

➤ Ofi Invest Act4 Positive Economy

1/ How Sustainability Risks are integrated into product investment decisions

In order to integrate all Sustainability Risks into this Sub-Fund's investment process, the Company has different methods at its disposal:

An analysis of the following three criteria is carried out on the basis of an internal methodology:

- Environmental: Climate Change – Natural Resources – Project Financing – Toxic Waste – Green Products
- Social: Human Capital – Supply Chain – Goods and Services
- Governance: Governance Structure – Behaviour

Each issuer is therefore given an ESG score which makes it possible to assess its non-financial practices and to classify it within each sector of the investment universe.

For each Issuer, an analysis is carried out both in terms of its governance structure: Respect for the rights of minority shareholders – Composition and functioning of Boards or Committees, Remuneration of Executives, Accounts, Audit and Taxation, as well as in terms of its Market Behaviour: Business Practices, Market Impact, Business Ethics and Risk Control.

The results of these analyses ensure the keeping or disposal of an issuer in the Sub-Fund's portfolio.

For each sector of the investment universe, 30% of issuers with the poorest scores are removed together with sectoral and normative exclusions.

Issuers are selected from among those with the best ESG practices in their sector.

Controversies that may affect the relationship or impact on one of the issuer's stakeholders are monitored and analysed. They may concern: customers, investors, regulators, suppliers, civil society, employees or the issuer's environment. Details can be found in the Transparency Code.

Controversies shall be assessed, at five levels, in relation to their intensity and their dissemination (over time and/in or space) and the measures taken, where appropriate, by the company to remedy this: Negligible, Low, Medium, High, Very High.

No position will be initiated in the securities of an issuer with controversies rated "high or "very high".

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 9 SFDR)

Product name: Ofi Invest Act4 Positive Economy

Legal entity identifier: 213800LQ6E8GH8SVEC24

Sustainable investment objective

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 30% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 30%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

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.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

Ofi Invest Act4 Positive Economy (the “**Sub-Fund**”) invests in virtuous growth by selecting companies that are responsible in their ability to integrate ESG issues and committed to contributing to the positive economy, through in particular their contribution to the SDGs. The Sub-Fund’s sustainable investment approach involves selecting companies’ business models with systematic reference to the Positive Economy classification (developed by OFI Invest Asset Management). The Positive Economy classification is based on 4 main themes:

- Energy transition
- Preservation of natural resources and biodiversity
- Health/safety and well-being
- Social inclusion.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective, as there is currently no suited benchmark available.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The sustainability indicators used to measure the attainment of the sustainable objective of the Sub-Fund are the following:

- The aggregated Positive Contribution of the portfolio, that is a result of the analysis of the Positive Contribution for each investee company. It is an indicator that calculates the share of turnover generated by activities within the four themes of the Positive Economy classification developed by OFI group’s teams. About 68 sub-activities consistent with the SDGs are listed in order to target a social and environmental impact. It must represent at least 20% of the turnover.
- The share of investments that contribute to each of the 4 main themes:
 - Energy transition
 - Preservation of natural resources and biodiversity
 - Health/safety and well-being
 - Social inclusion.

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

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

We ensure that the investments are not causing significant harm to environmental or social objectives as defined by the SFDR by introducing different approaches:

- Strict exclusions
- Consideration of the adverse impacts in the filters applied to the investment universe (ESG ratings and KPIs integrated in the portfolio construction)

Continuous monitoring: ESG controversies, engagement and voting.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Among the 14 mandatory principal adverse impacts (PAI) assigned to private issuers, by default each of them is considered either through:

- Sectoral or normative exclusion policies
- ESG performance assessment
- KPIs for portfolio construction (French Labelled Funds)
- ESG controversies
- Engagement
- Votes in AGM

Sectoral or normative exclusion policies: Due to OFI Invest Asset Management's exclusion policies, the following exclusions are applied to certain PAIs:

- Coal and Oil & Gas sector policies. These exclusion policies establish de facto exclusion thresholds at the issuer level on the PAI 4 ("Exposure to companies active in the fossil fuel sector"): thresholds on the development of new projects involving the use of thermal coal (as soon as > 0) and on the activity in coal and oil & gas. It also indirectly applies a filter on investments in companies with a high impact on PAIs 1, 2 and 3 ("GHG emissions", "carbon footprint" and "GHG intensity of investee companies").
- Exclusion policy on non-compliance with the UN Global Compact Principles. This policy establishes de facto an issuer-level exclusion threshold on the PAI 10 ("Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises"): as soon as the issuer faces controversies of high or very high severity regarding the UN Global Compact Principles. It also indirectly applies a filter on PAI 11 ("Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for multinational Enterprises") if excluded companies do not integrate corrective measures such as compliance mechanisms as demanded on PAI 11.
- Controversial Weapons Policy. This policy establishes de facto an issuer-level exclusion threshold on PAI 14 as soon as it exceeds 0%.
- In addition to the OFI Invest's exclusions, the Sub-Fund excludes additional activities that do not match with the Positive contribution purpose. For that reason, an in-depth fundamental analysis verifies that the products and services do not have a negative contribution on the environment and individuals or a negative impact in relation to the targets of the SDGs. This includes additional exclusions on several sectors, with 5 to 10% turnover thresholds: tobacco, alcohol, gambling and nuclear.

ESG performance assessment filter: The ESG rating of issuers is determined by the level of responsibility of companies and is adapted at the sector level. These issues cover the fields:

- Environment: Climate Change – Natural Resources – Project Financing – Toxic Waste – Green Products
- Social: Human Capital – Supply Chain – Goods and Services – Human rights and communities
- Governance: Governance Structure – Behaviour

Most of these issues relate to negative externalities as defined by the PAIs (principal adverse impact indicators): carbon emissions (PAI 1), Greenhouse gas intensity (PAI 3), renewable energy (PAI 5), impact on biodiversity (PAI 7), water emissions (PAI 8), hazardous waste (PAI 9), composition of the Board (PAI 13), etc. We exclude 30% of the worst rated ESG securities together with sectoral and normative exclusions, from the investment universe according to the Best-in-Universe approach. For more information on the ESG scoring system and how it ensures that PAI are integrated at a granular level, please refer to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the OFI Invest website.

KPIs for portfolio construction (French Labelled Funds): As the Sub-Fund complies with the criteria of the ISR label, two indicators related to the PAIs are monitored at the portfolio construction level:

1. Carbon footprint (related to PAI 2 Carbon footprint)
2. Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (related to PAI 11)

Besides the criteria of the investment process, the PAIs are also taken into account on a continuous basis through:

- The **monitoring of social and environmental controversies**. It is systematic for all the stocks in the ACT4 range and an essential part of the ESG rating. It is part of the weekly analysis of controversies within the OFI group and it applies to all the ESG issues that are integrated in the ESG rating, above mentioned including gender salary discrimination (PAI 2).
- The **engagement and voting policy**. The engagement policy applies to all investments in stocks and focuses mainly on three pillars: climate change mitigation, biodiversity and social. Climate change and women on board are considered through in our voting policy through Say on Climate resolutions and criteria on Board composition and functioning

For more information on how the voting and engagement takes into account the integration of the PAIs, please refer to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the OFI Invest website.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

OFI Invest Asset Management assesses the ESG performance of issuers by taking into account their compliance with international standards of corporate social responsibility, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The ESG rating of issuers assesses their ability to responsibly manage the environmental, social and governance issues that present the most significant reputational, operational, legal or opportunity risks within their industry. On the social pillar, the issues reviewed (based on data provided by MSCI) are:

- Human capital: development of human capital, social relations, health and safety
- Social: improvements in suppliers' social practices, socially controversial raw materials
- Products and services: product quality and safety, protection of personal data, SRI, management of emerging insurance risks, healthier product offerings, access to products and services
- Communities and human rights: impact on local communities

In addition, a weekly review of controversies is carried out on all the issues mentioned above. This includes a specific analysis of controversies that constitute violations of at least one of the 10 Global Compact principles, for which OFI Invest has adopted an exclusion policy. The evaluation methodology applied to the analyses that may lead to the exclusion or not of issuers follows the reference framework of the United Nations Guiding Principles on Business and Human Rights "Protect, Respect, and Remedy". The analysis of controversies that violate the Global Compact principles takes into account their severity, their dissemination, and the response and corrective measures taken by companies.

Controversies are assessed on the basis of data provided by RepRisk and other sources (MSCI, press, specialized media, NGOs, brokers, sector monitoring).



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

Yes

The Sub-Fund considers all the principal adverse impacts that are taken into account through the policies applied to not cause significant harm to any environmental or social sustainable investment objective:

- At entity level: sectoral and normative exclusion policies, voting and engagement policies
- Fund-specific: thematic filter, ESG filter, monitoring of ESG controversies, a rigorous investment process that enables the Sub-Fund to exclusively invest in companies for which we run an analysis which inherently takes into account the PAIs.

For more information, please refer to the previous section and to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the OFI Invest website.

In accordance with SFDR, a comprehensive annual reporting is published from 2023 onwards, including PAI considered and irrespective of their prioritization.

No



The investment strategy
guides investment deci-
sions based on factors
such as investment objec-
tives and risk tolerance.

What investment strategy does this financial product follow?

Sustainable investment in the positive economy aims to generate a positive impact by aligning itself with the targets of the universal reference framework of the Sustainable Development Goals (SDGs) set by the United Nations. The SDGs cover the full range of sustainable development issues such as climate, biodiversity, energy, water, but also poverty, gender equality, economic prosperity, agriculture and education.

Each of the themes of the positive economy classification addresses particular SDGs:

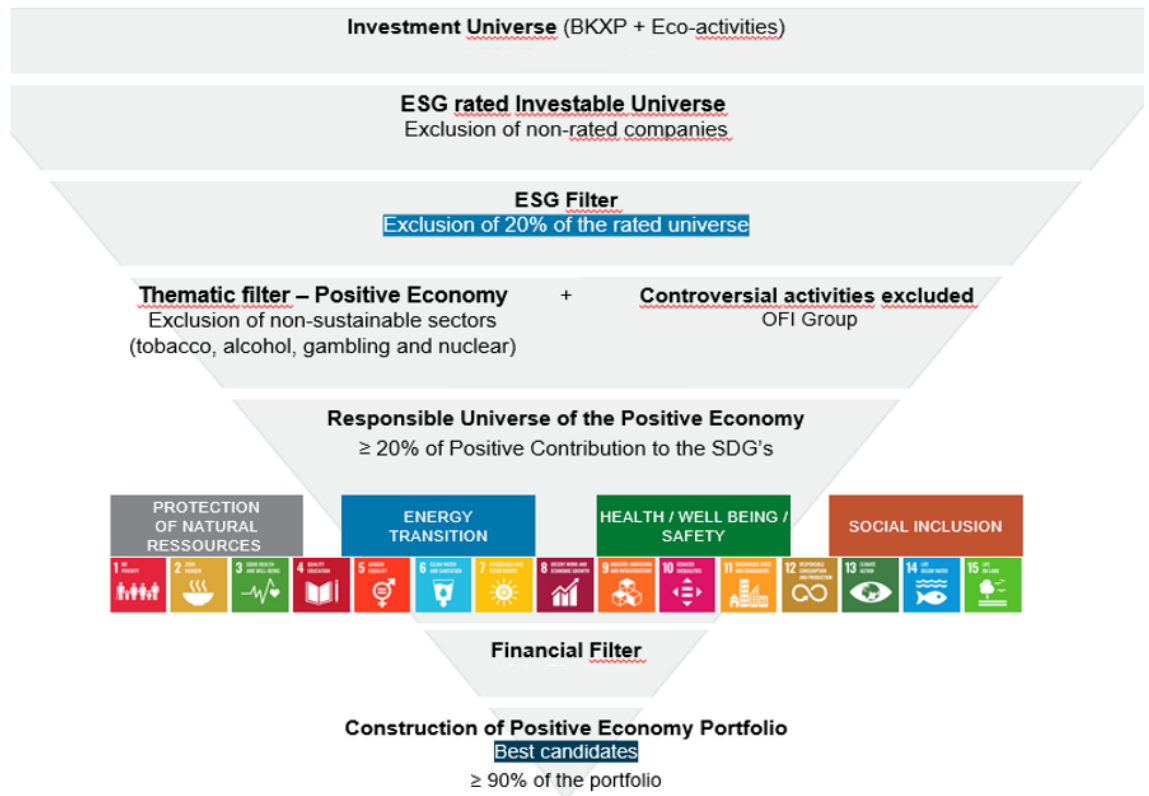
- Protection of natural resources and biodiversity:
 - o SDG 6: Clean water and sanitation
 - o SDG 9: Industry, innovation and infrastructure
 - o SDG 12: Responsible consumption and production
 - o SDG 13: Climate action
 - o SDG 14: Life below water
 - o SDG 15: Life on land

- Energy transition
 - o SDG 7: Affordable and clean energy
 - o SDG 11: Sustainable cities and communities
 - o SDG 13: Climate action

- Health / well-being / safety
 - o SDG 3: Good health and well-being
 - o SDG 11: Sustainable cities and communities

- Social inclusion
 - o SDG 4: Quality education
 - o SDG 5: Gender equality
 - o SDG 8: Decent work and economic growth
 - o SDG 9: Industry, innovation and infrastructure
 - o SDG 10: Reduced inequalities
 - o SDG 11: Sustainable cities and communities

The eligible universe of impact companies is constituted on the basis of the Positive Contribution indicator developed by OFI Invest AM's teams to filter the companies that contributed to the four themes. Based on this indicator as well as the financial and extra-financial analyses applied by the managers, the Sub-Fund's management process is as followed:



The first step is the **ESG filter**: based on the sector benchmark of key issues, an ESG rating is calculated for each issuer, which includes the Environmental and Social (E and S) key issues ratings on the one hand and the Governance G issues on the other. For the three pillars, the Sub-Fund considers the following aspects:

- **Environmental**: Climate Change – Natural Resources – Project Financing – Toxic Waste – Green Products
- **Social**: Human Capital – Supply Chain – Goods and Services – Human rights and communities
- **Governance**: Governance Structure – Behaviour

The resulting score may be subject to bonuses and maluses in the event of controversies or discrepancy in the rating agency's assessment of an issue.

In exceptional cases representing a maximum of 10% of the portfolio at any given moment, the ESG rating of some of the investee companies is not yet completed. In that case, the analysts have a maximum of 3 months to finalize it. In the meantime, the investment is justified by a fast-track on ESG criteria and an analysis of the governance practices.

Then, a number of **exclusions** are applied: exclusions acting as thematic filters related to the positive economy that are specific to the Sub-Fund:

- Tobacco
- Alcohol
- Gambling
- Nuclear

And the exclusions of controversial and normative activities of the OFI group:

- Respect for human rights: respect of the 10 principles of the Global Compact, monitoring of compliance with the OECD principles and monitoring of controversies
- Controversial weapons
- Coal
- Oil and gas

Then, a filter is applied on the Positive Contribution indicator: each company must at least have 20% of its turnover generated by activities within the four themes of the Positive Economy classification developed by OFI group's teams.

Finally, each company meeting our investment themes is analysed through:

- Its commitment in sustainability. An analysis of its CSR policy is conducted to assess the social ambition of the company and how it is engaged regarding the SDGs. The Sub-Fund covers 15 of the 17 SDGs; the two others deal more particularly with Governments. The official indicator provided by the SDGs are exploited directly and, in some cases, may be supplemented and specified with GII indicators, in order to better grasp the positive contribution made by the company's business solutions.
- Its impact. The impact approach requires evidence of the beneficial impact of the company. For each of its businesses, a list of impact indicators is pre-set. The impact data provided by the company are then compared with the pre-set indicators in order to measure each business's annual impact, in relation to the SDG targets.

The maximum investment in a company is determined using a matrix by meeting responsible performance (ISR category) and commitment to SDGs (level of positive contribution).

The strategy is implemented in the investment process on a continuous basis:

- 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. The universe is dynamic, evolving mainly with companies' technological innovations and CAPEX & OPEX, initial public offerings, and changes in their sustainable development models.
- The analysis of the companies' commitment in meeting the United Nations' SDGs are reviewed every year upon the release of companies' annual reports and in the course of regular meetings with company managers.
- ESG research into companies' practices is revised every quarter, while the underlying data is updated at least once every 18 months (as per MSCI's policy, the data provider). It may also be revised in real time through analysis of controversies or following engagement initiatives.
- 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 AM are classified as Article 8 according to SFDR and apply the group's ESG integration strategy.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The binding elements of the investment strategy are:

- The exclusion of 30% of the worst rated ESG securities together with sectoral and normative exclusions.
- The exclusions resulting from the exclusion policies mentioned in the previous section
- As per the Positive Contribution indicator (described in the previous section), the companies which do not have at least 20% of their business devoted to SDGs are excluded, unless the company has allocated a significant amount (above the sector average) to investment and R&D to develop a new source of sustainable growth in new solutions (in CAPEX or OPEX) and thus has its economic model under transformation.

Binding thresholds must also be respected at portfolio level:

- The Positive Contribution indicator: on a line-by-line basis, it must be at least 20% (except for business models in transition and in the investment phase, see investment process section) and the aggregate Positive Contribution at the Sub-Fund level must be above 70%.
- A minimum threshold is respected in terms of allocation of the sustainable investments within the four themes of the Positive Economy classification:
 - At least 30% of the sustainable investments must correspond to the protection of individuals (and therefore to a social objective) (related themes: Health/safety and well-being and Social inclusion)
 - At least 30% of the sustainable investments must correspond to the protection for the environment (and therefore to an environmental objective) (related themes: energy transition and preservation of natural resources and biodiversity)

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

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

Several policies are implemented to evaluate the good governance practices of investee companies:

1. The analysis of governance practices within the ESG analysis (pillar G). For each Issuer, the ESG analysis includes an analysis of the company's governance, with indicators revolving around:
 - A) its governance structure: Respect for the rights of minority shareholders – Composition and functioning of Boards or Committees, Remuneration of Executives, Accounts, Audit and Taxation; and
 - B) its Market Behaviour: Business Practices.
2. The weekly monitoring of ESG controversies: the ESG analysis also takes into account the presence of controversies on the issues above-mentioned and their management by the issuers.
3. OFI Invest AM's exclusion policy related to the UN Global Compact, including to its 10th principle: "Businesses should work against corruption in all its forms, including extortion and bribery"⁷. Under this policy, companies that face controversies of a high or very high level of severity with respect to the 10 Principles of the Global Compact, recurring frequently or repeatedly, and have inadequate remedial measures in place, are excluded from the investment universe.
4. The "MissionFor" Referential. As part of the impact strategy, the governance of the societal commitment is also analysed. Good governance practices are assessed through the analysis and entered into the "MissionFor" reference tool to complete the "Intention and Mission" pillar within the social contribution assessment. This specific qualitative analysis aims to measure the intentionality of companies in achieving the SDGs through the formalization of a Mission, its integration into the strategy and governance, and thus allows for the association of a general interest purpose with its economic performance.



What is the asset allocation and the minimum share of sustainable investments?

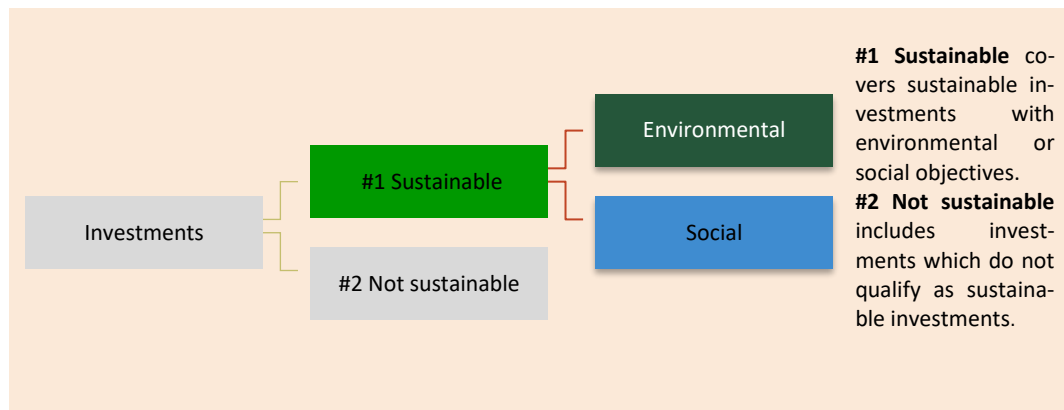
The Sub-Fund has at least 90% of its NAV (including 100% of the stocks equities invested in) consisting in sustainable investments with a social or environmental objective (#1 Sustainable).

A maximum of 10% of the investments of the financial product will be derivatives, cash and /or cash equivalent held for liquidity purposes, the use of which is limited to very specific situations and short periods of time (#2 Not sustainable).

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.



● **How does the use of derivatives attain the sustainable investment objective?**

Not applicable.

⁷ <https://pactemondial.org/decouvrir/dix-principes-pacte-mondial-nations-unies/#lutte-contre-la-corruption>



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

The product will make sustainable investments with an environmental objective but does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁸?**

Yes

In fossil gas In nuclear energy

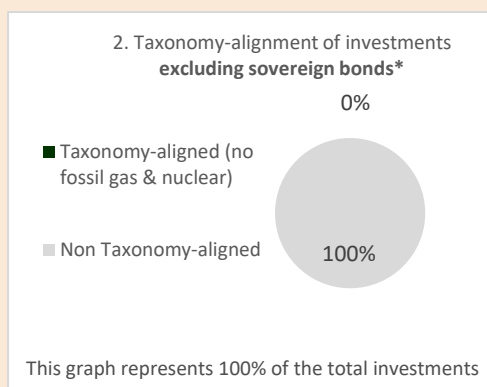
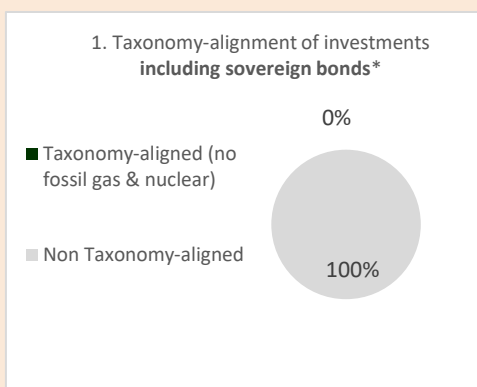
No

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.

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?**

There is currently no minimum share of investments in transitional and enabling activities.



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

The product commits to a minimum 30% of sustainable investments with an environmental objective aligned with SFDR. These investments could be aligned with the EU Taxonomy but the Investment Manager is not currently in a position to specify the exact proportion of the product's underlying investments which take into account the EU criteria for environmentally sustainable economic activities. However, the position will be kept under review as the underlying rules are finalized and the availability of reliable data increases over time.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

⁸ 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 objectives - 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.



What is the minimum share of sustainable investments with a social objective?

A minimum of 30% of sustainable investments have a social objective, corresponding to companies that contribute to the positive economy through the social themes of the Positive Economy classification, that is to say Health/safety and well-being and Social inclusion.



What investments are included under “#2 Not sustainable”, 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 for hedging purposes, 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 meet the sustainable investment objective?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



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-act4-positive-economy-class-f-c-eur/LU1209226619>