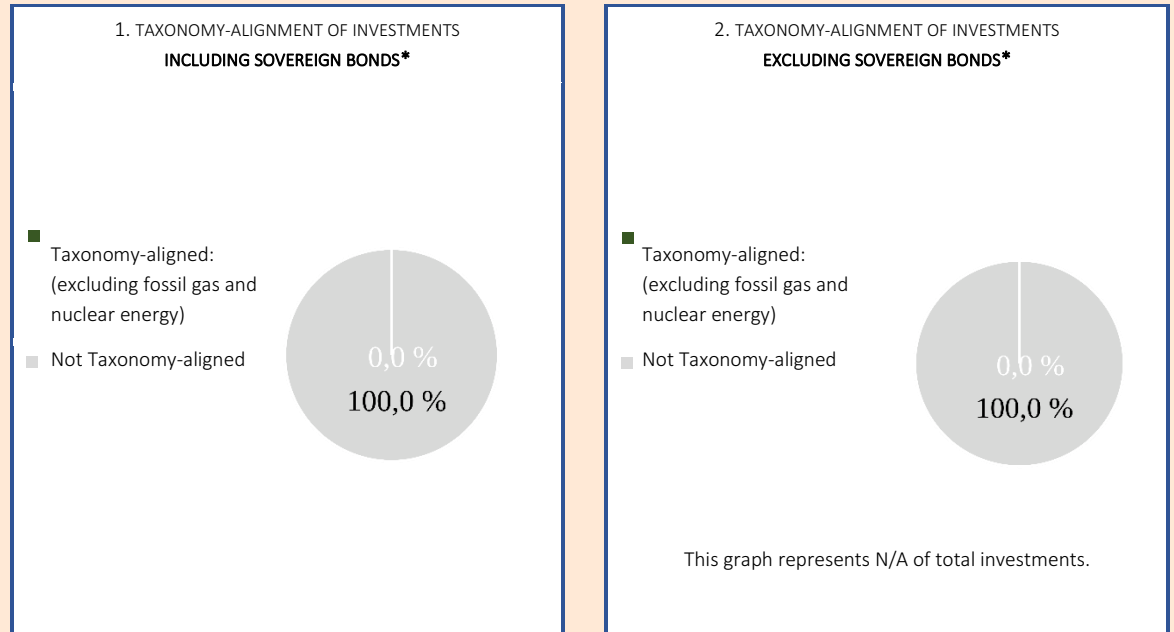
No

The Fund management team analyses the portfolio's positions on the basis of ESG criteria. The Fund does not rule out investing in nuclear energy and/or fossil gas activities. A minimum share of EU Taxonomy-aligned activities within the field of fossil gas and/or nuclear energy is not planned for the Fund.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.


Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

WHAT IS THE MINIMUM SHARE OF INVESTMENTS IN TRANSITIONAL AND ENABLING ACTIVITIES?

The percentage is not yet known.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



WHAT IS THE MINIMUM SHARE OF SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE THAT ARE NOT ALIGNED WITH THE EU TAXONOMY?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is: 20%.



WHAT IS THE MINIMUM SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

There is no minimum share of sustainable investments with a social objective, but the Fund may make investments with a social objective.



WHAT INVESTMENTS ARE INCLUDED UNDER "#2 OTHER", WHAT IS THEIR PURPOSE AND ARE THERE ANY MINIMUM ENVIRONMENTAL OR SOCIAL SAFEGUARDS?

Investments included under "#2 Other" are derivatives and other ancillary assets.



IS A SPECIFIC INDEX DESIGNATED AS A REFERENCE BENCHMARK TO DETERMINE WHETHER THIS FINANCIAL PRODUCT IS ALIGNED WITH THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS THAT IT PROMOTES?

The benchmark (MSCI Europe NR EUR) is not intended to be aligned with the environmental and/or social characteristics promoted by the Fund.

Reference benchmarks are indices to measure whether the financial product attains the environmental or social characteristics that they promote.

HOW IS THE REFERENCE BENCHMARK CONTINUOUSLY ALIGNED WITH EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT?

Not applicable.

HOW IS THE ALIGNMENT OF THE INVESTMENT STRATEGY WITH THE METHODOLOGY OF THE INDEX ENSURED ON A CONTINUOUS BASIS?

Not applicable.

HOW DOES THE DESIGNATED INDEX DIFFER FROM A RELEVANT BROAD MARKET INDEX?

Not applicable.

WHERE CAN THE METHODOLOGY USED FOR THE CALCULATION OF THE DESIGNATED INDEX BE FOUND?

Not applicable.



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

More detailed information on the product is available at: am.oddo-bhf.com