

Appendix IX:

Environmental and/or social characteristics

Sustainable Investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant 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.

Product name: ODDO BHF EURO HIGH YIELD BOND

ODDO BHF EURO HIGH YIELD BOND ("Sub-Fund" or "Fund") is a Sub-Fund of SICAV ODDO BHF ("SICAV").

Legal entity identifier (LEI-CODE): LL29W0HLYGYF238K8529

DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : N/A <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 <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : N/A	<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 10 % of sustainable investments <input checked="" 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 <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

The Sub-Fund promotes both environmental and social characteristics that are reflected in the Investment Manager's ESG internal rating model construction and weighting.

As part of the internal ESG rating model, the following criteria, among others, can be analyzed:

- Environmental: climate change, natural capital, pollution and waste, environmental opportunities
- Social: human capital, client capital, supply chain, cybersecurity
- Governance: corporate governance, leadership, corporate behavior

Close attention is paid to the analysis of human capital and corporate governance, which has an impact on the final ESG rating of each company. We believe that poor human capital management or

corporate governance failures pose a major risk to the execution of a company's strategy and therefore to its valuation.

The analysis of controversies (industrial accidents, pollution, corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external non-financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.

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

The Investment Manager's ESG analysis model uses all the characteristics and indicators mentioned in the above paragraph and the monthly ESG reporting currently presents indicators demonstrating their achievement as follows

- The weighted ESG score of the portfolio to assess the overall achievement of environmental, social and governance characteristics.
- The CO2 intensity of the Sub-Fund (sum of CO2 emissions from scopes 1 and 2 divided by the sum of the revenues of the companies in which the Sub-Fund invests).
- At least 75% of the issuers in the portfolio have an ESG rating after taking into account the weighting of each security.

● 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 references the objectives described above in its ESG strategy but does not seek to select its investments on the basis of one or more of these objectives only. The contributions to these objectives are taken into account by the sustainability indicators used by the ESG strategy.

As such the Sub-Fund intends to capture both aspects of a company contribution: it's positive environmental and/or social output contribution coming from 1/ companies' products and/or services revenues or 2/ its contribution to environmental and/or social objective thanks to companies' wide operations when aligned with environmental and/or social targets.

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

a) Criteria "based on company operations":

- Implied Temperature Rise « ITR »:

Company operations for which climate targets initiatives are maintaining temperature rise below or equal to 2°C, in line with Paris Agreement's pathway of 2°C or below, is considered to contribute to an environmental objective and as such qualify as a Sustainable Investment. We use MSCI ITR data to assess the temperature alignment.

- SBTi approved emission targets:

Greenhouse gas emissions are mentioned as one possibility to measure an environmental objective. Our approach to measuring sustainable investments also includes companies that have their GHG emissions reduction targets approved by the Science-Based Targets initiative (SBTi).

b) Criteria "based on company revenue activities":

- Sustainable Solutions Revenues:

We assess how an economic activity contributes to specific environmental or social objectives. In that respect we use MSCI "Sustainable Impact Revenue" data field. The "Sustainable Impact Revenue" is between 0% and 100% and represents a specific share of companies' overall revenue.

- EU Taxonomy aligned revenue:

The EU Taxonomy is designed to identify economic activities that tackle environmental or social objectives. However, only two of the six defined environmental objectives are fully scoped for the time being. For a company, we will use the taxonomy alignment as reported as the percentage of revenue that are generated by taxonomy aligned activities.

- EU Taxonomy aligned capex:

For a company, we will use the taxonomy alignment as reported as the percentage of capital expenditures that are generated by taxonomy aligned activities.

- "Green percentage" of a firm patent:

This indicator helps us to identify companies that derived revenues and held patents on emission-reduction technologies and practices to be contributing to an environmental objective.

c) Additional criteria: Sustainable bonds:

We consider that green, social and sustainability bonds can qualify as sustainable investments as long as the use of proceeds are used to finance projects that contribute positively 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 defined to comply with Article 2 (17) of the SFDR**.

- **Sectors excluded from investment:** The Sub-Fund applies the common exclusion framework as detailed in the Management Company's exclusion policy, which is available at am.oddobhf.com. In addition, the Sub-Fund excludes production of adult entertainment from all investments. Details relating to the Investment Manager's Exclusion Policy containing further details on ESG integration and exclusion thresholds can be found at "am.oddobhf.com".
- **Controversies:** The most controversial companies according to our MSCI ESG data provider, and after confirmation by the ESG team for a second check, will not be considered sustainable.
- **Consideration of major negative impacts:** In order not to significantly undermine sustainability objectives, the Investment Manager defines control rules (pre-trade) for selected significantly harmful activities: exposure to controversial weapons (0% tolerance), activities that negatively impact biodiversity hotspots (0% tolerance), and serious violations of the UN Global Compact principles and the Organization for Economic Co-operation and Development (OECD) guidelines for multinational enterprises (0% tolerance).
- **Dialogue, engagement and voting:** our dialogue, engagement and voting policies support the objective of avoiding significant harm by identifying the most important risks and have our voice heard to generate change and improvement.

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.

– HOW HAVE THE INDICATORS FOR ADVERSE IMPACTS ON SUSTAINABILITY FACTORS BEEN TAKEN INTO ACCOUNT?

Regulation (EU) 2020/852 defines certain areas of concern that may have a negative impact ("PAI").

The Investment Manager applies pre-trade rules on three PAIs:

- exposure to controversial weapons (PAI 14 and 0% tolerance),
- activities with a negative impact on biodiversity-sensitive areas (PAI 7 and 0% tolerance)
- Serious violations of the UN Global Compact principles and the Organization for Economic Co-operation and Development (OECD) guidelines for multinational enterprises (PAI 10 and 0% tolerance).

In addition, the Investment Manager includes other PAIs in its ESG analysis for companies where the information is available, but without strict control rules. The collection of PAI data is used to define the Investment Manager's final ESG rating.

ESG analysis includes when the data is available monitoring of greenhouse gas emissions (PAI 1), exposure to fossil fuels (PAI 4), share of non-renewable energy consumption and production (PAI 5), energy consumption intensity by high climate impact sectors (PAI 6), the lack of processes and compliance mechanisms to monitor adherence to the UN Global Compact and OECD Guidelines for Multinational Enterprises (PAI 11), the unadjusted gender pay gap (PAI 12), and board parity (PAI 13). The Investment Manager also includes two other PAIs: the deforestation policy (PAI 15) and the lack of a human rights policy (PAI 9).

Further information on the Investment Manager's consideration of PAI is available on am.oddobhf.com.

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

The Investment Manager ensures that the Sub-Fund's sustainable investments are aligned by applying its United Nations Global Compact (UNGC) exclusion list, as set out in the Investment Manager's exclusion policy. Proven violations of the OECD Guidelines for Multinational Enterprises and/or the United Nations Guiding Principles on Business and Human Rights will also result in exclusion.

The EU Taxonomy sets out a "do not 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 investments underlying the remaining portion of this financial product do not take into account the EU criteria for 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 Investment Manager takes sustainability risks into account by integrating ESG (Environmental, Social and 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 sustainability impacts of their business activities.

☐ No



WHAT INVESTMENT STRATEGY DOES THIS FINANCIAL PRODUCT FOLLOW?

ESG (Environment, Social and Governance) criteria are a complement to the credit analysis and are fully integrated into the investment process. The approach is based on two successive stages.

- First stage: The Sub-Fund applies the common exclusion framework as detailed in the Management Company’s exclusion policy, which is available at am.oddo-bhf.com. In addition, the Sub-fund excludes production of adult entertainment from all investments.
- Second stage: It consists in assigning an ESG rating to a large majority of companies in the investment universe.

As part of the internal ESG rating model, the following criteria, among others, can be analyzed:

- Environmental: climate change, natural capital, pollution and waste, environmental opportunities
- Social: human capital, client capital, supply chain, cybersecurity
- Governance: corporate governance, leadership, corporate behavior

Close attention is paid to the analysis of human capital and corporate governance, which has an impact on the final ESG rating of each company. We believe that poor human capital management or corporate governance failures pose a major risk to the execution of a company’s strategy and therefore to its valuation.

Our analyses are conducted in collaboration by our ESG analyst team, which collaborates closely with the investment teams. It enables us to identify the non-financial risks to which each issuer is potentially exposed, which can impact the company financially or its operating environment. The analysis of controversies (industrial accidents, pollution, corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external non-financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.

This ESG analysis results in an internal rating on a scale of 1 (worst) to 5 (best).

In the event that an issuer has not been rated by the internal ESG rating model, the Management Company may use the ESG ratings of MSCI ESG Research.

The ESG internal team will analyze the issuers selected by the Investment Manager’s management team, consequently, at least 75% of the issuers in the portfolio have an ESG rating after taking into account the weighting of each security. Target funds with an ESG rating on fund level are also taken into account.

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

This ESG scoring system impacts the sub-fund structure by limiting exposure to companies showing lower ESG scores, to ensure a certain overall ESG quality level of the Sub-Fund. In particular, the weighted average internal ESG rating of the Sub-Fund shall be better than the benchmark

● **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 Sub-Fund applies the common exclusion framework as detailed in the Management Company's exclusion policy, which is available at am.oddo-bhf.com. In addition, the Sub-Fund excludes production of adult entertainment from all investments. The internal weighted ESG score of the portfolio to assess the overall achievement of environmental, social and governance characteristics.

- The CO2 intensity of the Sub-Fund (sum of CO2 emissions from scopes 1 and 2 divided by the sum of the revenues of the companies in which the Sub-Fund invests).
- At least 75% of the issuers in the portfolio have an ESG rating after taking into account the weighting of each security

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

There is no minimum rate.

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

ODDO BHF Asset Management's Sustainable Investment Policy details our definition and assessment of what constitutes good governance practices.

The good governance practices rely on the quality of the management team, the sustainable development strategy, minority shareholders' rights, the anti-corruption processes and track record, as well as others criteria. A good indicator for the degree of alignment of companies' strategies with sustainable aspects is their positioning regarding the UN Global Compact. By committing to the ten principles on human rights, labor, environment, and anticorruption, the company sends a positive signal of strong ambitions towards a long-term oriented financial ecosystem.

WHAT IS THE ASSET ALLOCATION PLANNED FOR THIS FINANCIAL PRODUCT?

The Sub-Fund is actively managed and aims to provide a high level of income and capital growth.

At least 75 % of net assets must be aligned with environmental and social characteristics.

The Sub-Fund may hold up to 25 % 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 Sub-Fund has a minimum 10% of sustainable investments. However, the Sub-Fund may hold investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Asset allocation
describes the share of investments in specific assets

Taxonomy-aligned activities are expressed as a share of:

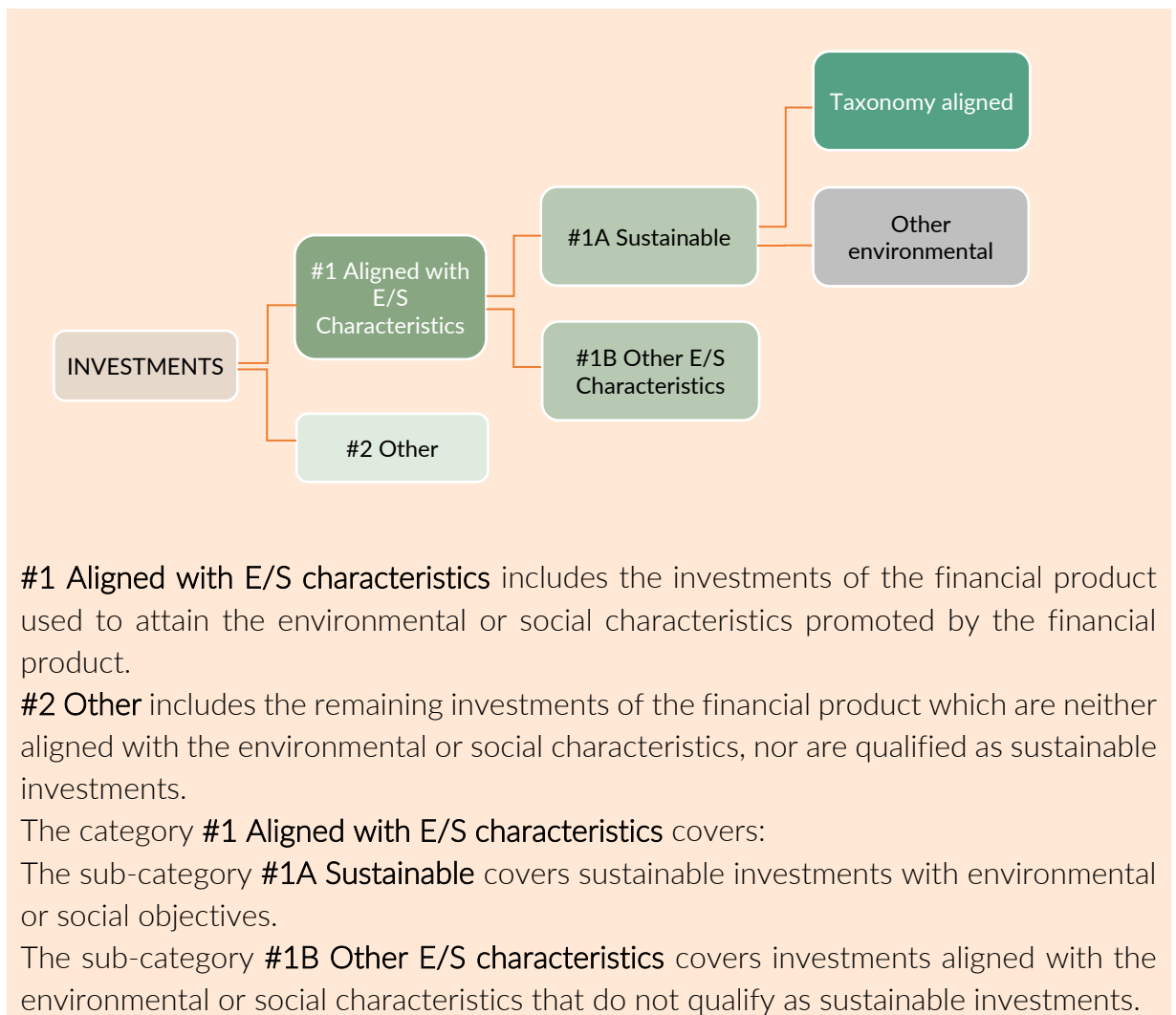
-**turnover**
reflecting the share of revenue from green activities of investee companies.

-**capital expenditure**
(CapEx) showing the

The Sub-Fund has a minimum of 0,2% of the net assets - weighted by the proportion of revenue aligned with the taxonomy for each issuer - invested in activities aligned with the taxonomy.

A minimum of 9,8% of the Sub-Fund's net assets are invested in other environmental investments and the Sub-Fund may hold social investment without minimum.

At least 75% of the issuers in the portfolio have an ESG rating after taking into account the weighting of each security. Target funds with an ESG rating on fund level are also taken into account. The remaining 25% may include investments of the financial product which are neither aligned with the environmental or social characteristics.



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

Derivatives are not actively used to enhance ESG alignment or decrease ESG risk. As part of the investment strategy, the Sub-Fund is allowed to enter into derivatives for investment and hedging purposes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

● DOES THE FINANCIAL PRODUCT INVEST IN FOSSIL GAS AND/OR NUCLEAR ENERGY RELATED ACTIVITIES THAT COMPLY WITH THE EU TAXONOMY ?⁸

☐ Yes

☐ In fossil gas

☐ In nuclear energy

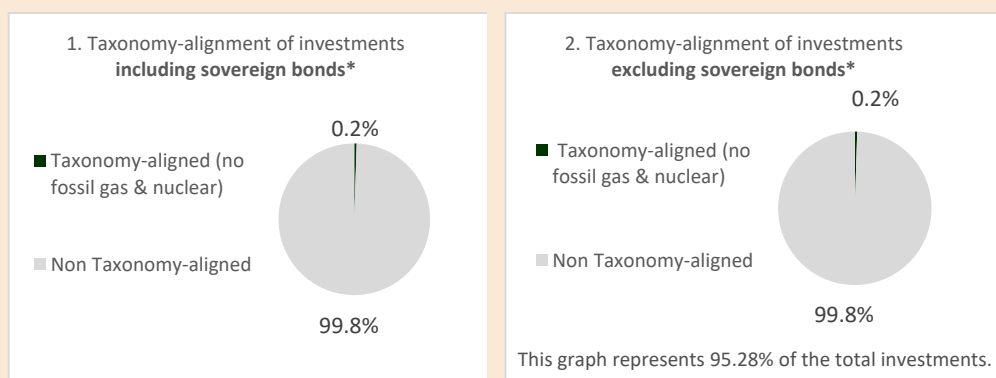
☒ No

The fund manager analyses the portfolio positions according to ESG criteria. Investments in nuclear energy and fossil gases are not excluded for the Sub-Fund. A minimum proportion of activities connected with nuclear energy and/or fossil gases that correspond to the Taxonomy is not intended for the Sub-Fund.



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

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.



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

On 26 of September 2023, the graph 2. Taxonomy-alignment of investments excluding sovereign bonds represents 95.28% of the total investments. This percentage may fluctuate up or down.

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

The minimum percentage is 0%.



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

There is a minimum share of 9.8 % of sustainable investments with an environmental objective, which is not aligned with the EU Taxonomy.

⁸ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note on the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



WHAT IS THE MINIMUM SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

The minimum percentage of sustainable investments with a social objective is 0%, but the Sub-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?

The investments included in “#2 Other” are derivatives and other ancillary assets (like money market instruments) as set out in the section “Investment Strategy” of the Sub-Fund and/or investments of the financial product which are neither aligned with the environmental or social characteristics. There are no minimum environmental or social safeguards applied.



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?

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

- The benchmark of the Sub-Fund is not intended to be aligned with the environmental and/or social characteristics promoted by the Sub-Fund. **HOW IS THE REFERENCE BENCHMARK CONTINUOUSLY ALIGNED WITH EACH OF THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT?**

Non applicable.

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

Non applicable.

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

Non applicable.

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

Non applicable.



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

Further information on how the Investment Manager takes ESG criteria into account will be available in the Sub-Fund's annual report and on am.oddobhf.com.** Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector