

## Annex of pre-contractual information for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Ofi Invest ESG Monétaire**

LEI: **969500H4CVZW0RNDJ51**

# Environmental and/or social characteristics

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.

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ 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**: \_\_\_\_ %

☒ ☐ ☒ No

☒ It **promotes Environmental and Social (E/S) characteristics** and while it does not have sustainable investment as its objective, it will have a minimum share of 20% 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 any sustainable investments**



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

The Ofi Invest ESG Monétaire Fund (hereinafter the "Fund") promotes environmental and social characteristics. The Management Company relies on the internal ESG rating methodology in order to assess the environmental, social and governance practices of the issuers.

The themes taken into account when reviewing good ESG practices are:

- **Environment**: Climate change – Natural resources – Project financing – Toxic waste – Green products;
- **Social**: Human capital – Societal – Products and services – Communities and human rights;
- **Governance**: Governance structure – Market behaviour.

The themes taken into account when reviewing the good ESG management practices of public issuers are:

- **Governance**: Respect for citizens – Quality of management – Independence and stability – Ethics;
- **Social**: Employment and labour market – Social equity – Education – Health;
- **Environmental**: Energy and carbon – Management of water and biodiversity – Limitation of toxic discharges – Development of green sectors.

The SRI comparison universes are consistent with the Fund's investment strategy.

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

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

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Fund are:

- **Percentage of the number of issuers of the Fund identified as being non-investable:** for the calculation method, please refer to the section “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?”
- **Percentage of sustainable investment of the Fund.**

Furthermore, under the French SRI Label awarded to the Fund, the following two ESG indicators were also selected:

- **Environmental indicator (PAI indicator 2):** Tonnes of CO<sub>2</sub> per million euros invested (Scopes 1, 2 and 3 divided by EVIC);
- **Social indicator (PAI indicator 13):** Gender diversity on the Board of Directors (ratio of the number of women to the number of men).

● ***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?***

The Fund invests at least 20% of its net assets in securities that meet the Ofi Invest AM definition of sustainable investment.

To qualify as a sustainable investment, it must meet the following criteria:

- Make a positive contribution to or benefit the environment and/or society;
- Does not cause significant harm;
- Possesses good governance.

Our definition of sustainable investment appears in detail in our responsible investment policy, available on our website at: <https://www.ofi-invest-am.com/pdf/principes-et-politiques/responsible-investment-policy.pdf>.

● ***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?***

In order to ensure that the issuers being reviewed do no significant harm (DNSH) with regard to sustainability, Ofi Invest AM analyses the issuers in terms of:

- Indicators of adverse sustainability impacts within the meaning of the SFDR (Sustainable Finance Disclosure Regulation) known as “Principal Adverse Impacts” or PAIs;
- Activities that are controversial or deemed sensitive in terms of sustainability;
- The presence of controversies deemed to be of very great severity.

■ ***How were the indicators for adverse impacts on sustainability factors taken into account?***

Issuers exposed to the following adverse impact indicators are considered to be non-sustainable investments:

- Exposure to fossil fuels (PAI indicator 4);
- Exposure to activities related to types of controversial weapons, such as cluster bombs or anti-personnel mines, biological weapons, chemical weapons, etc. (PAI indicator 14);
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI indicator 10).

Moreover, controversial activities or activities deemed to be sensitive in terms of sustainability are considered as unsustainable. Adverse impacts are analysed via Ofi Invest AM's sector-based (tobacco, oil and gas, coal, palm oil, biocides and hazardous chemicals) and norm-based policies (Global Compact and ILO fundamental conventions, controversial weapons), published on our website. Companies that do not pass these exclusion filters are therefore not investable.

Controversies deemed to be of very great severity ("level 4" environmental and societal controversies as well as "level 3" social and governance controversies) cannot be considered sustainable according to our definition.

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

The exposure of issuers to controversies related to violations of fundamental human rights as described in the UN Global Compact and the OECD Guidelines for Multinational Enterprises (PAI indicator 10) is a reason for exclusion (see above).

Issuers exposed to such controversies, the severity level of which is deemed to be great or very great, on any social, societal and environmental issues cannot be considered sustainable, and eligible within an Article 9 fund, according to our definition.

More specifically, issuers exposed to "level 4" (very great) environmental and societal controversies as well as "level 3" (great) social and governance controversies, (i.e. the highest on our proprietary rating scale) are not investable.

These ESG issues tally with all the themes covered by the OECD guidelines and the Global Compact.

These exclusions apply to issuers considered as "sustainable" according to our definition, in addition to the norm-based exclusion policy on Non-Compliance with the Global Compact Principles and ILO fundamental conventions.

*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 no 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.*



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

☒ **Yes**

☐ **No**

The methods of assessment by the Management Company of investee companies, for each of the principal adverse impacts linked to sustainability factors, are as follows:

Adverse impact indicator		Metric
<b>Climate and other environment-related indicators</b>		
<b>Greenhouse gas emissions</b>	<b>1. GHG emissions</b>	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
	<b>2. Carbon footprint</b>	Carbon footprint (Scope 1, 2 and 3 GHG / EVIC emissions)
	<b>3. GHG intensity of investee companies</b>	GHG intensity of investee companies (Scope 1, 2 and 3 GHG / CA emissions)

**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.

	<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector
	<b>5. Share of non-renewable energy consumption and production</b>	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
	<b>6. Energy consumption intensity per high impact climate sector</b>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
<b>Biodiversity</b>	<b>7. Activities negatively affecting biodiversity-sensitive areas</b>	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
<b>Water</b>	<b>8. Emissions to water</b>	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
<b>Waste</b>	<b>9. Hazardous waste and radioactive waste ratio</b>	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average
<b>Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>		
<b>Social and employee matters</b>	<b>10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</b>	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	<b>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</b>	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
	<b>12. Unadjusted gender pay gap</b>	Average unadjusted gender pay gap of investee companies
	<b>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	<b>14. Exposure to controversial weapons</b>	Share of investment in companies involved in the manufacture or selling of controversial weapons
<b>Climate and other environment-related indicators</b>		
<b>Water, waste and material emissions</b>	<b>9. Investments in companies producing chemicals</b>	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
<b>Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>		
<b>Anti-corruption and anti-bribery</b>	<b>16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery</b>	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

Indicators applicable to investments in sovereigns and supranationals		
Greenhouse gas emissions	15. GHG intensity	Carbon emissions (t CO <sub>2</sub> e) Carbon intensity (t CO <sub>2</sub> e/EUR million)
Social violations	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.

For more information, please refer to the “*Statement on the Principal Adverse Impacts of Investment Decisions on Sustainability Factors*”, which can be found on the Management Company's website [in French]: <https://www.ofi-invest-am.com/finance-durable>



### What investment strategy does this financial product follow?

The investment strategy of this Fund consists of investing in negotiable debt securities, money market instruments and bonds of private or public issuers from eurozone or OECD Member States that demonstrate cogent practices for managing ESG issues, and excluding those that demonstrate insufficient consideration of these issues that take environmental, social and governance (ESG) criteria into account.

For more information on the investment strategy, please refer to the section on investment strategy in the prospectus.

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

#### ● **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 each of the environmental and social characteristics promoted by the Fund are as follows:

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

The fund adopts a “Best-in-universe” ESG approach, which consists in excluding 30% in number of the SRI comparison universe, including the securities comprising the monetary universe. These non-investable securities correspond to the exclusion of private issuers appearing on the management company's sector-based and norm-based exclusion lists for the purposes of the SRI Label, as well as securities obtaining the lowest ESG scores.

The share of ESG analysed securities in the portfolio must exceed 90% of the fund's net assets (excluding cash, UCIs and derivatives).

The monetary universe is defined as follows:

- Bank of America Merrill Lynch Euro Corporate Index (ER00);
- Companies with an issuance programme with the Banque de France on money market instruments;
- European Union Member States' debts;
- The additional list of issuers from eligible OECD member countries, based on financial investment criteria, but who might not be represented by the groups described above.

In assessing the issuers' ESG practices, the Sub-Fund considers the following pillars and themes:

- Environmental: climate change, natural resources, project financing, toxic waste, green products;
- Social: employees, customers, suppliers and civil society, with reference to universal values (in particular: human rights, international labour standards, environmental impact, prevention of corruption, etc.), human capital, supply chain, products and services;
- Governance: governance structure, business behaviour.

The ESG analysis team defines a sector-based reference for key issues (ESG issues listed above), by selecting the most important issues for each sector of activity. Based on this benchmark, an ESG score is calculated out of 10 for each issuer, which includes, first, the E and S key issue scores and, second, scores for G key issues, as well as potential bonuses/penalties.

Among the indicators used to produce this ESG score, the following can be mentioned:

- Scope 1 carbon emissions in tonnes of CO<sub>2</sub>, water consumption in cubic metres, and nitrogen oxide emissions in tonnes for the environmental pillar;
- the information security policies in place and the frequency of system audits, the number of fatal accidents, and the percentage of the total workforce covered by collective agreements for the social pillar;
- the total number of directors, the percentage of independent members on the board of directors, and the total remuneration in % of the fixed salary for the governance pillar.

The themes taken into account when reviewing public issuers' good ESG practices are:

- Governance: Respect for citizens – Quality of management – Independence and stability – Ethics;
- Societal: Employment and labour market – Social equity – Education – Health;
- Environmental: Energy and carbon – Management of water and biodiversity – Limitation of toxic discharges – Development of green sectors.

To be part of the eligible investment universe, countries must not appear in the lowest 30% of the countries category of the investment universe, according to the Management Company's proprietary ESG rating as applied to sovereign issuers.

Both countries and private issuers are facing long-term non-financial risks, risks associated with their governance, social risks and environmental risks. These different risks affect their political and social stability, and their economic and financial health. Taking these factors into account while assessing countries helps to produce an estimate of how likely they are to be able to fulfil their commitments in the future.

The ESG analysis of issuers is carried out using a dedicated proprietary tool for automating the quantitative processing of ESG data, combined with a qualitative analysis by the ESG team (data mainly from ESG rating agencies, but also from specialised agencies).

Issuers' ESG ratings are calculated quarterly, while underlying data are updated at least every 18 months. Ratings can also be adjusted by analysis of controversies or as a result of engagement initiatives. It is carried out using a dedicated proprietary tool for automating the quantitative processing of ESG data (mainly provided by ESG rating agencies but also by specialised agencies), combined with an analysis by the ESG analysis team.

The weighting of ESG pillars for each sector, as well as the justification in case of weighting below 20%, are detailed in the document available at the following address: <https://www.ofi-invest-am.com/en/policies-and-documents>

However, we could face certain methodological limitations such as:

- No disclosure or incomplete disclosure by certain companies of the information that is used as input to the ratings model;
- A problem related to the quantity and quality of ESG data that need to be processed.

The ESG rating methodology for issuers is detailed in the document titled Responsible Investment Policy. This document is available at: <https://www.ofi-invest-am.com/pdf/principes-et-politiques/responsible-investment-policy.pdf>

Moreover, Ofi Invest Asset Management has identified risk areas for its investments in relation to certain business sectors and international benchmarks. Therefore, the Management Company has introduced exclusionary policies to minimise these risks and manage its reputational risk.

This way, the Fund complies with the policies summarised in the document titled "Investment Policy: Sector-based and Norm-based Exclusions". This document is available at: [https://www.ofi-invest-am.com/pdf/principes-et-politiques/investment-policy\\_sectorial-and-norms-based-exclusions.pdf](https://www.ofi-invest-am.com/pdf/principes-et-politiques/investment-policy_sectorial-and-norms-based-exclusions.pdf)

The exclusion policies are available in full at: <https://www.ofi-invest-am.com/en>

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

The minimum commitment rate corresponds to the exclusion at any time of 30% of issuers from the Fund's investment universe.

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

### Private issuers

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

1. Analysis of governance practices within the ESG analysis (pillar G). For each Issuer, the ESG analysis incorporates an analysis of corporate governance, with indicators based around:
  - Its governance structure: Respect for minority shareholder rights - The composition and operation of boards or committees, Remuneration of executives, Accounts, audits and taxation;
  - And its market behaviour: Business practices.
2. Weekly monitoring of ESG controversies: the ESG analysis also takes into account the presence of controversies on the above-mentioned themes and their management by issuers.
3. The Management Company's exclusion policy related to the United Nations Global Compact, including its Principle 10:<sup>1</sup>. Issuers which are dealing with serious and/or systemic controversies on this principle on a recurrent or frequent basis, and which have not implemented appropriate remedial measures, are excluded from the investment universe.
4. The voting and shareholder engagement policy<sup>2</sup>: This policy is based on the most rigorous governance standards (G20/OECD Principles of Corporate Governance, AFEP-MEDEF Code, etc.). Firstly, in connection with the voting policy, the Management Company may have recourse to several actions in the context of general meetings (dialogue, written questions, filing of resolutions, protest votes, etc.). In addition, the engagement policy is reflected in a dialogue with certain companies, not only to gain additional information on their CSR strategy, but also to encourage them to improve their practices, particularly in terms of governance.

### Public issuers

Countries' good governance policies are analysed through pillar G of the ESG rating.

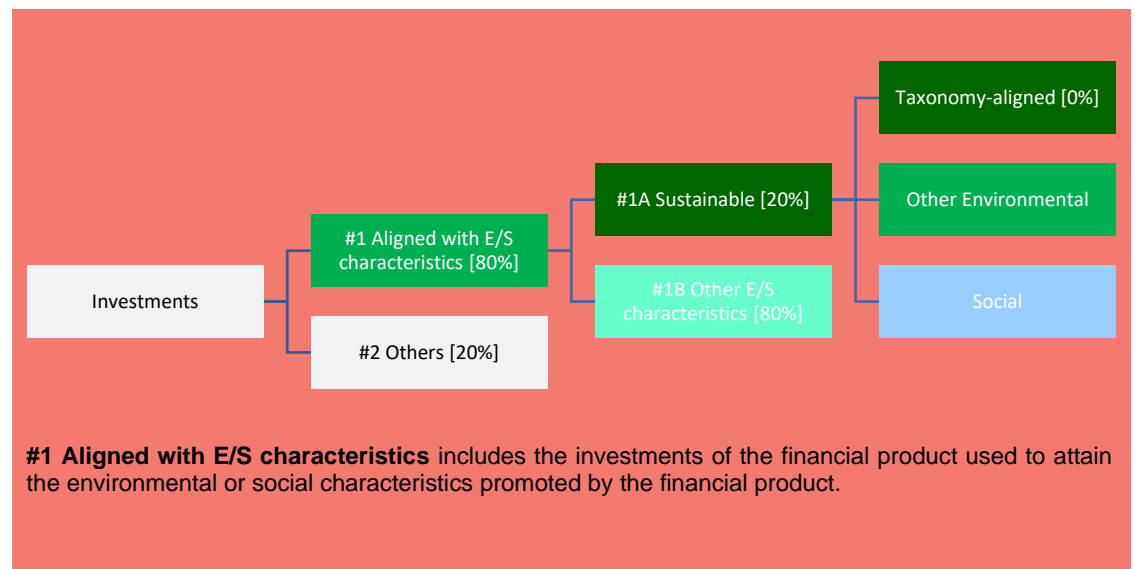


## What is the asset allocation planned for this financial product?

At least 80% of the net assets of the Fund are made up of investments contributing to the promotion of environmental and social characteristics (#1 Aligned with E/S characteristics).

Within the #2 Other component:

- The proportion of all portfolio securities that do not have an ESG score may not exceed 10% of the Fund's assets.
- A maximum of 10% of the Fund's investments will consist of cash and derivatives.



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.

<sup>1</sup> <https://pactemonial.org/decouvrir/dix-principes-pacte-mondial-nations-unies/#lutte-contre-la-corruption>

<sup>2</sup> This policy applies according to the asset class of the UCIs and therefore mainly to equity-linked funds.

#### #1 Aligned with E/S characteristics includes:

- The **#1A Sustainable** sub-category covers sustainable investments with environmental or social objectives;
- The sub-category **#1B Other E/S characteristics** covers investments aligned with environmental or social characteristics that do not qualify as sustainable investments.

**#2 Others** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The use of derivatives will not aim to attain E/S characteristics. However, their use will not have the effect of significantly or permanently distorting the environmental and/or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.



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

The Fund currently has no minimum commitment to align its activities with the Taxonomy Regulation. Accordingly, the minimum investment percentage aligned with the Taxonomy to which the Fund commits is 0%.

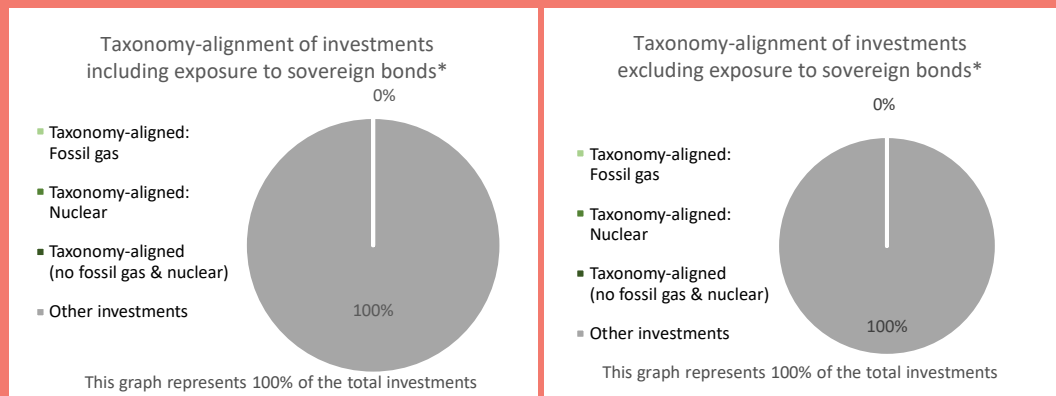
#### ● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?*

☐ Yes

- ☐ In fossil gas
- ☐ In nuclear energy

☒ No

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.

<sup>3</sup> 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.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



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

As disclosed under the heading “Does this financial product have a sustainable investment objective?”, this product aims to invest at least 20% of its net assets in sustainable investments. However, the Fund makes no commitment on the weighting of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



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

As disclosed under the heading “Does this financial product have a sustainable investment objective?”, this product aims to invest at least 20% of its net assets in sustainable investments. However, the Fund makes no commitment on the weighting of social sustainable investments.



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

These investments, which are made only in specific situations and represent a maximum of 20% of the Fund’s investments, will consist of:

- Cash and derivatives which are limited to specific situations in order to allow occasional hedging against or exposure to market risks within a total limit of 10%,
- All securities that do not have an ESG score up to a limit of 10%.

Although this category does not have an ESG rating and no environmental and social guarantees have been implemented, its use will not have the effect of significantly or permanently distorting the environmental and/or social characteristics promoted by the Fund.



**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?**

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

The SRI comparison universe (monetary universe) is consistent with the Fund's investment strategy.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

● **How does the designated index differ from a relevant broad market index?**

Not applicable.

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product-specific information online?  
More product-specific information can be found on the website:**

<https://www.ofi-am.fr/en/>