



ODDO BHF

*PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL
CHARACTERISTICS IN THE CONTEXT OF ODDO BHF
TRUST OF ODDO BHF SE PORTFOLIO MANAGEMENT
– PRODUCT RELATED DISCLOSURE*

ARTICLE 10 SFDR

ODDO BHF SE

01.12.2025 – VERSION 6

(REPLACES VERSION 5 AS OF 07.05.2025)

A) SUMMARY

I. The following provides information on the portfolio management solutions offered by ODDO BHF TRUST within the meaning of Article 2 number 6 SFDR. This product-related information is required by Article 10 SFDR for the portfolio management solutions offered by ODDO BHF TRUST, which are financial products within the meaning of Article 8 SFDR.

ODDO BHF TRUST currently offers the following portfolio management solutions as financial products within the meaning of Article 8 SFDR:

- International Bond Portfolio
- International Return Portfolio
- Total Return Portfolio
- International Return-Oriented Portfolio
- Foundation Portfolio
- Dynamic Total Return Portfolio
- International Equity / Bond Portfolio
- Dividend-Oriented Equity / Bond Portfolio
- Balanced Portfolio
- International Equity-Oriented Portfolio
- International Equity Portfolio
- Dividend-Oriented Equity Portfolio
- International Small & Mid Cap Portfolio
- International ETF Portfolio Equities
- International ETF Portfolio Balanced

Since the same ESG approach is applicable for all above mentioned portfolio management solutions, a uniform disclosure is made here in accordance with Article 10 SFDR, which is significant for all above mentioned portfolio management solutions. At the client's request, individual portfolio management solutions can provide for stricter ESG criteria, which are then implemented individually.

In the following, the term financial product is used to refer to any portfolio management mandate subject to disclosure that is managed within the scope of a portfolio management solution.

II. This financial product promotes environmental or social characteristics but does not target sustainable investments. In this financial product, sustainability risks are integrated into the investment process; in addition, the principal adverse impacts on sustainability factors are also taken into account. This is implemented through the relevant investment strategy, which is essentially based on the application of certain exclusion criteria at the level of individual instruments and on ensuring that certain targets are achieved at the level of the respective overall portfolio. In accordance with the investment strategy, investments within the financial instrument are made exclusively in assets that meet the relevant selection criteria. The environmental and social characteristics of the financial product as well as the relevant sustainability indicators are monitored throughout the life cycle of the financial product. Currently, the extent to which the social and environmental characteristics promoted with the financial product are fulfilled is measured on the basis of the exclusion criteria and portfolio target values defined in the investment process. In order to achieve the environmental and social characteristics promoted with the financial product, ODDO BHF TRUST essentially uses data from only one recognized external data provider that specializes in sustainability analyses. Although there are no fundamental doubts about the quality of the data provided, the predominant use of only one data provider leads to various restrictions. Due diligence in connection with the underlying assets of the financial product is mainly performed by the portfolio managers by way of a fundamental analysis and an ESG analysis of the underlying assets. ODDO BHF TRUST does not exercise any shareholder rights in its function as portfolio manager, but it follows the important matters of the portfolio companies to a certain extent and exchanges information with the portfolio companies to a certain extent. No index is used as a benchmark to determine whether all of the environmental and social characteristics promoted by this portfolio management are achieved.

B) NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have sustainable investments as its objective. Nevertheless, this financial product contains a minimum of 3.5% sustainable investments as defined in Regulation (EU) 2019/2088. The sustainable investments did not significantly harm any sustainable investment objectives.

In the context of the financial product, the following adverse impact indicators on sustainability factors from the Tables 1, 2 and 3 of Annex I of Delegated Regulation (EU) 2022/1288 are taken into account as indicated below:

- Activities negatively affecting biodiversity-sensitive areas [Indicator 7]: exclusion of companies that claim to operate in or near biodiversity-sensitive areas and are involved in controversies with serious or very serious adverse environmental impacts.
- GHG intensity of investee companies [Indicator 3]: at the level of individual securities and the overall portfolio, a consideration of carbon dioxide emissions (CO₂) is carried out. The objective of the portfolio will be to have lower CO₂ emissions than the total market (based on turnover intensity).
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises [Indicator 10]: non-compliance with principles of the United Nations Global Compact: Companies that violate the principles of the United Nations Global Compact are excluded from investment.
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) [Indicator 14]: exclusion of companies involved in the production or sale of controversial weapons.

The sustainable investments made are in line with the principles of the UN Global Compact. However, due to poor data quality, it is not possible to state whether the investments made are in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights from the eight core conventions set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

C) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

In this financial product, sustainability risks are integrated into the investment process by considering environmental, social, and governance concerns in the context of investment decisions; in addition, the principal adverse impacts on specific sustainability factors are also taken into account. This is implemented through the investment strategy described in more detail in item D) below.

D) INVESTMENT STRATEGY

In order to fulfill the environmental or social characteristics promoted with this financial product, an ESG-related investment strategy developed specifically by ODDO BHF TRUST is used (as part of the investment process), which is essentially based on the following pillars:

- Application of exclusion criteria on single instrument level:
 - Sector exclusions: Companies with certain turnover shares in the areas of controversial weapons, gambling, pornography, tobacco, coal or exploration-production and exploitation of oil and gas in the Arctic are excluded from investment. The question of which turnover threshold is decisive in each case is resolved on a sector-specific basis: for most sectors, a turnover share of more than 5% is currently considered decisive, but for some sectors or subsectors of these sectors, other thresholds are in part considered decisive (for example, an investment in companies that generate turnover in the area of certain controversial weapons is completely excluded; for other sectors, turnover shares greater than 5% are also possible).
 - Non-compliance with principles of the United Nations Global Compact: Companies that violate the principles of the United Nations Global Compact are excluded from investment.
 - Biodiversity: exclusion of companies that claim to operate in or near biodiversity-sensitive areas and have been involved in controversies with serious or very serious adverse environmental impacts.
- Ensure achievement of specific targets at the overall portfolio level:
 - A sustainability rating of at least "A" according to MSCI ESG Research¹ at the level of the overall portfolio is targeted.
 - The minimum share of sustainable investments shall be 4% and the minimum share of environmentally sustainable investments shall be 0.5%.
 - At the level of the individual instruments and the overall portfolio, carbon dioxide emissions (CO₂) are considered. The goal is for the portfolio to have lower CO₂ emissions than the overall market (represented by the MSCI All Country World Index).

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

The assessment of the practices of good corporate governance of the companies in which investments are made, including with regard to sound management structures, employee relations, employee compensation, and compliance with tax regulations, is essentially carried out within the framework of this financial product via the exclusion criteria "Non-compliance with principles of the United Nations Global Compact".

E) PROPORTION OF INVESTMENTS

In accordance with the investment strategy described in section D), investments within portfolio management are made exclusively in assets that meet the relevant selection criteria. No distinction is made between direct risk positions and other risk positions.

At least 51% of the respective portfolio volume is focused on environmental and/or social characteristics. The financial product may also hold up to 49% in "other investments," which comprise the remaining investments of the financial product that are neither focused on environmental or social characteristics nor classified as sustainable investments. At least 4% of the portfolio volume is invested in sustainable investments. The financial product may also hold assets that are aligned with environmental or social characteristics but are not classified as sustainable investments. At least 0.5% of the portfolio volume is invested in taxonomy-compliant investments. There is no minimum commitment for other environmentally or socially oriented investments.

F) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The environmental or social characteristics of the financial product as well as the sustainability indicators pursuant to section B) are monitored throughout the life cycle of the financial product. For monitoring purposes, a standardized process has been established in which the responsible portfolio managers pay careful attention to compliance with the relevant criteria. In particular, a pre-trade check is carried out by means of which compliance with the exclusions at individual instrument level (as described in section D)) is checked directly in ODDO BHF TRUST's portfolio management system before orders are executed.

In addition, a post-trade check is carried out once a month in relation to the objectives at portfolio level and the exclusion criteria at individual instrument level. Any ESG violations are then transmitted to the portfolio managers in an automatically generated deviation report, which is then commented on by the portfolio managers.

G) METHODOLOGIES

Currently, the measurement of the extent to which the social and environmental characteristics promoted with the financial product are fulfilled is based on the exclusion criteria and portfolio target values defined in the investment process (as described in more detail under section D)). In particular, the indicators described under section B) are also taken into account.

¹ MSCI ESG Research (UK) Limited (LEI 254900RXC6X55NGP8M90, hereinafter: "MSCI ESG Research") is the provider of ESG-related data primarily used by ODDO BHF TRUST.

H) DATA SOURCES AND PROCESSING

In order to achieve the environmental and social characteristics promoted with the financial product, ODDO BHF TRUST essentially uses data from a recognized external data provider that specializes in sustainability analyses. This is currently MSCI ESG Research. In addition, other data sources (such as Bloomberg, publications by associations, brokers and other companies, or press articles) may be used as a supplement.

The data quality is ensured by a careful selection of the sources used. In addition, ODDO BHF TRUST is in regular dialogue with MSCI ESG Research to correct potential errors, make recommendations on possible improvements and improve the quality and reliability of the data used.

Data is processed through data imports into ODDO BHF TRUST's IT systems and directly through the MSCI ESG Research platform. In addition, data aggregation takes place in Excel sheets and other internal documents.

Only investment instruments for which ODDO BHF TRUST believes sufficient data is available to assess the sustainability criteria are taken into account in financial portfolio management. If data is not available, ODDO BHF TRUST does not make any estimates.

I) LIMITATIONS TO METHODOLOGIES AND DATA

ODDO BHF TRUST currently obtains the majority of the ESG data used from only one data provider (MSCI ESG Research). Although there are no fundamental doubts about the quality of the data provided in this respect, the predominant use of only one data provider limits the data coverage to the universe of companies and instrument types covered by these data providers. In addition, data are not available for certain classes of instruments (such as derivatives). Based on the parameters applied to the financial product, ODDO BHF TRUST currently believes that the restrictions in question do not have a significant influence on how the environmental and social characteristics promoted with the financial product are fulfilled.

However, ODDO BHF TRUST cannot guarantee the accuracy of the assessment of the sustainability criteria by the data providers it uses or the accuracy and completeness of the data provided by data providers as a whole. ODDO BHF TRUST also has no influence on any disruptions in the analysis and preparation of research and other data by data providers. Furthermore, all rights to the data provided by data providers lie with these data providers and these data providers also assume no liability for the accuracy and completeness of the data provided.

J) DUE DILIGENCE

Due diligence in connection with the underlying assets is essentially performed by the portfolio managers by means of a fundamental analysis and an ESG analysis of the underlying assets, taking into account all investment restrictions to be observed for the financial product (in particular those relating to ESG criteria). ESG ratings are also used significantly to mitigate any risks. In addition, dialogue and engagement with investee companies continuously contribute to the due diligence process.

The portfolio managers actively work in particular with the management of ODDO BHF TRUST to ensure the identification and mitigation of risks related to the underlying assets.

The composition of the portfolio is reviewed monthly by an internal quality management system with reference to a reporting date. An external review does not take place.

K) ENGAGEMENT POLICIES

In its function as portfolio manager, ODDO BHF TRUST does not exercise any shareholder rights. It monitors the important affairs of the portfolio companies by taking note of the portfolio companies' statutory publication, disclosure and announcement obligations and exchanges views with the governing bodies and stakeholders of the portfolio companies within the framework of telephone conferences, investment congresses and company meetings. In addition to this basic economic exchange of views, direct contact can also be established with portfolio companies to address questions on sustainability issues in order to fulfill ecological, social and economic responsibility. There is no cooperation with other shareholders.

L) DESIGNATED REFERENCE BENCHMARK

No index is used as a benchmark to determine whether all of the environmental and social characteristics promoted by this portfolio management are achieved. However, an index is used as a benchmark, in particular to determine whether the (sub-)target at portfolio level is achieved that the portfolio has lower CO2 emissions than the overall market (represented by the iShares MSCI All Country World Index ETF as a benchmark). Details of the MSCI All Country World Index are available at this link: <https://www.msci.com/research-and-insights/visualizing-investment-data/acwi-imi-complete-geographic-breakdown>



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Authorized and supervised by: German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and the European Central Bank

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