



CLIMATE TRANSPARENCY REPORT 2020

ODDO BHF Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-A67336F3-9489-4763-891A-A0D353BA3177/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	ODDO BHF Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2010
Region	Europe
Country	France
Disclosure of Voluntary Indicators	22% from 38 Voluntary indicators

ODDO BHF Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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ODDO BHF Group has been a signatory of the Carbon Disclosure Project (CDP) since 2006.

ODDO BHF Asset Management is part of this search for continuous progress and now incorporates a qualitative analysis that goes beyond carbon measurement and looks at how its ESG-integrating funds contribute to the achievement of climate objectives (The Paris Agreement main objective is to contain global warming below 2°C by 2100).

As part of the implementation of Article 173 of the Energy Transition and Green Growth Act in France, and more specifically the integration of climate change risks into investment decisions, ODDO BHF Asset Management has built its environmental strategy around three axes : i/ a quantitative measurement of carbon intensity of its main equity funds, ii/ the inclusion of environmental themes in its shareholder dialogue policy with companies, and iii/ a qualitative measurement of its investment strategies' contribution to the transition towards a low carbon economy.

ODDO BHF Asset Management has opted to work on the carbon intensity of its portfolios, i.e. CO2 emissions relative to turnover (while the carbon footprint brings CO2 emissions to market capitalization). This is an indicator less volatile and more reflective of the effectiveness of corporate actions.

To support its commitment to climate change issues, ODDO BHF AM became a signatory of the Climate Action 100+ initiative in March 2018 and joined the Investor Agenda in 2019. By joining the list of signatories, the objective for ODDO BHF AM is to participate in the joint effort of investors to facilitate the dialogue with the 100 companies that are the world's largest emitters of greenhouse gases.

Finally, ODDO BHF AM has developed a specific indicator to measure each company's contribution to the transition towards a low carbon economy. This ETA (Energy Transition Analysis) indicator is composed of two aspects: i/ the positioning of the sector in which the company operates, accounting for 30% and ii/ the score of the company specific environment block assigned by our ESG model, accounting for 70%. The sectoral positioning takes into account the long-term environmental risks and opportunities using ODDO BHF AM's SDG matrix based on the "2030 United Nations Sustainable Development Goals". Within this matrix, ODDO BHF AM identifies five environmental themes: Clean Energies (SDGs 7, 13), Energy Efficiency (SDGs 7, 9, 11), Biodiversity (SDGs 6, 12, 14, 15), Circular Economy (SDGs 11, 12) and Sustainable Mobility (SDGs 9, 11, 13). The second part, the environment block of ODDO BHF AM's ESG analysis model, is divided into two parts: the environmental management system of the company analysed and the analysis of environmental opportunities and risks related to the business activity (products and services). The climate related risks part is analysed by using the CDP data which are now aligned on the TCFD recommendations.

To complete its climate approach, ODDO BHF AM has announced in 2019 the exclusion of coal of all portfolios integrating ESG criteria (23% of total AUM).

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

In our internal ESG analysis model, environmental risks and opportunities account for 50% of the Environmental block. This risks and opportunities analysis relies on the latest available CDP data taking into account different timescales (short, medium and long-term impact).

As an example, respondent companies are asked to answer: i/ where in the value chain does the risk occur (direct operations, customer, supply chain), ii/ which type of risk (transition or physical) and iii/ on which time horizon (short, medium, long-term).

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Through its decisions to join the "Climate Action 100+" initiative in 2018, the Investor Agenda in 2019, and to formalize the exclusion of coal, the ODDO BHF AM Management Board clearly recognizes climate risks as an important part of its investor responsibility.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

We published in December 2017 a dedicated white paper regarding our approach to climate change, explaining our analysis methodology partly based on the TCFD recommendations.

We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Through its decisions to join the "Climate Action 100+" and the Investor Agenda initiatives and the implementation of the coal exclusion, the ODDO BHF AM Management Committee clearly recognizes climate risks as an important part of its investor responsibility.

The Head of ESG Research, Nicolas Jacob, is responsible for the implementation of the dedicated climate analysis which is part of the proprietary ESG model. The climate analysis has been publicly presented at the end of 2017 through the publication of a dedicated white paper. Regular upgrades of the climate module take place during the year thanks to the data update coming from the CDP.

All the investment teams (fund managers and analysts) received training about the main climate-related issues and the corresponding KPI put in place.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

We regularly work and embedded academic contributions in order to keep update our internal model regarding the most material ESG factors aligned with long-term trends (environmental transition, digitalization, urbanisation, consumer behavior ...)

- Yes, in order to assess future climate-related risks and opportunities

Describe

In our internal ESG analysis model, environmental risks and opportunities account for 50% of the Environmental block. This risks and opportunities analysis relies on the latest available CDP data taking into account different timescales (short, medium and long-term impact).

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

Given the fact that we work with an absolute "best-in-universe" approach, our internal ESG model highlights more obviously the sectors presenting opportunities. As a consequence and given the fact that our goal is to keep portfolios' ESG rating higher than their benchmarks, our ESG analysis has a direct impact on sector weightings.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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- Initial assessment

Describe

In joining the Climate Action 100+ and the Investor Agenda initiatives, ODDO BHF AM recognised that climate change is an integral part of its responsibility as a shareholder on behalf of its clients. As a consequence, we have defined a clear approach around 3 different axes: i/ a quantitative measurement of carbon intensity of the funds integrating ESG criteria into their investment process, ii/ the inclusion of environmental themes in our shareholder dialogue policy with companies, and iii/ a qualitative measurement of our investment strategies' contribution to the transition towards a low carbon economy.

- Incorporation into investment analysis

Describe

ODDO BHF AM has developed a specific indicator to measure each company's contribution to the transition towards a low carbon economy. This ETA (Energy Transition Analysis) indicator is composed of two aspects: i/ the positioning of the sector in which the company operates, accounting for 30% and ii/ the score of the company specific environment block assigned by our ESG model, accounting for 70%.

The sectoral positioning takes into account the long-term environmental risks and opportunities using ODDO BHF AM's SDG matrix based on the "2030 United Nations Sustainable Development Goals". Within this matrix, ODDO BHF AM identifies five environmental themes: Clean Energies (SDGs 7, 13), Energy Efficiency (SDGs 7, 9, 11), Biodiversity (SDGs 6, 12, 14, 15), Circular Economy (SDGs 11, 12) and Sustainable Mobility (SDGs 9, 11, 13).

The second part, the environment block of ODDO BHF AM's ESG analysis model, is divided into two parts: the environmental management system of the company analysed and the analysis of environmental opportunities and risks related to the business activity (products and services). Environmental risks and opportunities account for 50% of the Environmental block. This risks and opportunities analysis relies on the latest available CDP data taking into account different timescales (short, medium and long-term impact), being aligned with the TCFD recommendations.

Beyond identifying environmental impact, the goal is also to highlight potential mid to long-term drivers of value creation or destruction for companies.

By aggregating the ETA scores of the companies held in a portfolio (weighted by the weight of each position), ODDO BHF AM come up with an indicator of the contribution of such an investment portfolio to the transition towards a low carbon economy. This methodology provides ODDO BHF AM with a qualitative approach, helping it to align its portfolios with climate scenarios.

- Inform active ownership

Describe

As part of our dialogue and engagement policy, climate-related issues have become an important part of the discussions that we have with companies, during individual dialogue as well as during collaborative engagement actions through the Climate Action 100+ initiative. ODDO BHF AM publishes an annual dialogue & engagement report available on its website.

- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

Climate-related analysis is a recent practice back to 2017 in our organisation and we intend to proceed step by step in order not to distort our long-term positive financial track-records.

Nevertheless, we start working with public available tools like the PACTA model (Equity and Bond) or IPR Forecast Policy Scenario model (Equity).

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input checked="" type="checkbox"/> RPC 6
IPCC	<input checked="" type="checkbox"/> RPC 4.5
IPCC	<input checked="" type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Digitalization

- Other, specify(2)

other description (2)

Urbanisation

- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Exposure to carbon solutions / green share

- None of the above

SG 14 CC	Voluntary	Public		General
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**SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To compare a portfolio weighted average CO2 intensity with its benchmark	tCO2/M€ revenues	Sum of (%weight x Scope 1 &2) / Revenues
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To have similar and comparable data for a large universe of companies		
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To calculate carbon intensity at a portfolio level	tCO2/M€ revenues	(%weight x Scope 1 &2) / Revenues
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To compare a portfolio's positioning vs. its benchmark	% of portfolio NAV	Data provided by our external provider Sustainalytics

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

Climate-related risks analysis is at this stage to inform and to raise awareness of the portfolio managers. For some dedicated mandate, we are able to take it into consideration to answer specific client requirements.

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

To support its commitment to climate change issues, ODDO BHF AM became a signatory of the Climate Action 100+ and Investor Agenda. By joining the list of signatories, the objective for ODDO BHF AM is to participate in the joint effort of investors to facilitate the dialogue with the 100 companies that are the world's largest emitters of greenhouse gases and to encourage them to adopt and apply the TCFD recommendations. We also publicly support the TCFD.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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0.2

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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Energy efficiency / Clean technology

	Asset class invested
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- Listed equity
- Fixed income - SSA

	Percentage of AUM (+/-5%) per asset class invested in the area
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0.2

Fixed income - Corporate (financial)

	Percentage of AUM (+/-5%) per asset class invested in the area
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0.2

Fixed income - Corporate (non-financial)

	Percentage of AUM (+/-5%) per asset class invested in the area
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0.2

- Fixed income - Securitised
- Private equity
- Other (1)
- Other (2)

Brief description and measures of investment

ODDO BHF AM launched a Green Bond fund in 2019 with a minimum exposure of 75% to green projects. The fund size is around €120m.

- Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Securitised
- Private equity
- Other (1)
- Other (2)

Brief description and measures of investment

ODDO BHF AM launched a Green Bond fund in 2019 with a minimum exposure of 75% to green projects. The fund size is around €120m.

- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Securitised
- Private equity
- Other (1)
- Other (2)

Brief description and measures of investment

ODDO BHF AM launched a Green Bond fund in 2019 with a minimum exposure of 75% to green projects. The fund size is around €120m.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water

Asset class invested

- Listed equity
- Fixed income - SSA

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - Securitised
- Private equity
- Other (1)
- Other (2)

Brief description and measures of investment

ODDO BHF AM launched a Green Bond fund in 2019 with a minimum exposure of 75% to green projects. The fund size is around €120m.

Other area, specify

No

SG 15.4

Please attach any supporting information you wish to include. [OPTIONAL]

[File 1:Green Bond fund launch.pdf](#)