

Sustainability-related disclosures

OFI INVEST BIODIVERSITY GLOBAL EQUITY

■ Resume

Ofi Invest Biodiversity Global Equity (the “**Sub-Fund**”) promotes environmental and social characteristics but does not have a sustainable investment objective.

Indeed, the Sub-Fund invests in responsible, active and committed companies, in the fight against the erosion of biodiversity and in favor of the protection of nature and the restoration of ecosystems.

The investments to attain each of the environmental and social characteristics promoted by the Sub-Fund are selected by taking into account several criteria such as Eligible Investment Universe that is a result of exclusion policies, ESG integration policies and SRI rating on biodiversity.

The investment strategy leads to the exclusion of 30% of the worst rated SRI securities from the investment universe. The binding elements of the investment strategy used to select the investments to attain each of the environmental and social characteristics promoted by the Fund include the OFI Invest Group exclusions such as:

- the exclusion of the sectors detailed in the section related to the investment policy of the Fund, as well as the exclusion of companies that seriously or repeatedly violate one or more of the ten principles of the United Nations Global Compact without providing an appropriate response or remediation measures; and
- the exclusion of securities which do not have the best sustainable and socially responsible investments ratings compared to the other securities.

The weekly monitoring of ESG controversies: the ESG analysis also considers the presence of controversies on the issues above-mentioned and their management by the issuers.

As the Sub-Fund is not subject to a proprietary analysis model, the choice of MSCI ESG Research was the subject of a rigorous selection process, considering, for example, the coverage of the investment universe, the quality of the data and the ability to monitor this data at ESG and Management team levels

■ No sustainable investment objective

This product promotes environmental and social characteristics but does not have a sustainable investment objective.

■ Environmental or social characteristics of the financial product

The Sub-Fund invests in companies with good Environmental, Social and Governance (“**ESG**”) practices. The Fund especially focuses on investing in responsible, active and committed companies, on the fight against the erosion of biodiversity and in favor of the protection of nature and the restoration of ecosystems.

The Sub-Fund’s investment strategy leads to the exclusion of 30% of the worst rated SRI securities from the investment universe.

Nevertheless, the Sub-Fund does not have an ESG benchmark as a reference benchmark.

■ Investment strategy

The Sub-Fund invests in responsible, active and committed companies, in the fight against the erosion of biodiversity and in favour of the protection of nature and the restoration of ecosystems.

The investments to attain each of the environmental and social characteristics promoted by the Sub-Fund are selected as it follows:

- **Biodiversity Investment Universe definition** : the definition of the Biodiversity Investment Universe is based on the purpose to have significant exposure to sub-industries that have a relevant exposure to biodiversity loss. The Biodiversity Investment Universe is at least composed of 75% of sub-industries with material negative impact on the biodiversity erosion (medium and high pressures). Based on the Biodiversity investment erosion, the “**Eligible Investment Universe**” is a result of (i) exclusion policies, (ii) ESG integration policies and (iii) SRI rating on biodiversity :
 - **Exclusion policies:** The Sub-Fund includes OFI Invest group exclusion policies, that are both sectorial and normative, as listed and summarized in the document entitled “Investment Policy: sector and norm-based exclusions”, available at the management company’s website;
 - **ESG integration policies:** the Eligible Investment Universe is defined by excluding from the 30% of securities which do not have the best sustainable and socially responsible investments ratings compared to the other securities which have been selected ;
 - **SRI dating on biodiversity:** the Eligible Investment Universe is defined by excluding the last quintile according to the biodiversity score, constructed using indicators linked to the 5 pressures such as change in land and sea use, overexploitation of resources, climate change, pollution and invasive alien species.

The Sub-Fund’s portfolio is always made up and up to a minimum of 70% (in securities) of securities which carry out:

- high pressure in the first quintile;
- medium pressure in the first two quintiles;
- low pressure in the first three quintiles.

For each Issuer, the ESG analysis includes an analysis of corporate governance as well as a weekly monitoring of ESG controversies, covering themes and issues specific to good governance.

Issuers are encouraged to comply with the exclusion policy of the United Nations Global Compact, in particular principle 10, “fight against corruption in all its forms”, including money laundering and tax evasion. In the event of controversies of high or very high severity relating to principle 10 of the Global Compact, if an issuer fails to provide information or evidence of corrective or remedial measures in place, it may be placed on an exclusion list.

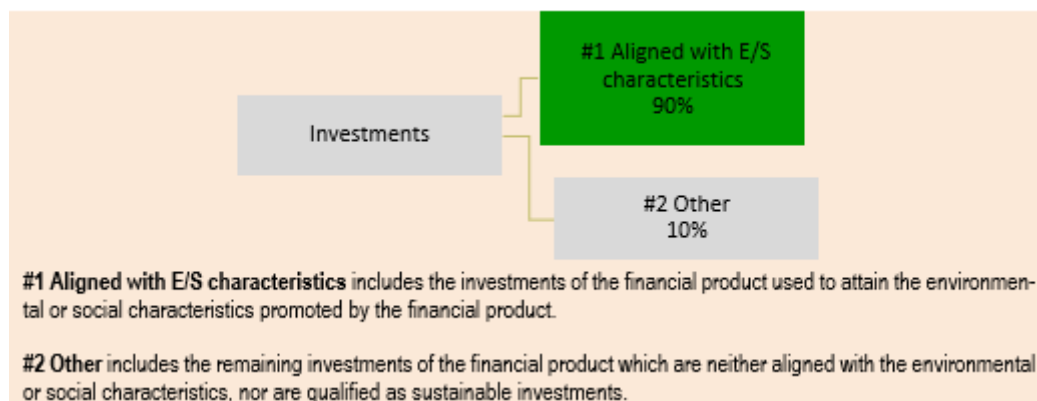
Ofi Invest Lux’s voting and shareholder engagement policy for stocks invested in equities is based on the most rigorous governance standards (G20 and OECD corporate governance principles, AFEF MEDEF governance code, etc.).

For further information on investment strategy and good governance practices, please refer to the pre-contractual appendix to the prospectus.

■ Proportion of investments

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

A maximum of 10% of its investments in equity securities may not be subject to an ESG or SRI rating and will therefore not be aligned by the E/S characteristics promoted by the Fund. (**#2 Other**). Within this maximum of 10% of #2 Other investments there will be derivatives and cash held for liquidity purposes.



■ Control of environmental or social characteristics of the financial product

Environmental and social characteristics are checked at several levels. A first-level control ensures compliance with the constraints relating to these characteristics. Second-level controls are carried out as follows: the Compliance Department carries out ongoing controls and the Internal Control Department carries out annual checks.

■ Methods applicable to environmental or social characteristics

The promotion of social and environmental characteristics depends on the fund strategy and investment processes specific to each fund. The approaches used may consist of obtaining a minimum ESG score within a universe, adopting a rating improvement strategy or excluding a percentage of the worst-performing issuers on ESG factors. For labelled funds, four indicators (environmental, social, governance or human rights) are also tracked, and funds must commit to beating their benchmark universe or index for two of them. Some thematic funds may track more specific indicators (e.g. % green sales).

The promotion of social and environmental characteristics also involves the management of negative impacts through the monitoring of controversies and the adoption of sectoral or normative exclusion policies, for example.

■ Data sources and processing

The MSCI data provider is our main supplier of data on ESG ratings, certain controversies, and raw tracking indicators. We also use it for certain exclusion lists.

We also use the following providers: Moody's ESG solutions (ESG rating of unlisted issuers, exclusions on controversial weapons), RepRisk (controversy monitoring, Global Compact exclusion policy), Urgewald (exclusion policy on coal, oil and gas), CDP/ Climate 100+ (climate indicator).

For historical reasons linked to the Ofi Invest Asset Management entity, created by the merger between OFI AM and Abeilles AM on 1 January 2023, depending on the fund, the data may or may not be restated.

1. For funds applying proprietary rating methodologies, the data is retrieved and repatriated in a proprietary rating tool, quality control may be performed to measure the confidence interval. Once the data has been reprocessed according to proprietary methodologies, it is then disseminated in our systems (Référentiel internal database) and made available to users via Excel and the PMS for fund management. Data not integrated into our systems (such as data from CDP, Climate 100+ or Urgewald, for example) may be subject to manual checks.
2. For funds that do not use a proprietary methodology, MSCI ESG Research data is automatically integrated into the portfolio management system and is used by the ESG team and portfolio managers without reprocessing. If an anomaly is detected in the quality of the data, it is sent as soon as possible to MSCI ESG Research for correction.

■ Limits to methods and data

The methodological limitations linked to supplier data are as follows:

- A problem of missing or incomplete publication by certain companies of information used for ESG ratings
- A problem linked to the quantity and quality of ESG data to be processed by our suppliers
- A problem relating to the identification of information and factors relevant to ESG analysis;
- A problem linked to the failure to consider scope 3 (indirect emissions) in the calculation of the carbon intensity used as an input for the MSCI ESG Research ESG rating model, due to a lack of available data.
- Problems linked to methodological changes that complicate the historical comparison of data over time

For funds that apply the proprietary analysis model, it is possible to overcome certain limitations, by providing, at the request of management, for the possibility of ad hoc ratings for unrated companies. Commitments with issuers also make it possible to obtain information from companies that rarely publish it. A bonus/malus system is also provided for in the event of a difference in assessment between the analysis and the rating agency.

As a precautionary measure, scope 3 is only taken into account for information purposes at this stage, pending greater availability of information in the future in order to avoid any risk of volatility

■ Due diligence

For funds not subject to a proprietary analysis model, the choice of MSCI ESG Research was the subject of a rigorous selection process taking into account, for example, the coverage of the investment universe, the quality of the data and the ability to monitor this data at the level of the ESG and Management teams.

For funds subject to the proprietary analysis model, due diligence is carried out both before and after the fact, through weekly monitoring of controversies, a quarterly review of ESG ratings that may be subject to a bonus or a penalty where applicable, engagements with issuers on certain issues (climate, biodiversity, social), or to obtain more information on CSR issues, indicators, or the management of controversies.

Management constraints are subject to post-trade control (control of exclusion thresholds for issuers with the worst ESG performance for the funds concerned, control of constraints linked to sectoral and normative exclusions).

■ Commitment policies

The commitment policy is based on the most rigorous governance standards (G20 and OECD corporate governance principles, AFEP MEDEF governance code, etc.). It also involves dialogue with certain companies, not only to obtain additional information on their CSR strategy, but also to encourage them to improve their practices, particularly in terms of governance. This policy of engagement is subject to an escalation process, which may also result in the tabling of a resolution or a dissenting vote where appropriate.

■ Designated benchmark

No benchmark has been designated for the environmental or social characteristics promoted by the financial product.