

➤ Ofi Invest ESG Transition Climat Europe

1/ How Sustainability Risks are integrated into investment decisions

Environmental, Social & Governance factors (ESG) and Sustainability Risk indicators are therefore integrated into the investment process and are a key determinant based on which companies are selected. This Sub-Fund does promote environmental or social characteristics however, it does not have a sustainable investment objective. The Investment Manager will consider the adverse impacts of an investment to the extent they are financially material.

Further information regarding how the Investment Manager integrates ESG into its investment approach, its proprietary ESG model and how it engages with companies is available on the website <https://www.ofi-invest-am.com/pdf/principes-et-politiques/politique-investissement-responsable.pdf>.

2/ The results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products

Sustainability risks are primarily related to climate events resulting from climate change (known as physical risks), the ability of companies to respond to climate change (known as transition risks) and which may result in unanticipated losses affecting the Sub-Fund's investments and financial performance. Social events (inequalities, labour relations, investment in human capital, accident prevention, changes in consumer behaviour, etc.) or governance gaps (recurrent and significant breach of international agreements, corruption, product quality and safety and sales practices) can also translate into sustainability risks.

3 Pre-contractual disclosure template (Article 8 SFDR)

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:
 Ofi Invest ESG Transition Climat Europe

Legal entity identifier:
 213800BVDQEVYGDQ4S89

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

It will make a minimum of **sustainable investments with an environmental objective**: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: ___%

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 ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

Ofi Invest ESG Transition Climat Europe (the “**Sub-Fund**”) invests in companies with good Environmental, Social and Governance (“**ESG**”) practices.

The Sub-Fund especially focuses on the issue of climate change. For this purpose, it has two investment sleeves “Solutions” and “Transition”.

The Sub-Fund does not have an ESG benchmark as a reference benchmark.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To allow assessment of the Sub-Fund’s climate credentials, the Investment Manager will report on key indicators relevant to fund’s strategy. Key indicators shall include:

- The investment universe’s ESG rating, so as to verify that the global ESG rating of the Sub-Fund overperforms that of the benchmark.
- “Solutions” - the proportion of companies in the Sub-Fund meeting the “Solutions”

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

- revenue threshold.
- “Transition” - the proportion of companies in the Sub-Fund displaying strong climate governance, which may include but not limited to, the percentage of companies setting or committing to emission reduction goals which align to Science Based Targets.

The Investment Manager’s “Solutions” or “Transition” criteria are described as follows:

“Solutions”

By using the “Solutions” criteria the Investment Manager will identify a pool of companies eligible for investment by the Sub-Fund, assessed as providing products and services to support climate transition:

- Mitigation themes seek to mitigate the risk of climate change, for example, sustainable transport, energy efficiency, or renewable energy.
- Adaptation themes seek to help communities to adapt to the adverse physical impacts of climate change, for example, water, health, forestry and agriculture.

“Transition”

By using the “Transition” criteria the Investment Manager identifies companies positively aligning to and orientating their business models to be resilient in a warmer climate and a low carbon economy.

There are strong links between carbon emissions and global warming. As a result, the UN Paris Agreement on climate change aims for economies to remove as many emissions as they produce (be “Net zero”) by 2050, with the aim of keeping the increase in global average temperatures within 1.5°C above preindustrial levels. Companies will be assessed as satisfying the “Transition” criteria using the Investment Manager’s proprietary model.

- ***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?***

Not applicable.

- ***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?***

Not applicable.

The EU Taxonomy sets out a ‘do not significant harm’ principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The ‘do not significant harm’ principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impact are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The methods used by the Management Company to assess the companies invested in each of the principal adverse impacts on sustainability factors are as follows:

PAI indicator	ESG rating	Exclusion policy	Controversies analysis	Engagement policy	Voting policy
1. GHG emissions	X	X (Coal/oil & gas)	X	X	X (Say on Climate)
2. Carbon footprint				X	X (Say on Climate)
3. GHG intensity of investee companies	X			X	X (Say on Climate)
4. Exposure to companies active in the fossil fuel sector		X (Coal/oil & gas)		X	X (Say on Climate)
5. Share of non-renewable energy consumption and production	X		X		
6. Energy consumption intensity per high impact climate sector	X				
7. Activities negatively affecting biodiversity-sensitive areas	X		X	X	
8. Emissions to water	X		X		
9. Hazardous waste and radioactive waste ratio	X		X		
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		X (UN Global Compact)	X	X	
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD		X (UN Global Compact)	X	X	

Guidelines for multinational Enterprises					
12. Unadjusted gender pay gap			X		
13. Board gender diversity	X			X	X
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)		X			
Insufficient measures taken to remedy non-compliance with anti-corruption standards and acts of corruption	X	X (UN Global Compact)	X	X	

For more information, please refer to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the Management Company's website: <https://www.ofi-invest-am.com/finance-durable>.

No



What investment strategy does this financial product follow?

The Sub-Fund invests in equity securities of companies that qualify as "Solutions" and/or "Transition" categories as described in the above section. The methodology of these categories is detailed in the next question.

- **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 binding elements of the investment strategy used to select the investments to attain the environmental or social characteristics promoted are:

1. The commitment to only invest in equity securities of companies that qualify into "Solutions" and/or "Transition" categories. (excl. ancillary assets):

Within the category "Solutions", the Sub-Fund uses a variety of data sources including the Investment Manager's own research, broker analysis, and MSCI ESG research on clean technology solutions, companies will initially be assessed as providing "Solutions" if they derive at least 20% of their revenue from such themes. Companies meeting this initial revenue threshold are then subject to additional assessment using the Investment Manager's proprietary analysis which further examines revenue sources by business segment. Only companies satisfying both the revenue threshold and the detailed assessment will be regarded as "Solutions" providers and be eligible for investment by the Sub-Funds. The assessment is refreshed on an ongoing basis.

Within the category "Transition", the Sub-Fund seeks to invest in best performers in terms of

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

climate risk management. To define this category the Sub-Fund will use an analysis of the level of transition risk for each subsector along with the assessment of the quality of climate risk management in place at every company. The higher the transition risk for the subsector of a company, the higher the climate risk management required to be eligible for investment in the Sub-Fund. This analysis will be done based on several elements including Investment Manager's own research and MSCI ESG research. It will be refreshed at least once a year.

The companies that fall under the "Solutions" and "Transition" sleeves are updated on an annual basis.

2. The application of exclusions:
 - The binding elements of the investment strategy used to select the investments to attain the environmental and social characteristics promoted by the Sub-Fund include Ofi Invest Asset Management's exclusion policies, that are both sectorial and normative, as listed and summarized into the document entitled "Investment Policy: sector and norm-based exclusions", available at the following address: https://www.ofi-invest-am.com/pdf/principes-et-politiques/investment-policy_sectorial-and-norms-based-exclusions.pdf. <https://www.ofi-invest-am.com/en/policies-and-documents>, These exclusion policies are also available in full on the website: <https://www.ofi-invest-am.com/en/policies-and-documents>.
3. The average ESG rating of the portfolio must be higher (i.e., better) than the average ESG rating of the benchmark.
4. At least 100% of the Sub-Fund' eligible instruments mentioned in "Section 13. Summary of the Sub-Funds" that are used for direct exposure to the Sub-Fund investment policy will have an underlying ESG rating. Synthetic and indirect exposures to the Sub-Fund investment policy resulting from the use of financial derivative instruments, as well as cash deposits, are excluded from this commitment.
5. In addition, for cash management purposes, the Sub-Fund may invest up to 10% of its assets in monetary UCIs. These UCIs managed by Ofi Invest Asset Management are classified as Article 8 according to SFDR regulations and apply the group's ESG integration strategy.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

● ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager ensures that investee companies are part of the ESG assessment, following good governance practices, i.e. having sound management structures in place, maintaining good employee relations, remunerating staff fairly, and complying with tax regulations. The Investment Manager will not invest in companies that fail to protect the basic rights of investors and employees, that are involved in tax evasion, corruption or other governance scandals (and fail to take adequate remedial action).

Specifically, in addition to alignment with the standards set out in its voting policy (the Investment Manager will only invest in companies that maintain governance practices in line with national standards). The Investment Manager also expects companies to act in accordance with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises.

A qualitative ESG assessment forms part of the Investment Manager's research process, based on its knowledge of the company, together with a combination of MSCI

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

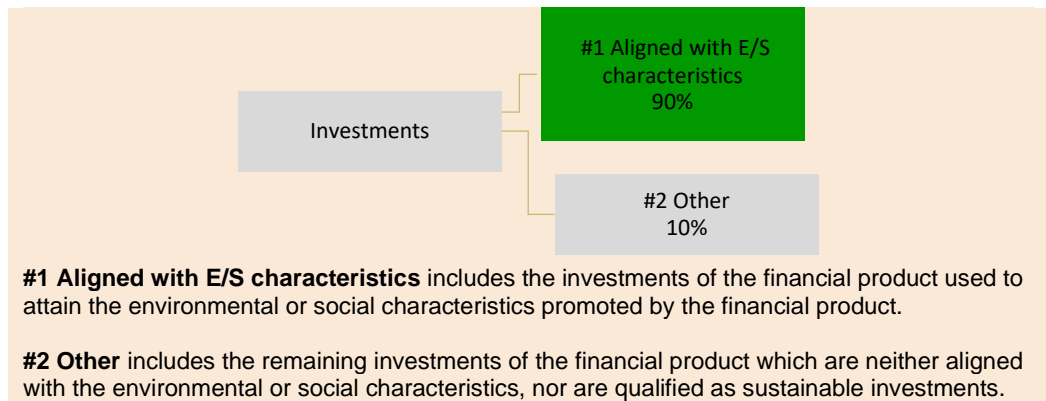
governance and controversies data points.



What is the asset allocation planned for this financial product?

The Sub-Fund has at least 90% of its investments used to attain the environmental characteristics promoted (#1 Aligned with E/S characteristics).

The remaining 10% of the investments of the Sub-Fund, will be derivatives, cash and/or cash equivalent (excluding monetary UCIs classified as Article 8 according to SFDR regulations and managed by OFI Invest AM) held for liquidity purposes, the use of which is limited to very specific situations and short periods of time (#2 Other).



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.

● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes

In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.



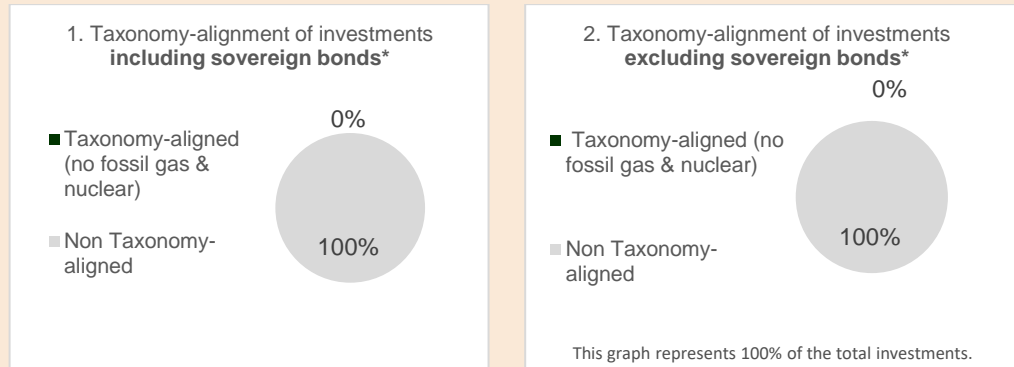
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic

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 minimum share of investments in transitional and enabling activities is set at 0%.

● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund does not commit to a minimum share of sustainable investments.

● **What is the minimum share of socially sustainable investments?**

Not applicable.

● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

These investments, that represent a maximum of 10% of the NAV, will consist of:

- Cash and/or cash equivalent (excluding monetary UCIs classified as Article 8 according to SFDR and managed by OFI Invest AM), within a total limit of 10%,
- Financial derivative instruments, used as defined by the investment policy of the Sub-Fund, within a total limit of 10%.

No minimum environmental or social safeguards have been put in place.



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?

Not applicable.

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



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://www.ofi-invest-am.com/fr/produit/ofi-invest-esg-transition-climat-europe-class-i/LU2477924737>