



Asset
Management

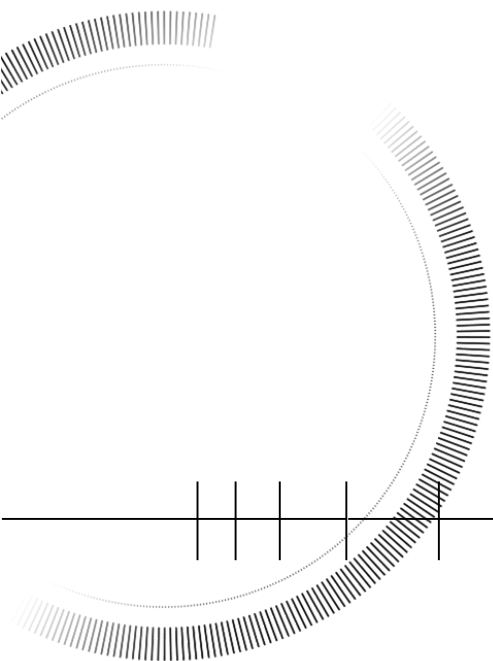
July 2021

Code of Transparency

For publicly accessible SRI funds



OFI INVEST RS ETHICAL EUROPEAN EQUITY



General background

1. List of funds covered by this Code of Transparency

The Code applies to the OFI Invest RS Ethical European Equity subfund of the Luxembourg SICAV 'OFI Multiselect'. OFI Invest RS Ethical European Equity is a multi-manager UCITS/SICAV fund invested in equities. It consists of management mandates entrusted to management companies selected by the OFI AM Multi-management team. Currently there are three selected management companies: Kempen Capital Management, OFI AM and De Pury Pictet Turretini.

2. General information on the asset management company

2.1. Name of the asset management firm in charge of the fund to which this code applies

The sub-fund "OFI Invest - RS Ethical European Equity" is a sub-fund of the Luxembourgish SICAV "OFI INVEST". The Management Company, OFI LUX, delegates the investment management to three investment managers with complementary SRI management styles :

Kempen Capital Management ("Best in Class" Small and Mid Cap), OFI Asset Management ("Best in Class" Large Cap), and Pury Pictet Turretini & Co ("Engagement active" Large Cap).

The selection and the monitoring of investment managers as well as the dynamic allocation between investment managers are made by the selection team of OFI asset management.

2.2. What are the asset management firm's track-record and principles as incipies as a responsible investor?

Since it was established in 1971, OFI Group has espoused the values of solidarity and the social economy in its business activities. Sustainable development, which is a natural extension of these values, constitutes a true commitment. This is why the OFI Group publishes its SRI policy, a vision that is enshrined in its extra-financial research, as well as its voting and engagement policy.

It also offers responsible investments solutions and services to investors seeking to meet sustainable development challenges.

- To find out more, go to the responsible investment page at: <https://www.ofi-am.fr/isr>

3. How has the asset management firm enshrined its responsible investor approach?

The OFI Group has enshrined its SRI approach in five policies, which are accessible at www.ofi-am.fr, under "INVESTING RESPONSIBLY" and "Downloads":

- An [SRI policy](#), which describes the objectives, means used and main features of our research methodology.
- An [engagement policy](#), which describes our processes of dialogue with companies; its purpose is to raise their awareness of good corporate social responsibility (CSR) practices, in order to encourage them to undertake a process of improvement, particularly with regards to the international target of limiting global warming to 2°C.
- A [voting policy](#), which describes the principles of corporate governance that govern our analysis of resolutions submitted to shareholder meetings. Exercising voting rights is an essential component of our responsible investment policy. Our goal is to exercise 100% of the voting rights attached to shares held in our SRI portfolios.
- A [position on controversial weapons](#). The Group implements on its own behalf and for the funds that it manages actively, the principles enshrined in international conventions on the prohibition of antipersonnel mines, cluster bombs and chemical weapons.

General background

- [An Investment policy : full exclusion of thermal coal by 2030.](#) OFI Asset Management wishes to contribute to efforts to limit global warming to less than 2°C by 2100, as per the Paris Agreement, and thus achieve GHG neutrality by 2050; it has therefore made a commitment to discontinue coal funding altogether by 2030 at the latest, across all asset classes and all regions.
- [Investment policy : oil an gaz.](#) OFI Asset Management wishes to gradually scale back its investments in unconventional gas and oil extraction companies and is aiming for full exclusion of the oil industry by 2050.
- [Investment policy : tobacco.](#) OFI ASSET MANAGEMENT has adopted an exit policy from the tobacco industry by excluding from all its investments the producers in the 1st Euro of Turnover.

2.4. How is the issue of ESG risks and opportunities addressed, including those linked to climate change

The selection and the monitoring of investment managers as well as the dynamic allocation between investment managers are made by the selection team of OFI asset management. Thus, we describe ESG risks and opportunities addressed by OFI AM.

● ESG risks/opportunities

Our approach is based on the conviction that those issuers that integrate Environmental, Societal and Governance (ESG) challenges into their strategies offer the most promising long-term prospects. Taking the ESG impacts of their business activities into account allows them to identify areas of risks, as well as development opportunities (particularly in green technologies).

The ESG risks that issuers face can impact their productive capacities and the material or immaterial value of their assets, and expose them to regulatory risks resulting in the payment of fines or taxes.

Integrating ESG risks and opportunities is the bedrock of our ESG research (see 3.5.2.). Research on ESG controversies also constitutes a key item in risk analysis (see 3.6).

● Climate change risks and opportunities

Research by the Intergovernmental Panel on Climate Change (IPCC) has found that global warming is rising constantly and that this is due to a steep increase in concentrations of greenhouse gases emitted by human activities.

On the basis of this finding, governments worldwide began to tuck action to limit greenhouse gas emissions with the Kyoto Protocol signed in 1997 and implemented in 2005, followed by the Copenhagen Agreement in 2009 (limiting global warming to 2°C), and then by the Paris Agreement signed at the COP 21 conference on 15 December 2015, which aims to keep global warming “well below 2°C compared with preindustrial levels”.

Climate policies require restructuring economic activities so as to achieve a low-carbon production and consumption model. This includes possible economic trajectories that are compatible with global warming limited to + 2°C or + 1.5°C by 2100 compared to the preindustrial era.

In light of the above, companies are exposed to climate change risks that could impact their financial performance.

General background

These climate risks are classified into two categories:

1. Physical risks, i.e., those resulting from damage caused directly by meteorological and climate phenomena;
2. Transition risks, i.e., those resulting from the effects of implementing a low-carbon business model.

Transition risks cover various sub-categories of risks:

- Regulatory and legal risks are linked, on the one hand, to changes in public policies, (for example, the introduction of a carbon price or more demanding product regulations), and, on the other hand, to more frequent complaints and litigation with the increase in losses and damages resulting from climate change.
- Technological risks are caused by technological innovations and disruptions that help further the fight against climate change, including new renewable energy technologies, energy storage, carbon capture, etc.
- Market risks refer to changes in supply and demand caused by increased integration of climate risks, including shifts in raw material prices, etc.
- Reputational risks are caused by clients' and stakeholders' changed perceptions regarding an organisation's contribution to the transition towards a low-carbon economy.

Just like physical risks, transition risks carry potential financial impacts. They represent risks of potential loss of value of portfolios for financial actors.

Opportunities

There are four types of companies that are energy transition investment opportunities:

1. Companies that emit the least greenhouse gases in heavily-emitting economic sectors. The level of carbon emissions deemed "funded" in investing in these companies will serve as a basis of comparison.
2. Companies that make the most progress in managing the "climate change" issue. These companies may currently be heavy emitters of greenhouse gases in their activities, but it the progress they make that will produce the most significant changes.
3. Companies whose products and services are already sources of energy transition solutions, such as renewable energies, enhanced energy efficiency, and so on.
4. Companies with low GHG emissions have at least good management of their environmental issues. We believe that for companies in low-carbon sectors it is essential to evaluate practices, performance and strategy on the challenges of natural resources, project financing, and toxic discharges.

General background

2.5. Which of the asset management firm's teams are involved in its responsible investment activities?

The following OFI AM's teams are involved in our responsible investment activities:

- The SRI research department,
- Support functions:
 - Project management,
 - Corporate secretary,
 - Open-fund engineering,
 - Legal,
 - Data management,
 - IT services,
 - Middle office.
- The reporting department,
- Control functions: compliance and internal audit,
- Teams using SRI research:
 - Managers,
 - Credit research,
 - Risk management.
- SRI distribution teams:
 - Marketing,
 - Communication,
 - Commercial.
 - Négociating Table OIS

2.6. How many SRI analysts and SRI managers are employed by the asset management firm?

On December 30th 2020, OFI AM's SRI research is conducted by four teams consisting of a total of 15 full-time-equivalent employees:

- 7 persons in the SRI department;
- 3 persons in multi-management, in charge of SRI research for mutual funds and asset management firms;
- 3 FTEs on the research and financial engineering team;
- 1 climate analyst and 1 impact analyst, respectively on the risk management team and on the European equity impact investing team.

OFI AM has 16 full-time-equivalent SRI managers.

General background

2.7. In which responsible investment initiatives does the asset management firm take part?

GENERALIST INITIATIVES	ENVIRONMENTAL AND CLIMATE INITIATIVES	SOCIAL INITIATIVES	GOVERNANCE INITIATIVES
PRI – Principles For Responsible Investment	IIGCC – Institutional Investors Group on Climate Change	WDI – Workforce Disclosure Initiative	ICGN – International Corporate Governance Network
FIR	CDP – Carbon (carbon, water, forests)	Access to Medicine Foundation	EM Lyon partnership
French Asset Management Association (AFG), responsible investment and corporate governance committees	Green bonds principle	FAIRR Initiative (ESG risks of intensive livestock farming)	

8. What is the asset management firm’s total SRI assets under management?

As of the end of December 2020, OFI AM had a total of 43,93 billion euros in SRI assets under management.

This information is available in updated form at: <https://www.ofi-am.fr/isr>, under “Information”.

9. What is the asset management firm’ percentage of SRI assets compared to its total assets under management?

As of the end of December 2020, 65,95% of OFI AM’s AuM were SRI assets.

This information is available in updated form at: <https://www.ofi-am.fr/isr>, under “Information”.

10. What publicly accessible SRI funds are managed by the asset management firm?

The OFI RS offering covers the main asset classes and geographical regions. OFI Group’s strategies are regularly awarded labels and awards and are integrated directly into OFI RS’s best-in-class or thematic funds (energy transition, solidarity funds, etc.).

[A list of SRI funds is available in updated form at: https://www.ofi-am.fr/produit](https://www.ofi-am.fr/produit), filter “SRI” = “yes”

Fund background

3. Background on the SRI fund presented in this Code of Transparency

1. What are the objective(s) of integrating ESG criteria into the fund(s)?

According to the Management Company's analysis, Environmental, Social and Governance (ESG) issues are risk areas that can have significant financial impacts on issuers and therefore on their sustainability. Furthermore, issuers that integrate responses to sustainable development issues into their growth strategy create opportunities that contribute to their economic development. In this sense, ESG analysis complements and enriches traditional financial analysis.

We seek to refine analysis both of our investment universes by incorporating ESG concerns regarding issuers' practices and activities, and to give clients who wish so the chance to implement an SRI policy reflecting their own values, in dedicated investments.

Objectives regarding ESG analysis

ESG analyses are incorporated so as to foresee risks relating to ESG issues, to reduce volatility and to improve the quality of our clients' financial-asset portfolios without impairing performances.

In addition, we act as responsible shareholders by establishing a constructive dialog with companies on improving the consideration of their social responsibility. This dialog, which covers not only CSR performance, but also sectoral or cross-cutting issues, helps to raise companies' awareness of the importance that investors attach to their CSR practices. Our objective is to avoid "greenwashing" and communication by companies that is unrelated to their actual practices.

This dialog, as well as the SRI selection process of the companies in the portfolio, aims to achieve an improvement in the Environmental, Social and Governance performance of the issuers in the portfolio compared to those making up the fund's benchmark index. Achievement of this objective is monitored through the periodic publication of indicators on the three areas, E, S and G, for the fund and its benchmark index (cf 6.2).

Exclusion policy

Excluded from all three mandates are:

Companies involved in the following activities:

- Ammunitions and weapons
- Gambling, casinos and equivalent enterprises
- Pornography, prostitution
- Tobacco
- Alcoholic beverages
- Thermal coal mining
- Coal Plant Developpers
- Nuclear energy and radioactive materials
- Tar sands, shale gas,artic drilling

Also excluded are companies that make use of:

Products, services or activities involving human trafficking, forced labour or child labour as defined by the International Labour Organisation (ILO) conventions. Products, services or activities deemed illegal under international conventions and agreements.

Fund background

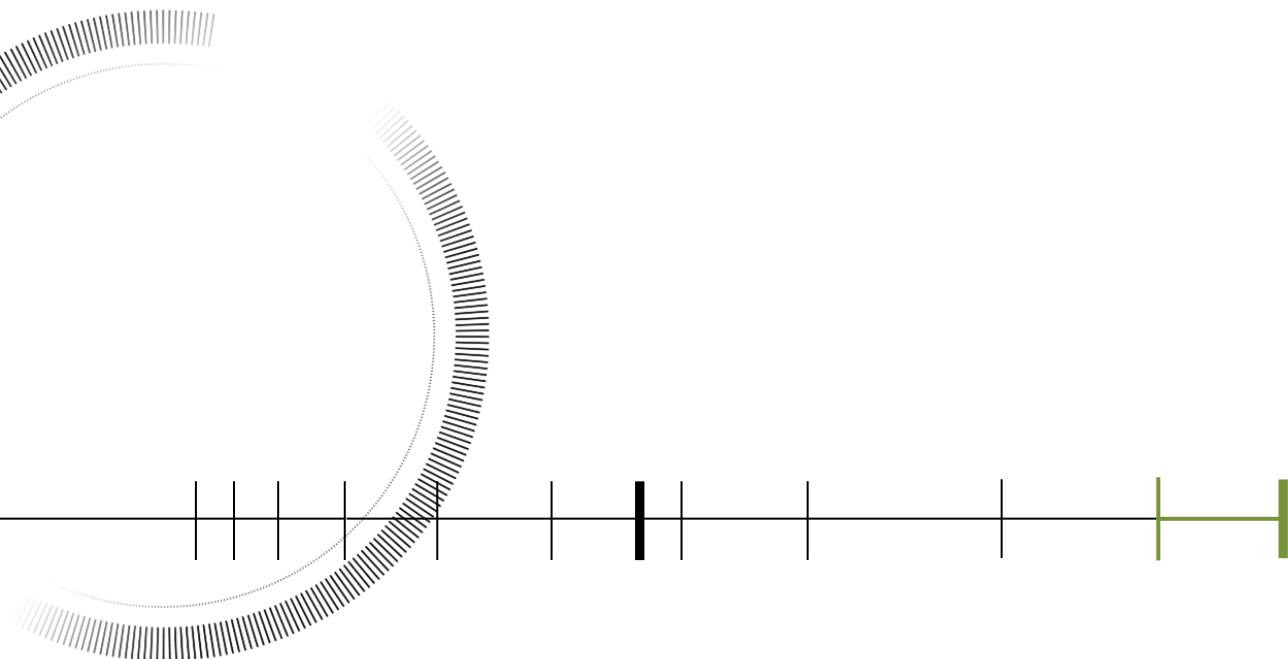
The detailed exclusion policy of OFI Invest RS Ethical European Equity is available on the www.ofi-am.fr website in the "Products" tab, followed by "OFI Invest RS Ethical European Equity".

The aforementioned exclusion criteria are common to all three mandates. Each fund manager reserves the right to apply additional exclusion criteria or stricter criteria than those set out in the OFI Invest RS Ethical European Equity Exclusion policy.



KEMPEN CAPITAL MANAGEMENT

Mandate managed by Kempen Capital Management



3.1 What is (are) the objective(s) sought by taking ESG criteria into account within the fund(s)?

Kempen bases its criteria for responsible investment on international conventions and guidelines such as the United Nations Global Compact (UNGC), the Guiding Principles on Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises and the Responsible Business Conduct for institutional investors, as well as the Principles for Responsible Investment (PRI). Kempen further embraces the goals of the Paris Agreement and its central goal to limit global warming to well below 2 degrees Celsius. Kempen translated the above sets of international guidelines into specific criteria, on the basis of which we periodically screen our investments. This screening allows us to identify material ESG risks and opportunities in our portfolio and define our engagement and exclusion criteria.

In addition to these main initiatives, Kempen has identified over 100 conventions, treaties and initiatives and believes that compliance with these should also serve as a principle for its policy. The full set of conventions, guidelines and initiatives can be found in Kempen’s Convention Library.

3.2. What internal and external means are used for the ESG assessment of the issuers making up the investment universe of the fund(s)?

Internally the ESG analysis is conducted by the Portfolio Management Team as ESG is a key component of the investment case. All holdings have an internally developed ESG score and ESG profile, which are created by the Portfolio Managers and include a summary of the positives and risks associated and where ESG indicators are integrated into the company’s strategy. In addition to that all holdings are periodically screened in-house by the Sustainability & Impact Team for any potential breaches of the UN Global Compact and other material ESG risks. If this screen flags any company, they will be engaged with on the particular issue raised.

Kempen further opts for external expertise and enlists the in-depth knowledge and experience of independent ESG research providers. The Portfolio Managers use MSCI ESG Research and Sustainalytics for ESG ratings and controversy data and ISS Ethix South Pole as Carbon Data provider.

3.3. What ESG criteria are taken into account by the fund(s)?

The analysis is based on the ESG criterias as well a on the exclusion of controversial Activities :

POSITIVE			NEGATIVE
<p>Business Ethics & Governance</p> <ul style="list-style-type: none"> Ethical code of conduct Integrity & transparency Compliance Social responsibility Integration in procedures & strategy KPI Reporting Active monitoring auditing & reporting 	<p>Social Performance</p> <ul style="list-style-type: none"> Policy on human resources and reach Social strategy in “risk countries” Screening of social performance of: Suppliers Public service commitments KPI Reporting Active monitoring & reporting 	<p>Environmental Performance</p> <ul style="list-style-type: none"> Environment policies Environmental Management System Auditing / ISO certification Carbon Emission intensity Green innovation KPI Reporting Auditing & transparent reporting 	<p>Controversial Activities*</p> <ul style="list-style-type: none"> Weapons & armaments Animal testing Gambling Tobacco Alcohol Nuclear energy Pornography Genetic engineering Factory Farming Corruption Human & labour rights abuses

3.4. What climate change principles and criteria are taken into account by the fund?

ESG is integrated into our investment process, which includes climate change. Kempen applies an ESG approach where climate change is considered:

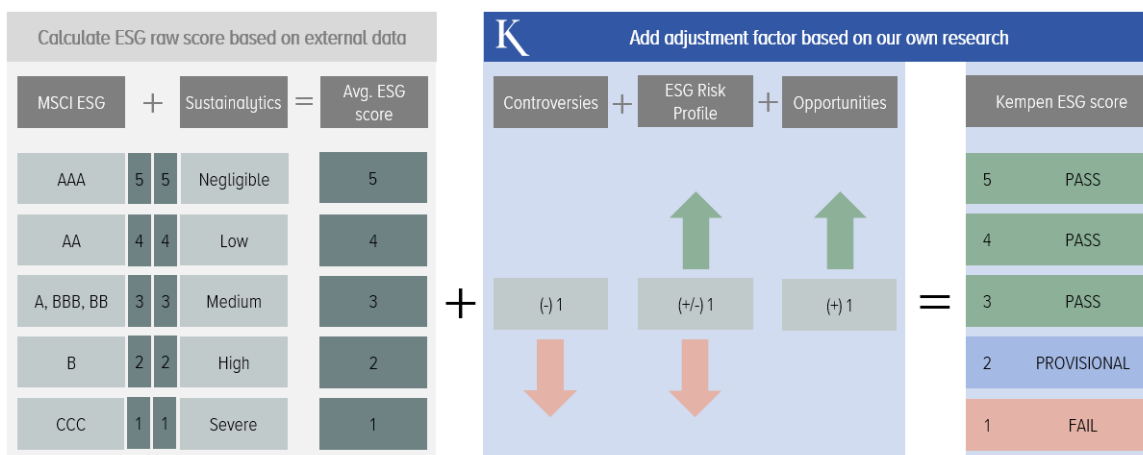
- Exclusion: we exclude certain activities which contradict the Paris Agreement goals, such as unconventional oil & gas extraction, coal mining and coal power generation.
- ESG Integration: ESG (including climate change) risks and opportunities are integrated in the investment process.
- Active ownership: using influence through engagement and voting to improve corporate behaviour on ESG, including on climate change.

As a result, Kempen invests in a portfolio of companies that has a carbon intensity well below the benchmark.

They also updated our climate change policy recently and are now in the implementation phase. In this update, the fund will strive to follow a commitment to become net-zero by 2050 with its investments to contribute to the goal of limiting global warming to 1.5 degrees (in line with the IPCC 1.5 degrees scenarios).

3.5. What is the methodology for ESG analysis and assessment of issuers (construction, rating scale, etc.)?

In the investment process, Kempen assess the ESG profile of a company. They look at each company on a case-by-case basis, taking into account material risks in a given industry in combination with the company's respective risk exposure, practices and disclosure. Furthermore, they look into the company's exposure to past controversies and future ESG opportunities. Based on the fundamental ESG analysis we form an opinion on the quality of a company's ESG profile and award each company a score (1-5).



3.6. How often is the ESG assessment of issuers reviewed? How are controversies managed?

All holdings are periodically screened in-house by the Sustainability & Impact Team for any potential breaches of the UN Global Compact and for other material ESG risks. If a company violates the UN Global Compact principles it is excluded. If this screen flags any company for , the Portfolio Managers engage the company on the particular issue raised.

4. Management process

4.1. How are the results of ESG research taken into account in portfolio construction?

The ESG policy is fully implemented in strategy's investment process across the three relevant pillars of: Exclusion, ESG Integration and Active ownership. The figure below offers a step-by-step illustration of this implementation in our strategy's investment process.



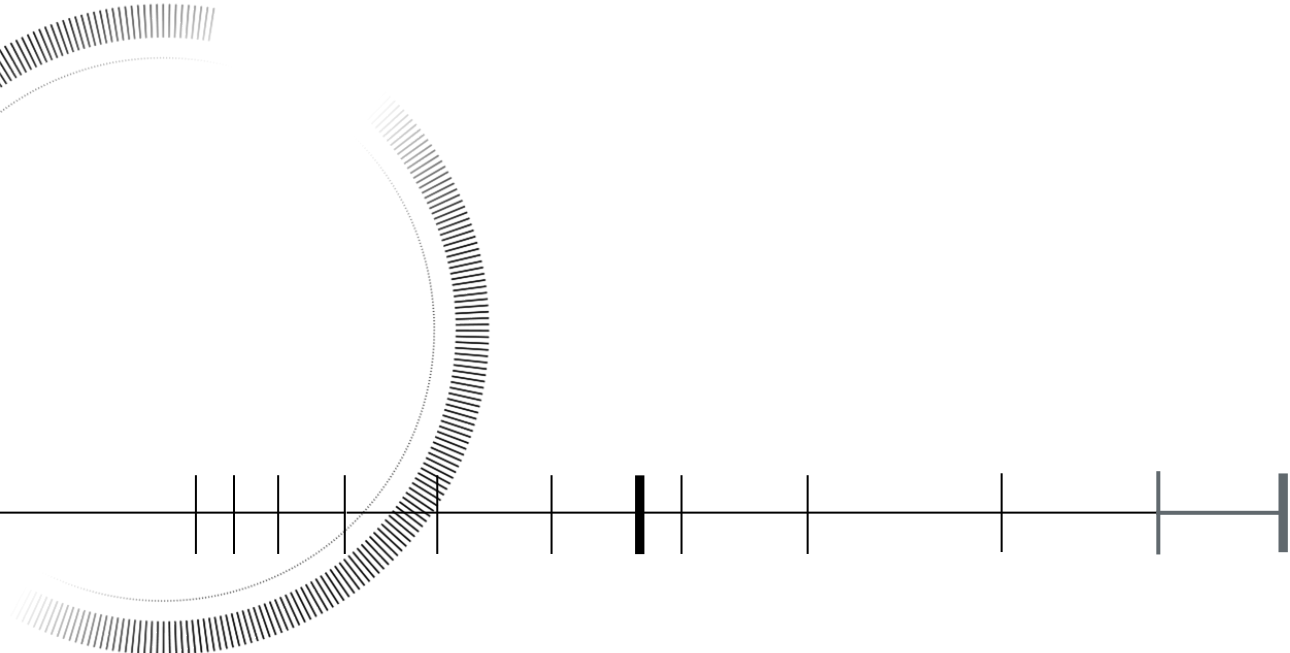
- **Exclude** - Kempen excludes companies based on controversial conduct, such as human or labour rights abuse, environmental damage and corruption. Kempen further excludes companies based on their involvement in the production of controversial weapons, tobacco, gambling, adult entertainment and alcohol. (For further information about the exclusion criteria also see Question 3.3)
- **Integrate** - In the investment process Kempen assess the ESG profile of a company, each company on a case-by-case basis, taking into account material ESG risks in a given industry in combination with the company's respective risk exposure, practices and disclosure. A lower score (1-5) requires a higher return as used in our Discounted Cash Flow (DCF) models. If ESG risks are deemed too severe, an investment in the company will be avoided and/or existing holdings will be sold. (For further information also see Question 3.5)
- **Engage** – When a company is added to the portfolio Kempen performs comprehensive engagements with the objective to unlock value and reduce risk. Kempen's engagement process defines clear objectives of which the progress and result is tracked and well documented. Exercising voting rights is an essential part of responsible investment and active ownership. In line with Kempen's fiduciary duty we vote in the best interest of our clients. The voting policy is based on our core beliefs around best-in-class corporate governance. Kempen applies a custom voting policy and agenda items are further reviewed on a case by case basis. Often, the company is aware of the voting intention ahead of the meeting and, where there is a recommendation to vote against management, Kempen asks the company to clarify their viewpoints. After careful analysis, it forms its own opinion and vote accordingly.

This diligent way of including ESG in the structured and repeatable investment process has led to external recognition. Evidence of which is provided in the award of the Towards Sustainability label which only few funds have received as well as enjoying a four out of five Globes Sustainability rating from Morningstar which places the strategy in the top 32.5% of its category in terms of Sustainability.

4.2. How are climate change criteria taken into account in portfolio construction?

Kempen invests in a portfolio of companies that has a carbon intensity well below the benchmark. As mentioned in 3.4, it has an ESG approach which includes climate change criteria.

Mandate managed by OFI ASSET MANAGEMENT



Mandate managed by OFI Asset Management Issuers' ESG assessment methodology

3.1 Quels sont les principes fondamentaux sur lesquels repose la méthodologie de l'analyse ESG ?

The ESG assessment methodology is founded on analysis of the issues associated with the Environment and Social fields identified by exhaustive examination based on reference documents, notably: The Universal Declaration of Human Rights, the Kyoto Protocol, the United Nations Global Compact, ILO Conventions, OECD Guidelines for multinational companies and European Directives and Regulations affecting the fields. Governance issues are identified via OECD principles and a set of legislative and regulatory texts and codes of good practice (hard and soft laws).

The assessment is carried out in three stages:

- | | | | | |
|---|--|---|--|--|
| 1 | | Identification of ESG issues | | <ul style="list-style-type: none"> • Founding texts • Watch |
| 2 | | Determination of key issues | | <ul style="list-style-type: none"> • Potential impact • Key issue targeting |
| 3 | | Analysis of issue management by the issuer | | <ul style="list-style-type: none"> • Issuer's exposure • Observed behaviour (indicators) |

3.2. What internal and external means are used for the ESG assessment of the issuers making up the investment universe of the fund(s)?

The SRI research team carries out detailed analysis of the environmental and social issues specific to each business sector and also establishes the governance issues.

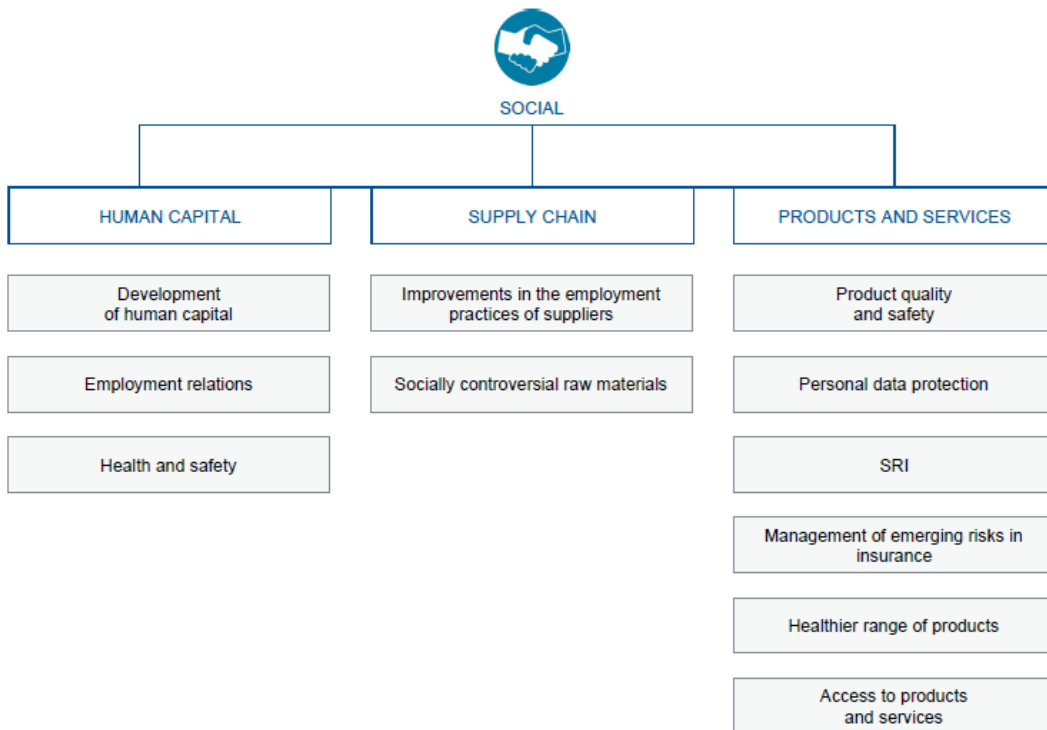
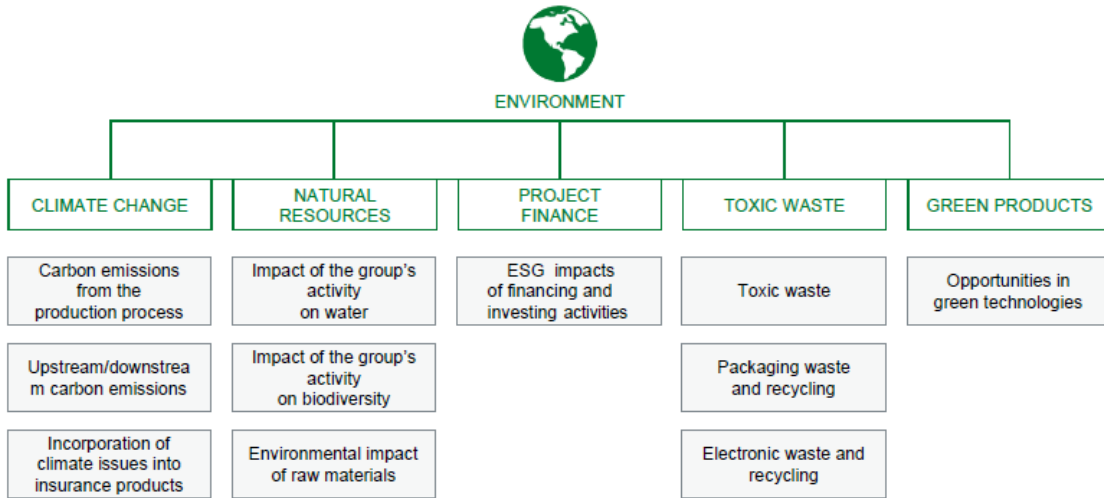
It uses data from multiple information sources: non-financial analysis agencies, broker analyses, news and investigations of issuers. This analysis is also enhanced by the analysis of any ESG controversies and by the outcome of engagement activities undertaken.

Osiris, an internal tool dedicated to SRI, provides automated and quantitative processing of data from numerous information sources.

3.3. What ESG criteria are taken into account by the fund(s)?

Assessment of issuers' CSR practices is based on an analysis of the three ESG pillars: environment, social and governance.

The issues analyzed are the following:





3.4. What climate change principles and criteria are taken into account by the fund?
Not applicable for this fund.

3.5. What is the methodology for ESG analysis and assessment of issuers (construction, rating scale, etc.)?

The ESG analysis is performed according to a reference framework defined internally, produced from an analysis of the risks likely to affect the issuer's stakeholders and the issuer itself.



The level of risk resulting from this analysis determines the issues that will be considered to be "key" for each sector of activity, and the weight of the issue within the global ESG score.

This is how the ESG score is calculated:

Based on the sector benchmark of key challenges, an ESG score is calculated for each issuer, including scores on key Environmental and Social (E and S) challenges on the one hand, and governance (G) challenges on the other.

Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the risk arising from behaviour of the companies' managers or the company itself. This level varies with the sector of activity.

The overall weighting of E and S issues is then determined. The weighting of Environmental, Social and Governance issues is specific to each sector of activities.

These scores may result from:

1. possible penalties arising from controversies that have not yet been integrated into key issue scores.

This system of penalties promptly reflects the most significant controversies, pending their integration into the analysis of key challenges. The evaluation scale is as follows:

- A very serious and/or structural controversy, or a repetition of serious controversies: Penalty of 0.75
- A serious controversy or a repetition of serious controversies: Penalty of 0.5
- An important controversy: Penalty of 0.25

Total controversy penalties are capped at 0.75. When the controversy is integrated into the analysis of key issues – and, hence in the issue's score – this penalty is eliminated.

2. Possible bonuses or penalties assigned by the analyst in charge of the sector in the event of divergence in the evaluation of a challenge by the ratings agency.

Companies' ESG scores are used to establish an SRI score corresponding to the issuer's ESG ranking compared to other actors in its ICB super-sector (level 2). The SRI score is set on a scale of 0,5 to 5, with level 5 corresponding to the sector's best ESG rating.

All European companies are then classified into SRI categories within each sector (ICB level 2), based on their SRI score. These SRI categories, each of which accounts for 20% of the companies in the ICB-2 sector, are as follows:

- Under surveillance: issuers that are behind in integrating ESG challenges
- Uncertain: issuers whose ESG challenges are undermanaged
- Followers: issuers whose ESG challenges are managed on an average basis
- Involved: issuers active in integrating ESG challenges
- Leaders: issuers that are the furthest along in integrating ESG challenges

The calculation of ratings, scores and categories of companies is updated once per quarter.

Mandate managed by OFI Asset Management Issuers' ESG assessment methodology

3.6. How often is the ESG evaluation of issuers revised? How are the controversies managed?

Frequency

The evaluation of the positive contribution of companies' business is revised annually. It can be supplemented gradually on the occasion of specific approaches and meetings with companies resulting in a strategic review.

The universe is dynamic, evolving mainly with companies' technological innovations, initial public offerings, and changes in their sustainable development models.

ESG research into companies' practices is revised at least once every 18 months. It may also be revised in real time through analysis of controversies or following engagement initiatives.

Controversies

ESG controversies are monitored systematically and discussed at a weekly meeting of a committee of SRI analysts and managers.

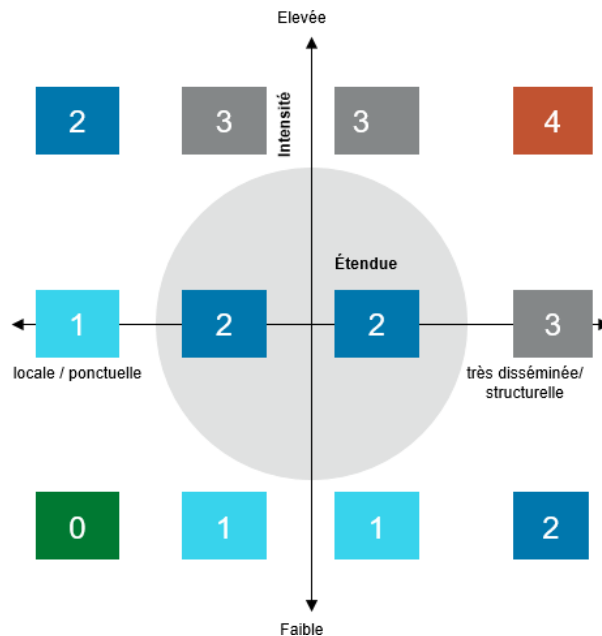
- The themes analysed are as follows:



Mandate managed by OFI Asset Management

Issuers' ESG assessment methodology

- Controversies are assessed at five levels on the basis of their intensity and their dissemination (in time and/or space) and measures taken by the company, if any, to rectify them:



0	Negligible: no material controversy identified
1	Low: limited and/or one-time controversies
2	Average: controversies have a large but limited impact (in time and/or space)
3	High: controversies having a very large impact and/or having a structural character
4	Very high: major controversies dealing with fraud, human rights violations or environmental disasters

4. Management process

4.1. How are the results of ESG research taken into account in portfolio construction?

Issuers' ESG assessments are used to establish an SRI score corresponding to the issuer's level of ESG performance compared to the other players in its ICB super sector (level 2). The SRI score is established on a scale of 0,5 to 5 – where 5 is the highest performance level.

In accordance with the SRI score, an SRI category is assigned to each company for each ICB super sector (level 2) of the fund's investment universe. Each SRI category represents 20% of super sector's companies:

- Leaders: companies most advanced in the inclusion of ESG issues
- Committed: companies actively including ESG issues
- Followers: companies with an average level of ESG issue management
- Unclear : companies with a low level of ESG issue management
- Under surveillance: companies lagging behind as far as ESG issue management is concerned.

The eligible investment universe is defined by the prior exclusion from the investment universe of companies in the "Under surveillance" SRI category and those affected by the Exclusion Policy set out on page 7.

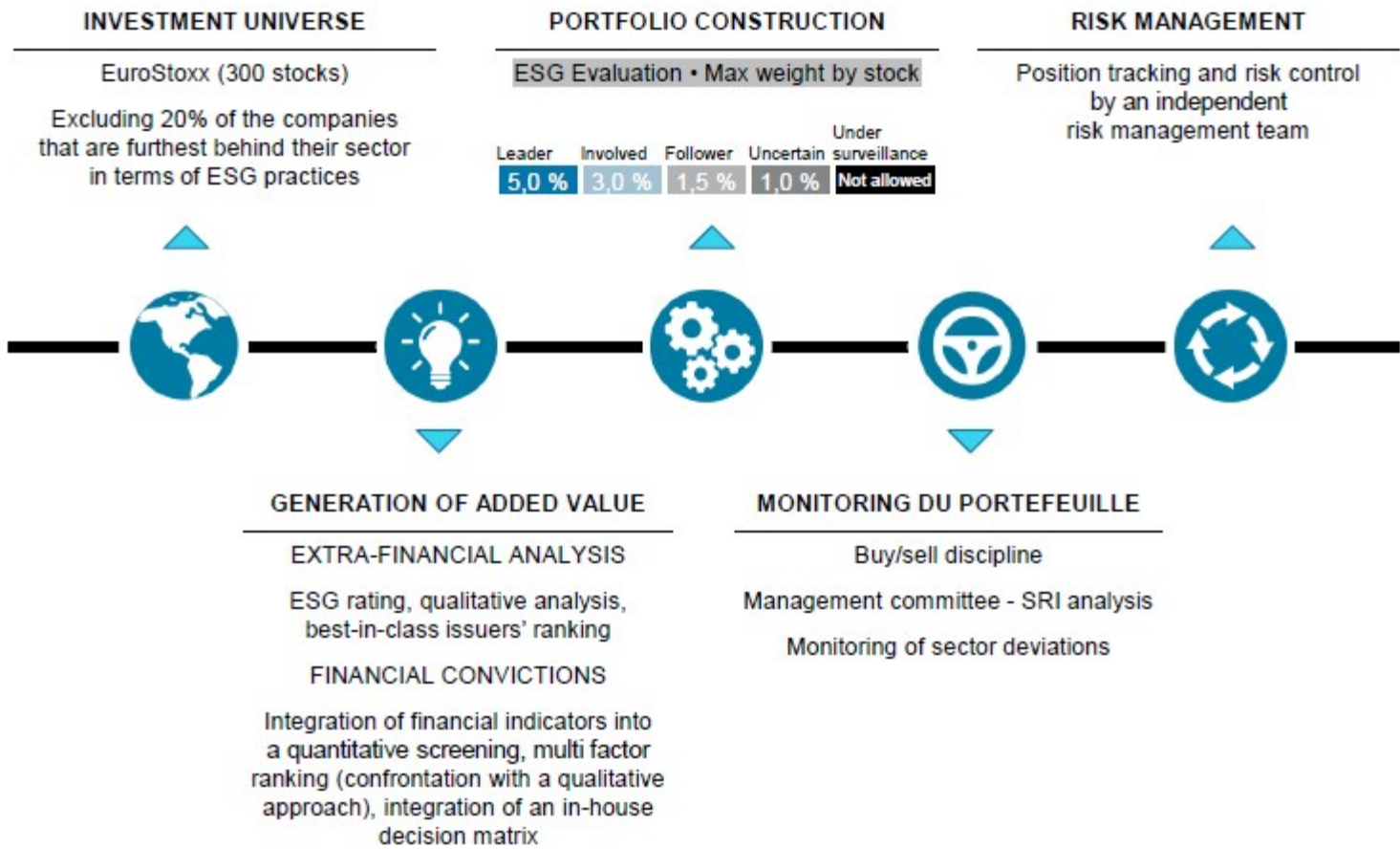
Should a company's ESG assessment worsen it may be retained within the investment portfolio on a temporary basis, with the joint agreement of the managers and analysts. The equity will then appear in the "Under surveillance" category. Disinvestment will take place within a maximum period of three months.

Any disinvestment taking place as a result of a company's worsened ESG assessment must be mentioned in the management comments featuring in the monthly fund report.

In addition to the initial quantitative SRI filter which establishes the eligible universe, company ESG analyses are taken into account when constructing the portfolios. The maximum investment in a company is determined by a matrix created by the company's financial assessment and ESG assessment:

Mandate managed by OFI ASSET MANAGEMENT

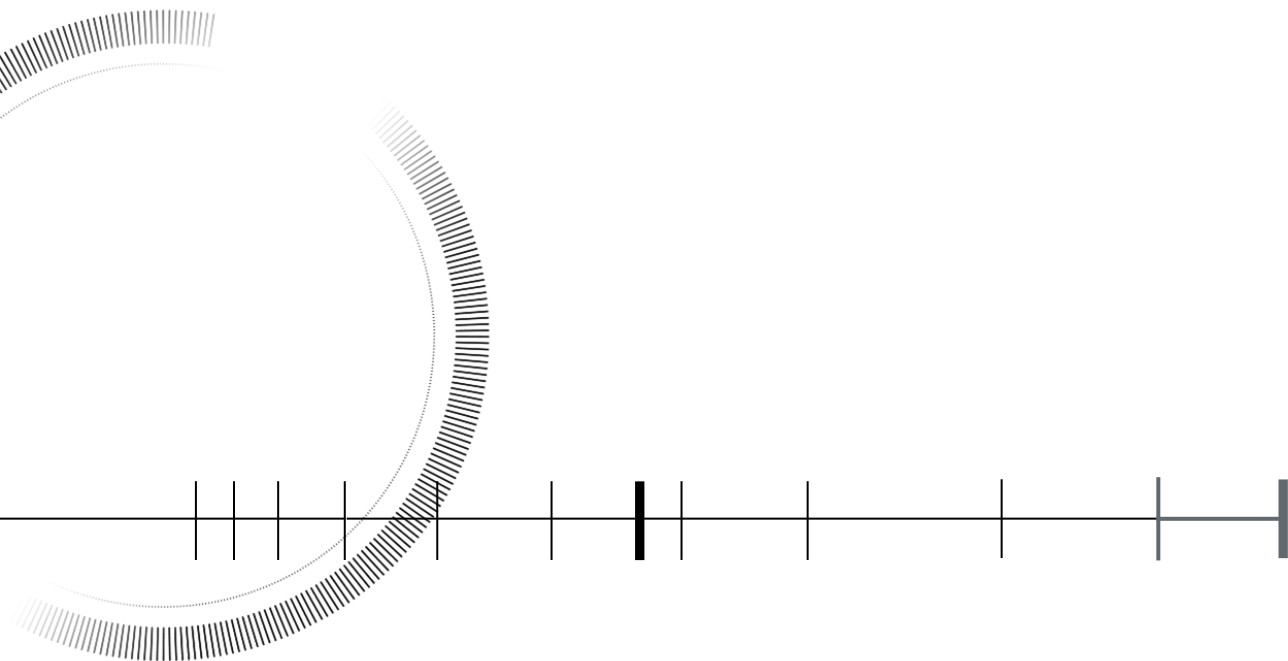
Management process



4.2. How are climate change criteria taken into account in portfolio construction?

Not applicable.

Mandate managed by De Pury Pictet Turrettini



Mandate managed by De Pury Pictet Turrettini

Issuers' ESG assessment methodology

3.1 Quels sont les principes fondamentaux sur lesquels repose la méthodologie de l'analyse ESG ?

The ESG analysis, carried out by the Fondation Guilé, is based on compliance by the issuers with the principles of the Global Compact:

- **Human rights**
 - Companies are invited to promote and protect international law relating to human rights within their sphere of influence
 - must ensure that their own companies are not complicit in any infringement of human rights.
- **Labour laws**
 - Companies are invited to respect freedom of association and to recognise the right to collective bargaining
 - To eliminate all forms of forced or compulsory labour
 - To effectively abolish child labour
 - To eliminate discrimination in employment and occupation.
- **Environnement**
 - Companies are invited to apply a precautionary approach to environmental challenges
 - To undertake initiatives to promote environmental responsibility
 - To encourage the development and diffusion of environmentally friendly technologies
- **Fight against corruption**
 - Companies are invited to work against corruption in all its forms, including extortion and bribery

3.2. What internal and external means are used for the ESG assessment of the issuers making up the investment universe of the fund(s)?

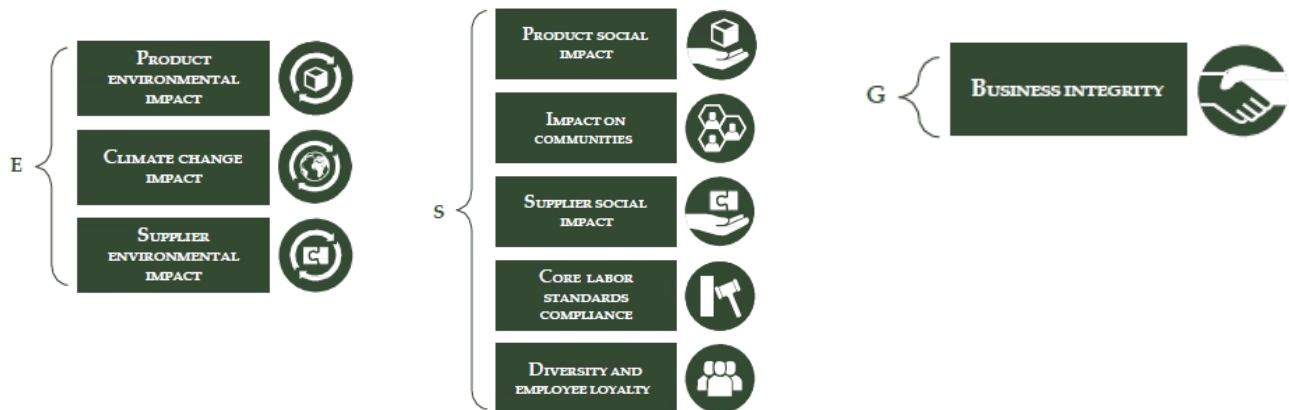
The Buy & Care strategy is implemented by the entire management team, a dedicated engagement team and a network of external social impact specialists.

The management team selects the securities by considering the ESG parameters, directly exercises the voting rights and participates in the engagement meetings.

Mandate managed by De Pury Picter Turrettini Issuers' ESG assessment methodology

3.3. What ESG criteria are taken into account by the fund(s)?

All ESG themes are gathered into 9 sustainability issues. The 3 main issues are defined for each company and will be particularly analyzed and discussed during the engagement meetings.



3.4. What climate change principles and criteria are taken into account by the fund?

3 of the 9 sustainability issues are directly linked to climate change.

Product Environmental Impact : companies whose climate stakes are above all on the product and its use (automotive sector, etc.)

Climate Change Impact : companies that are directly impacted by climate change (Insurance, etc.)

Supplier Environmental Impact : companies whose emissions are above all “upstream” from their suppliers (Nestlé, etc.)

The engagement’s goal is to encourage companies to accelerate their transition to a carbon-free world.

3.5. What is the methodology for ESG analysis and assessment of issuers (construction, rating scale, etc.)?

Each of the 3 issues selected for the company is analyzed according to the following criteria:

- Materiality
- Strategy
- Objectives & actions
- Indicators & monitoring
- Performance

Particular attention is also paid to the organization and the way in which the company integrates sustainability, to the normative frameworks used by the company, to SDGs and to social impacts.

Mandate managed by De Pury Pictet Turrettini

Issuers' ESG assessment methodology

- Analyse de la qualité de l'information

Cette analyse cherche à définir si l'information délivrée par l'entreprise est crédible. 6 critères - à différentes pondérations - sont pris en compte pour juger de la qualité de l'information fournie :

- L'accessibilité 15%
- La clarté 15%
- La comparabilité 10%
- L'exactitude 25%
- La fiabilité 25%
- L'intégration 10%

3.6. How often is the ESG evaluation of issuers revised? How are the controversies managed?

The analytical process is carried out in several stages throughout the year and published annually (publication reserved for participating companies):

- Once the company has published its annual non-financial information (either in the form of a Communication on Progress within the context of the Global Compact or in another form of corporate responsibility or sustainable development report) the team collates this information for analytical purposes. It also takes into account any other public information of value for the analysis of the 10 principles of the Global Compact.
- Once the analysis has been completed it is qualitatively validated by a senior consultant in Corporate Responsibility (see point 3b re the team).
- The analysis is subsequently sent to the fund managers for internal discussion regarding their more "business" view in relation to the more "sustainability" view of the sustainable development specialists.
- The results are then sent to the companies (see point 3e) and shareholder engagement discussions may take place.
- The information generated from the meeting with the company (physical or telephone meeting) is then included in the final annual report on the analysis of the company.

4. Management process

4.1. How are the results of ESG research taken into account in portfolio construction?

The challenge of the Buy & Care methodology is to establish synergy between ESG managers and analysts. Analysis is the basis of dialogue with society. The results of ESG analysis are not intended to serve as a "filter" in the investment process for the selection of companies. This corresponds to our vision of engagement : to dialogue with companies in order to make them progress, rather than staying out of the way and having no impact on the way they manage their responsibilities towards stakeholders. This analysis, and the results of the engagement process with companies, are integrated into the process which can lead to divestment for extra-financial reasons.

Managers may have to sell their stakes in companies :

- With whom dialogue is difficult or impossible
- Who persist in refusing to sign the Global Compact or to improve consideration of its principles
- Who are at risk on their ESG issues, either globally or following major controversies

When divestments take place in connection with a deterioration in the ESG assessment of a company, these are mentioned in the management commentary which appears in the monthly reporting of the fund

Mandate managed by De Pury Picter Turrettini

Issuers' ESG assessment methodology

4.2. How are climate change criteria taken into account in portfolio construction?

- Criteria relating to climate change are taken into account for the vast majority of the companies in the fund. For 76% of companies, at least one “key sustainability issue” linked to climate change has been selected.
- Shareholder engagement is also an effective lever for managing climate risks: it helps to better gauge the sincerity of management and the quality of the data published. Scope 3 data is rarely published, yet it accounts for up to 80% of companies' total emissions.
- Businesses are encouraged to take climate change into account better in their strategy, to set ambitious reduction targets and to clearly demonstrate how the business will achieve these targets. More and more portfolio companies are implementing our recommendations and making progress.

Process common to all three mandates

4.3. How are issuers in the fund's portfolio that are not subject to ESG analysis (other than UCIs) taken into account?

Companies not subject to an ESG analysis may not exceed 10% of the net assets of the portfolio on average calculated over 12 months. An ESG analysis of the issuer will then be carried out by the SRI division within 3 months.

4.4. Has the ESG assessment process and/or management process changed in the last 12 months?

No

4.5. Is a portion of the fund's assets invested in solidarity organizations? No

4.6. Does the fund engage in securities lending and borrowing? No

4.7. Does the fund(s) use derivatives?

Yes

This use of derivatives accounts for no more than 10% of fund assets.

Management of the mandate requires temporary use of futures on the Stoxx Europe 600 NR index to hedge against lower equity prices for its reference indicator, Stoxx Europe 600 NR..

4.8. Does the fund invest in UCIs?

Investment in UCIs is limited to cash management.

UCIs likely to be selected by this fund are subject to an ESG rating for transparency purposes, through the calculation of the portfolio's weighted average SRI score. By convention, for the purpose of establishing the SRI categories as described in paragraph 4.1. they are considered to belong to the "Banks" sector.

Controls and reporting

5. ESG control

5.1. What are the internal and/or external control procedures to ensure that the portfolio complies with the ESG rules established for the management of the fund?

The mandates are verified by the OFI AM internal control team which ensures compliance of the portfolio with the fund strategy via sample audits.

6. ESG impact measurement and reporting

6.1. How is the ESG quality of the fund assessed?

The ESG quality of the Fund is not reported.

6.2 What ESG impact indicators does the fund use?

The fund doesn't have ESG impact indicators.

6.3 What reporting channels are used to inform investors of the fund's SRI management?

All informational documents on this fund are accessible at: www.ofi-am.fr/, under "Funds", "Equities", and "OFI FUND RS European Positive Economy":

- The product datasheet: a synthetic presentation of the fund
- The prospectus and KIID
- The monthly report
- This Code of Transparency

6.4 Does the asset management firm release the results of its voting policy and engagement policy?

[Voting policy](#) and [engagement policy](#) are an integral part of the ESG research process. They are covered

in annual reports accessible on line at:

- [Voting report](#)
- [Engagement report](#), which includes a section on this fund.

Glossary

ESG criteria	Environment, Social and Governance.
Environmental dimension	Means the direct or indirect impact of an issuer's activities on the environment.
Social dimension	Relative to the direct or indirect impact of an issuer's activity on stakeholders, in comparison with universal values such as human rights, international labour standards, anti-corruption, etc.
Governance dimension	All processes, regulations, laws and institutions affecting the way in which a company is managed, administrated and supervised. This also includes relations between the many stakeholders and the objectives that inform the running of the company. These main players include the companies' shareholders, management, and board of directors.
SRI	"Socially Responsible Investment (SRI) aims to reconcile economic performance and social and environmental impact by financing companies and public entities that contribute to sustainable development, regardless of their sector of activity. In influencing the governance and behaviour of these actors, SRI promotes a responsible economy." (AFG-FIR, July 2013)
Issuers	All entities (companies, governments, agencies, supranationals or local governments) that seek market financing by issuing shares, bonds and other financial securities.
Engagement	Funds whose objective is to influence the behaviour of invested companies in order to improve their environmental, social or governance practices. Engagement themes must be defined and the monitoring of engagement initiatives (such as individual or collective dialogue, voting at shareholder meetings, and submission of resolutions) must be <u>documented</u> .
Exclusion	Funds may implement two types of exclusions: <ul style="list-style-type: none">• NORMATIVE EXCLUSIONS Normative exclusions consist in excluding companies that fail to comply with certain international standards or conventions (human rights, WTO convention, Global Compact, etc.), or countries that have not ratified certain international treaties or conventions.• SECTOR EXCLUSIONS Sector exclusions consist in excluding companies from sectors such as alcohol, tobacco, weapons, gambling and pornography for ethical or public health reasons, as well as GMOs, nuclear power, thermal coal, etc. for environmental reasons. Exclusions that are based solely on a regulatory ban (e.g., controversial weapons, embargoed countries, etc.) are not enough to justify an exclusion approach.

Glossary

Impact investing

Funds that invest in companies or organisations whose main goal is to generate a positive environmental or social impact. The impact of investments must be measurable.

Impact investing is similar, in France, to solidarity funds that invest in companies of the social and solidarity economy.

Glossary

ESG integration

For an asset management firm, ESG integration consists in making available to its investment managers findings of Environmental, Social and Governance (ESG) research so that they can integrate them into their investment decisions. ESG integration is based on suitable resources, including organised access to ESG research, ESG or portfolio carbon scores or any other ex-post metric. Its purpose is to enhance understanding of each issuers risks and opportunities.

ESG selection

This approach consists in selecting issuers having the best environmental, social or governance practices. ESG selection comes in several forms:

- best-in-class: selection of issuers having the best ESG practices in their sector of activity; this approach includes all economic sectors;
- best-in-universe: selection of issuers having the best ESG practices regardless of their sector of activity;
- best effort: selection of issuers demonstrating an improvement in their ESG practices over time.

ESG theme

Funds that specialise in environmental, social or governance themes. They invest in issuers whose products or services contribute to generating benefits that meet the investment strategy. Selected companies must, at the least, comply with certain minimum ESG standards, such as active monitoring of environmental (E), social (S) and governance (G) controversies and must demonstrate their E or S or G impact.

AFG and FIR commitments

The AFG and FIR shall help promote and disseminate this Code as broadly as possible. To do so, they pledge to publish a list of Code signatory funds on their websites: www.afg.asso.fr www.frenchsif.org

The AFG and FIR assume no liability or other responsibility for inaccurate or misleading information provided by signatory funds in their responses to this Code of Transparency.



The French Asset Management Association (AFG) represents and promotes the interests of third-party asset management firms. It brings together all actors in the French asset management industry, whether in individual (mandates) or collective investment. These actors manage almost 4000 billion euros in assets, including 1950 billion euros in funds governed by French law, and about 2050 billion euros in mandates and funds governed by foreign law.

The AFG decided at a very early stage to lend its full support to the development of responsible investment in France. Its involvement is within the broader framework of its promotion of long-term savings invested in equities, employee plans and pension funds and quality assets (mainly through its corporate governance initiatives), which are levers in the efficient funding of the French economy and the protection of citizens against the risks they face.

AFG – 41 rue de la Bienfaisance –75008 Paris, France – Tel: +33 (0)1 44 94 94 00

45 rue de Trèves – 1040 Brussels, Belgium – Tel: +32 (0)2 486 02 90

www.afg.asso.fr -  @AFG_France



The Forum for Responsible investment (FIR) is a multi-stakeholders association of investors, investment firms, ESG ratings agencies, consultants, civil society actors, NGOs, trade unions and politically engaged persons, including lawyers, researchers and journalists.

The FIR's missions include public advocacy and engagement with companies on environmental, social and governance issues. The FIR also oversees the European "Finance and Sustainable Development" research prize in association with the Principles for Responsible Investment (PRI). Each year since 2005 it recognises the best academic work. The FIR also coordinates the Responsible Finance Week, which it created in 2010.

The FIR is a founding member of Eurosif.

FIR – 27 avenue Trudaine 75009 Paris, France – Tel: +33 (0)1 40 36 61 58

www.frenchsif.org

AFG and FIR commitments



The European Sustainable Investment Forum (Eurosif) is the leading European membership association whose mission is to develop sustainable and responsible practices. As a non-profit organisation, Eurosif works in partnership with its members, which are national forums having the same mission, and relies on a network of partners. The network brings together a broad range of stakeholders in the responsible investment industry, from fund managers to their external service providers, such as extra-financial ratings agencies, for example. Based in Brussels, Eurosif focuses mainly on SRI advocacy, integrating sustainable development investment issues with European institutions, promoting the European Code of Transparency and research and reflections on market practices and trends in those practices.

Eurosif is now a benchmark European organisation for all actors with an interest in developing responsible investment practices.

EUROSIF – 59, Adolphe Lacomblé, B-1030 Brussels, Belgium – Tel: +32 (0)2 273 29 48

www.eurosif.org

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OFI ASSET MANAGEMENT - 22 RUE VERNIER 75017 PARIS - TÉL.: + 33 (0) 1 40 68 17 17 - www.ofi-am.fr

Société de gestion de portefeuille - S.A. à Conseil d'Administration au capital de 42 000 000 euros.

RCS Paris 384 940 342 - Agrément n° GP 92-12.