

Environmental and/or social characteristics

Product name: ODDO BHF Euro Short Term Bond

Legal entity identifier: 969500ESGKUYJ4SALQ44

DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?

●● □ Yes	●● ☒ No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : N/A <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 <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 5% of sustainable investments <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 <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments .

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 environmental and/or social characteristics that are reflected in the construction and weighting of the Management Company's internal rating system.

The internal ESG analysis process is twofold:

- "best-in-universe": the Management Company favours the highest rated issuers regardless of their size and sector of activity.
- "best effort": the Management Company values the progress made over time by issuers, thanks to direct dialogue with them.

As part of the company rating process, the following criteria, among others, are analysed:

- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with added environmental value or climate risk management.
- Social: human capital (human resources management, diversity of management teams, employee training, health and safety, etc.), supplier management or innovation.
- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, or exposure to risk of corruption.

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, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external non-

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.

This internal ESG analysis results in an internal rating system on a scale of 1 (worst) to 5 (best): High ESG Opportunity (5), ESG Opportunity (4), ESG Neutral (3), Moderate ESG Risk (2) and High ESG Risk (1).

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

The Management Company's ESG model uses all of the characteristics and indicators mentioned in the paragraph above, and the monthly ESG report currently shows indicators that demonstrate their attainment as follows:

- The portfolio's weighted internal ESG rating to measure the overall attainment of environmental, social and governance characteristics;
- The weighted internal rating to assess the quality of corporate governance;
- The weighted internal rating to assess the quality of management.
- The Fund's carbon intensity (total scope 1 and 2 CO₂ emissions divided by total revenue of the companies in which the Fund invests).
- The brown share of the Fund's investments (exposure to fossil fuel industries according to MSCI ESG research).
- The green share of the Fund's investments (exposure to green solutions according to MSCI ESG research)

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's sustainable investment objective is environmental: contribution to the environmental impact as defined by MSCI ESG research, and its "sustainability impact" field in relation to environmental objectives. It covers the impacts on the following categories: alternative energy, energy efficiency, eco-construction, sustainable water, pollution prevention and control, sustainable farming.

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 the SFDR.

- **Sectors excluded from investments:** The Fund applies the common exclusion framework as detailed in the Management Company's exclusion policy, which is available at am.oddo-bhf.com. This framework covers coal, oil and non-conventional weapons, in particular. The Fund also applies specific exclusions. The Fund cannot therefore invest in companies producing adult entertainment.
- **Controversies:** After the ESG 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:** Doing 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), activities negatively affecting biodiversity sensitive areas (zero tolerance) and serious violations of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises (zero tolerance). The Fund also considers exposure to fossil fuels insofar as it excludes them (zero tolerance for oil and gas production).

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 three PAIs:

- exposure to controversial weapons (PAI 14 and zero tolerance)
- activities negatively affecting biodiversity sensitive areas (PAI 7 and zero tolerance)
- serious violations of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises (PAI 10 and zero tolerance)

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.

The Management Company also considers other PAIs in its ESG analysis for companies when the information is available, but without strict testing rules. PAI data is collected to determine the Management Company's final ESG rating.

ESG analysis covers monitoring of greenhouse gas emissions (PAI 1), exposure to fossil fuels (PAI 4), the share of non-renewable energy consumption and production (PAI 5), energy consumption intensity per high impact climate sector (PAI 6), 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). The Management Company also considers two other PAIs: deforestation policy (PAI 15) and lack of human rights policy (PAI 9).

If the Fund has sovereign investments, the manager's ESG model includes the two main PAIs in the ESG analysis: greenhouse gas intensity (PAI 15) and investee countries subject to social violations (PAI 16).

More detailed information on the Management Company's consideration of PAIs is available at www.am.oddo-bhf.com

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 is discretionary and is based both on a credit analysis of issuers whose main registered office is located in an OECD member country, and a top-down approach reflecting macroeconomic convictions.

The Fund's investment universe is made up of companies included in the following credit market indices: Bloomberg Euro-Aggregate: Treasury - 1-3 Year Index; Bloomberg Euro-Aggregate: Corporate - 1-3 Year Index; Bloomberg Euro-Aggregate: Treasury - 3-5 Year Index; Bloomberg Euro-Aggregate: Corporate - 3-5 Year Index; ICE BofA Euro Non-Financial Fixed & Floating Rate High Yield Index.

ESG (environmental, social and governance) criteria are another factor in fundamental analysis. The management team takes ESG (environmental, social and governance) criteria into account in its investment decisions but they are not the dominant factor, so the investment decisions taken may not be consistent with ESG criteria.

This approach can be broken down into two consecutive stages.

- First stage: the Fund applies the common exclusion framework as detailed in the Management Company's exclusion policy, which is available at am.oddo-bhf.com. This framework covers coal, oil and non-conventional weapons, in particular. The Fund also applies specific exclusions. The Fund cannot therefore invest in companies producing adult entertainment.

- Second stage: this step involves taking into account the ESG rating of a large majority of the companies in the investment universe from our internal rating system using a combination of two approaches:

1) best-in-universe: the management team favours the highest rated issuers regardless of their size and sector of activity.

2) best effort: the management team values the progress made over time by issuers, thanks to direct dialogue with them.

As part of the company rating process, the following criteria, among others, are analysed:

- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with added environmental value or climate risk management.

- Social: human capital (human resources management, diversity of management teams, employee training, health and safety, etc.), supplier management or innovation.

- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, or exposure to risk of corruption.

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, convictions for 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 internal ESG analysis results in an internal rating system on a scale of 1 (worst) to 5 (best): High ESG Opportunity (5), ESG Opportunity (4), ESG Neutral (3), Moderate ESG Risk (2) and High ESG Risk (1).

For stocks not monitored by the Management Company's internal rating process, the Management Company relies on non-financial data provided by an external service provider.

The Management Company pledges that at least 90% of the issuers in the portfolio shall have an ESG rating (taking the weighting of each share into account).

This ESG rating system has an impact on the portfolio's structure by limiting exposure to issuers with lower ESG scores (moderate and high ESG risks) and ensuring that the portfolio's overall ESG quality cannot fall below a certain level. In particular, the portfolio's weighted average ESG score must be greater than the that of the investment universe, based on our internal rating system. The two benchmarks' allocation to the investment universe and their respective percentages may vary over time and will depend on the composition of the Fund's portfolio. The management team may select stocks that are not included in the Fund's investment universe. However, it will ensure that the benchmark used is a relevant comparative reference for the Fund's ESG rating.

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 Fund applies the common exclusion framework as detailed in the Management Company's exclusion policy, which is available at am.oddo-bhf.com. This framework covers coal, oil and non-conventional weapons, in particular. The Fund also applies specific exclusions. The Fund cannot therefore invest in companies producing adult entertainment.

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

Furthermore, the portfolio’s weighted average ESG score must be greater than the that of the investment universe, based on our internal rating system.

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

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 committed minimum rate to reduce the scope of the investments considered prior to the application of the Fund’s investment strategy.

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

ODDO BHF’s Responsible Investment Policy describes our definition and assessment of good governance practices.



WHAT IS THE ASSET ALLOCATION PLANNED FOR THIS FINANCIAL PRODUCT?

The Fund's net assets are made up of equities.

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 Fund has a minimum 5% 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 and/or social investments rate. However, the Fund may hold investments that present these characteristics. A minimum of 5% of the Fund’s net assets are invested in other environmental investments.

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

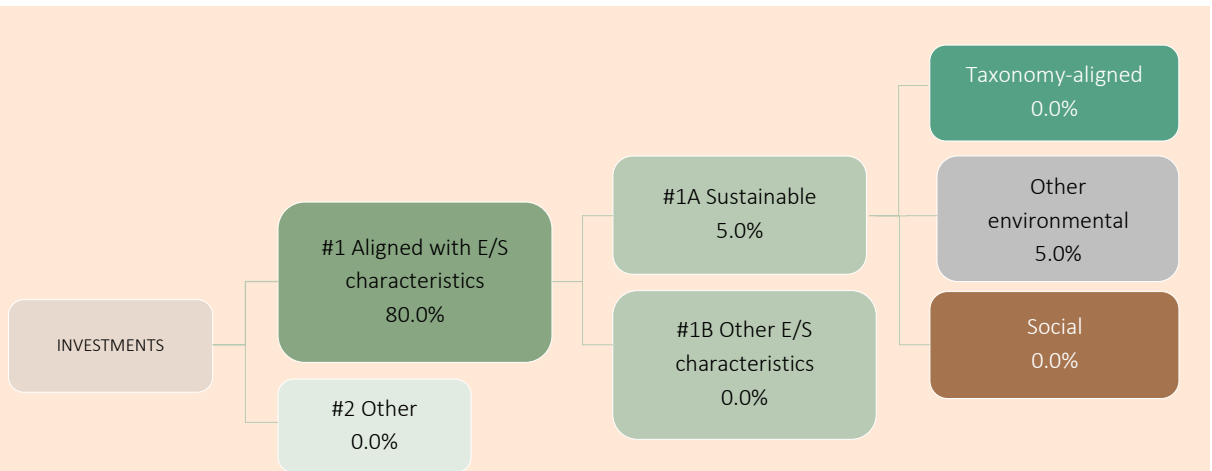
Asset allocation describes the share of investments in specific assets.

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 exposure and hedging purposes.



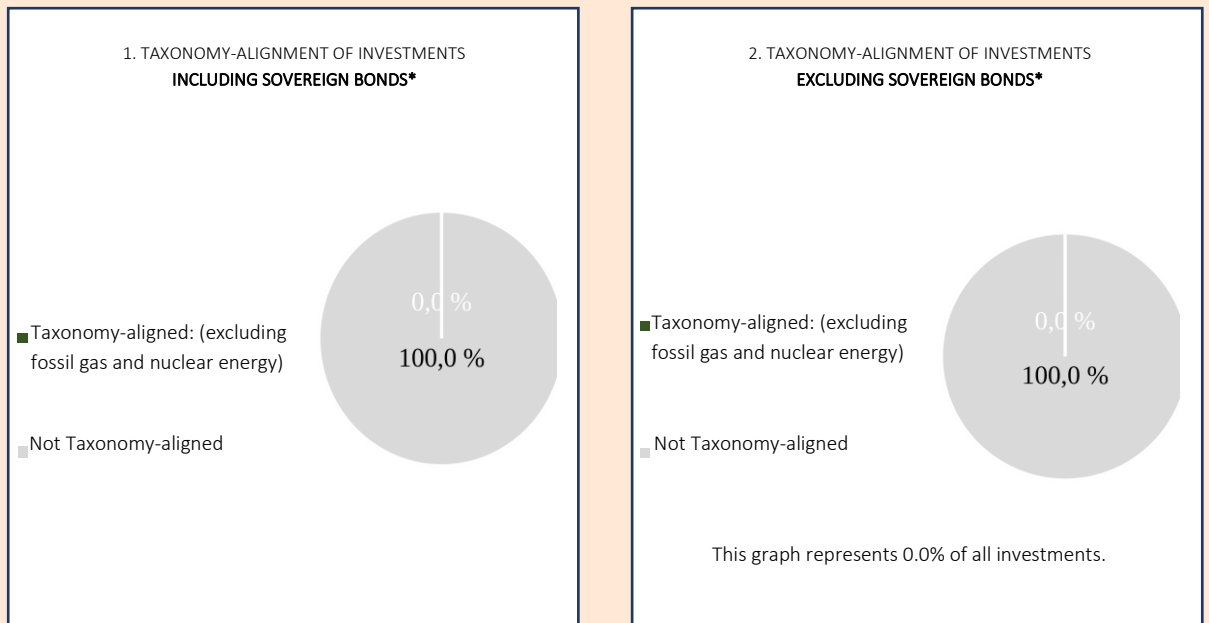
TO WHAT MINIMUM EXTENT ARE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?

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.



*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.



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 is 5% of the Fund’s net assets.



WHAT IS THE MINIMUM SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

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.

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

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 Fund's benchmark index is the €STR OIS + 0.085%. This index is a broad market index that does not necessarily reflect, in its composition or method of calculation, the ESG characteristics promoted by the Fund.

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

The benchmark is not aligned with the environmental or social characteristics promoted by the financial product. Environmental and social characteristics are covered only by the Fund's ESG investment strategy.

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

The benchmark administrator does not check ESG compliance of the index or its components. Issuers' ESG risks and their efforts to promote ESG objectives are factored into the Fund through its investment strategy.

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

The above index is a broad market index that does not necessarily reflect, in its composition or method of calculation, the ESG characteristics promoted by the Fund.

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

Further information about the benchmark is available on the EMMI's website (<https://www.emmibenchmarks.eu/>).



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

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

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