

## OFI INVEST - RS ETHICAL EUROPEAN EQUITY - July 2022

The fund aims not to invest in financial instruments issued by companies and/or entities which violate international social, environmental and/or governance criteria. The fund's policy is based on the United Nations Global Compact principles and on other international treaties and conventions and is compliant with the Luxflag label's requirements.

Companies that do not meet these requirements are excluded from investment in the OFI INVEST - RS ETHICAL EUROPEAN EQUITY Fund. The fund invests in equity; exclusion criteria apply to companies involved in specific activities and practices.

### The following products, services or activities are subject to exclusion:

- Ammunitions and controversial weapons
- Gambling, casinos and equivalent enterprises
- Pornography
- Tobacco
- Cannabis
- Alcoholic beverages
- Thermal coal
- Nuclear energy and radioactive materials.
- Non-conventional Oil and Gas

### Also excluded:

Companies involved in severe or very severe controversies in breach with the 10 UN Global Compact Principles and that do not take tangible remediation measures. The list is reviewed annually by the OFI AM Exclusion List committee, composed by heads of the SRI and credit analysts' teams, Risk Management Team, Compliance team, Data management team. Corporates listed are excluded from the investment universe.

For detailed information about our policy:

[https://www.ofi-am.fr/pdf/SRI\\_investment-policy\\_position-on-non-compliance-with-the-principles-of-the%20UN-global-compact.pdf](https://www.ofi-am.fr/pdf/SRI_investment-policy_position-on-non-compliance-with-the-principles-of-the%20UN-global-compact.pdf)

**NB:** This exclusion list applies to all mandates, but the mid and small caps mandate managed by Kempen Capital Management applies additional exclusion criteria.

## Ammunitions and Controversial Weapons

We apply OFI AM's policy on controversial weapons:

[https://www.ofi-am.fr/pdf/SRI\\_investment-policy\\_controversial-weapons.pdf](https://www.ofi-am.fr/pdf/SRI_investment-policy_controversial-weapons.pdf)

OFI AM excludes from its investment universe all companies that generate revenues from activities relating to the manufacturing of, or the provision of services or technical support for, the following weapons:

- Anti-personnel mines
- Cluster munitions
- Chemical weapons
- Biological weapons
- Non-detectable fragments
- Blinding laser weapons
- Incendiary weapons
- White phosphorus weapons
- Depleted uranium weapons.

In addition, the following exclusions are considered:

- a) Revenues from production or sale of nuclear weapons. Exclusion is applied from the first euro of revenue.
- b) Revenues from production or sale of weapons that are directly designed to kill wound or destroy (and that are ready to use for those purposes). This includes firearms, bombs, missiles, torpedoes, combat vehicles, grenades, mines, ammunition, and IT systems for weapon control. Exclusion is applied from the first euro of revenue.
- c) Civilian firearms: Exclusion is applied from the first euro of revenue for producers and retailers
- d) Essential parts of these weapons: companies that derive revenues from the production or sale of these parts are excluded from the first euro.

## Gambling

The following exclusions are considered:

- a) From 5% of revenues a company has derived from ownership or operation gambling facilities such as casinos, racetracks, bingo parlors, or other betting establishments, including: horse, dog, or other racing events that permit wagering; lottery operations; online gambling; pari-mutuel wagering facilities; bingo; pachislot and pachinko parlors; slot machines; Jai-alai; mobile gambling; and sporting events that permit wagering.
- b) From 10% of revenue a company has derived from providing key products or services fundamental to gambling operations, including: slot machines, roulette wheels, or lottery terminals; gambling technology and support such as IT maintenance, software design, security or surveillance systems, and lottery ticket printing; and, gambling-related services such as credit lines, and casino management and consultation.

## Pornography

The following exclusions are considered:

- a) From 5% of revenues a company has derived from producing, directing, or publishing adult entertainment materials that fall into the following categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet.
- b) From 10% of revenues a company has derived from distributing sexually explicit products and services, including X-rated movies and videos, printed materials, television programs, and online products.
- c) From 10% of revenues a company has derived from the retail sale of adult entertainment products through specialty stores or online sites.

## Tobacco

The following exclusions are considered:

- a) From the first euro of revenue for tobacco producers
- b) From 10% of revenue for a company that sales and distributes tobacco

## Cannabis

We considered only recreational use for cannabis production and apply the following exclusions:

- a) From 5% of revenues a company has derived from the manufacture of cannabis products.
- b) From 10% of revenues a company has derived from the retail of cannabis products

## Alcohol

Revenue in production of alcoholic beverages (except beer and wine). Companies that derive a portion of their revenues >10% from the production of alcoholic beverages are excluded.

## Thermal Coal

OFI AM applies its own exclusion policy on thermal coal:

[https://www.ofi-am.fr/pdf/SRI\\_investment-policy\\_full-exclusion-of-thermal-coal-by-2030.pdf](https://www.ofi-am.fr/pdf/SRI_investment-policy_full-exclusion-of-thermal-coal-by-2030.pdf)

## Non-conventional oil and gas

OFI AM applies its own exclusion policy on oil and gas:

[https://www.ofi-am.fr/pdf/SRI\\_investment-policy\\_exclusion-oil-and-gas.pdf](https://www.ofi-am.fr/pdf/SRI_investment-policy_exclusion-oil-and-gas.pdf)

## Nuclear Energy

Revenue in tailor-made products or services to produce nuclear energy, i.e, electricity provider which uses nuclear energy. This also includes mining, processing or sale of uranium or nuclear fuels; processing or storing of nuclear waste stemming from the exploitation of nuclear energy plants. However, this does not include companies which design, build nuclear energy plants, including specific research and consultancy services, supply of essential parts of nuclear energy installations.

Companies that derive more than 5% of their revenues from the production or sale of nuclear energy are excluded.

## Controversial Jurisdictions

In line with the label requirements, OFI AM excludes investments issued by or mainly listed in countries, companies or related to individuals or other entities in a particular country identified and as specified in the United Nations Security Council Sanctions and those high risk jurisdictions subject to a "Call for Action" identified by the Financial Action Task Force.

In this purpose, we use the following source: <https://www.fatf-gafi.org/fr/pays/>