

**Template pre-contractual disclosure 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 MING

**Legal entity identifier:** 969500PB3QDZMC59BO74

## 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**. This Regulation does not include a compiled 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?	
●● <input type="checkbox"/> Yes	●○ <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> 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"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

OFI INVEST ESG MING (hereinafter “the Fund”) is a feeder fund of which 90% is invested in the OFI INVEST ESG CHINA EQUITY ALL SHARES fund (hereinafter “the Master Fund”), with a cash holding of up to 10%.

The Master Fund promotes environmental and social characteristics by investing in issuers with good environmental, social and governance practices.

To achieve this, the Master Fund invests in equities from the Chinese market with the best practices in terms of managing the ESG issues specific to their sector of activity, in accordance with the Management Company's proprietary ESG rating methodology.

The themes taken into account in 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 reference benchmark, MSCI Golden Dragon Net Dividends Reinvested, is used for financial performance measurement objectives. This index has been chosen independently of the environmental and/or social characteristics promoted by the Master Fund.

**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 Master Fund are:

- The SRI score calculated during the investment strategy process. For the method used to calculate this score, 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?".
- The percentage of companies belonging to the "Under Supervision" category as defined by the SRI score calculation method and which are subject to an exclusion (i.e., 20% of each sector of the investment universe).

- ***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 no 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

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:

**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.

Adverse impact indicator	ESG rating <i>Proprietary methodology</i>	Exclusion policies	Analysis of controversies	Engagement Policy	Voting Policy
<b>1. Scope 1, 2 and 3 and total GHG emissions</b>	X	X <i>Coal/Oil and gas</i>	X	X	X <i>Say on Climate</i>
<b>2. Carbon footprint</b>				X	X <i>Say on Climate</i>
<b>3. GHG intensity of investee companies</b>	X			X	X <i>Say on Climate</i>
<b>4. Exposure to companies active in the fossil fuel sector</b>		X <i>Coal/Oil and gas</i>		X	X <i>Say on Climate</i>
<b>5. Share of non-renewable energy consumption and production</b>	X		X		
<b>6. Energy consumption intensity per high impact climate sector</b>	X				
<b>7. Activities negatively impacting biodiversity-sensitive areas</b>	X		X	X	
<b>8. Emissions to water</b>	X		X		

9. Hazardous waste and radioactive waste ratio	X		X		
Indicators for social and employee, personnel, respect for human rights, anti-corruption and anti-bribery matters					
10. Violations of UN Global Compact principles and OECD Guidelines		X <i>Global Compact</i>	X	X	
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		X <i>Global Compact</i>	X	X	
12. Unadjusted gender pay gap			X		
13. Board gender diversity	X			X	X
14. Exposure to controversial weapons		X <i>Controversial weapons</i>			
Additional indicators related to social and environmental issues					
Insufficient measures taken to remedy non-compliance with anti-bribery and anti-corruption standards	X	X <i>Global Compact</i>	X	X	

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>

No



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

The investment strategy of the Master Fund consists of investing in equities issued from the Chinese market with convincing practices in terms of managing ESG issues specific to their sector of activity, and excluding companies demonstrating insufficient consideration of these issues or belonging to a sector of activity presenting a high risk on one or more sustainability issues.

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 Master Fund are as follows:

### **The policy for incorporating ESG into investment decisions**

An exclusion applies according to the Best-in-Class approach: to form part of the eligible investment universe, the company must not be in the bottom 20% of its sector according to the Management Company's proprietary ESG rating.

In assessing ESG practices, the Master Fund considers the following pillars and themes:

- **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

Each theme contains several underlying criteria. The criteria taken into account vary according to their relevance by sector of activity and are weighted relative to the risks they represent within this sector (reputational, legal, operational, etc.).

Examples include, but are not limited, to the following:

- **Climate change**: carbon emissions from the production process; upstream/downstream carbon emissions
- **Natural resources**: impact of the activity on water; impact of the activity on biodiversity.
- **Human capital**: health and safety; human capital development.
- **Products and services**: personal data protection; a healthier range of products available
- **Governance structure**: respect for minority shareholder rights; remuneration of executives.

### **ESG score and SRI score calculation method**

Based on the sector-based reference for key issues, an ESG score is calculated per issuer, which includes, first, the scores for the Environmental and Social (E and S) key issues, and second, the scores for the Governance (G) key issues. Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the level of risk incurred by the conduct of directors or the company.

This level varies depending on the sectors of activity. The overall weighting of the E and S issues is then determined. The weighting of environmental, social and governance issues is specific to each sector of activity. These scores may be subject to:

1. Penalties stemming from controversies not yet incorporated into the key issue scores. By using this penalty system, the most significant controversies can be taken into account quickly, while you wait for analysis of key issues to be incorporated.
2. Any bonuses or penalties awarded by the analyst responsible for the sector in the event of divergence on the assessment of an issue by the rating agency.

Based on the ESG ratings of companies, an SRI score is then recalculated. This score, established on a scale of 0.5 (low performance) to 5 (best performance), means issuers can be ranked in relation to their ICB sector peers (level 2). Issuers are sorted into categories based on their SRI Score. Each SRI category covers 20% of the issuers in the universe analysed. These categories are as follows:

- Under Supervision: issuers lagging behind in consideration of ESG issues
- Uncertain: issuers whose ESG issues are poorly managed
- Followers: issuers whose ESG issues are averagely managed
- Involved: issuers that are proactive in the consideration of ESG issues
- Leaders: issuers most advanced in the consideration of ESG issues

Issuers classified as “under supervision”, corresponding to 20%, are excluded from the investable universe.

Issuers’ ESG ratings are calculated quarterly, while underlying data are updated at least every 18 months (according to the policy of MSCI, the data provider). Ratings can also be adjusted by analysis of controversies or as a result of engagement initiatives.

Assets forming the subject of an ESG rating or an SRI score will represent at least 90% of the assets of the Master Fund (excluding cash).

### **Exclusion policies**

The regulatory and sector-based exclusions applied by the Management Company are as follows:

- Violations of the Ten Principles of the Global Compact;
- Controversial weapons;
- Coal;
- Tobacco;
- Oil and gas.

Furthermore, with a view to cash management, the Fund may invest up to 10% of its net assets in money market UCIs.

These UCIs managed by the Management Company are classified as Article 8 products within the meaning of the SFDR, and apply its 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?***

The committed minimum rate corresponds to the exclusion of 20% of each sector ("Under supervision" SRI category), at any time, from the Master Fund’s investment universe.

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

Several methods are implemented to assess good governance practices of the 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 the following themes and issues:

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

- 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: "Businesses should work against corruption in all its forms, including extortion and bribery"<sup>1</sup>. Companies 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, for securities invested in equities. 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.) and in terms of the ESG rating (application of a bonus or penalty). In addition, the engagement policy is reflected in dialogue with certain companies so as not only to have additional information on its CSR strategy, but also to encourage it to improve its practices, particularly in terms of governance. This engagement policy is subject to an escalation process, which may also result in the filing of a resolution or a protest vote, or an impact on the ESG rating.



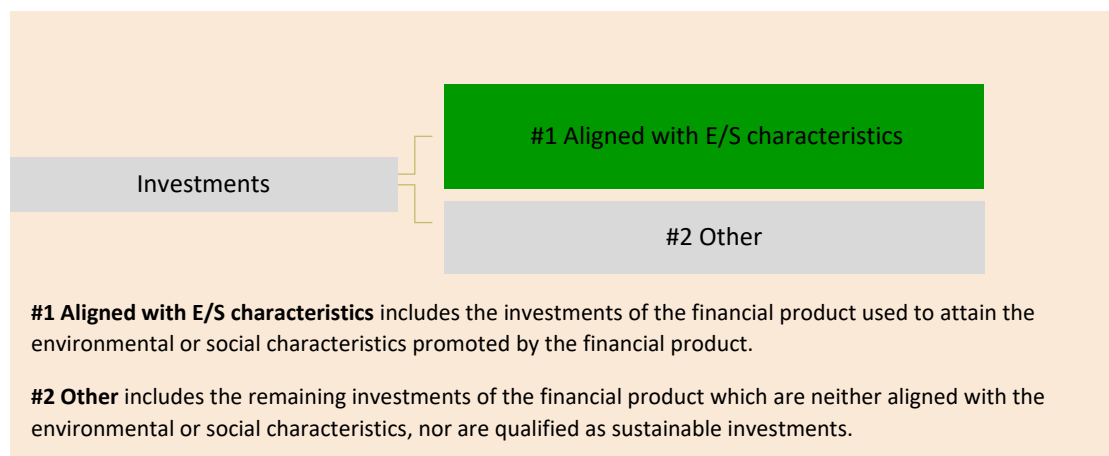
## What is the asset allocation planned for this financial product?

### 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.



The Fund is a feeder fund with 90% invested in the Master Fund and 10% in a cash holding. As a result, the asset allocation is as follows:

- **#1 Aligned with E/S characteristics** represents at least 72% of its net assets (in fact, investments aligned with the E/S characteristics of the Master Fund represent 80% of its net assets).

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

- **#2 Other** represents 28% of the Fund's net assets. First, 10% of the Fund's net assets are made up of cash. Second, **#2 Other** represents 20% of the assets of the Master Fund (i.e., 18% of the Fund's net assets).
- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

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



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

The Master Fund does not currently make any minimum commitments to align its activities with the Taxonomy Regulation. Accordingly, the minimum share of investments aligned with the EU Taxonomy to which the Master Fund commits is 0%.

The Prospectus will be updated as soon as it is possible to accurately disclose the extent to which the Master Fund's investments will be in environmentally sustainable activities aligned with the EU Taxonomy, including the shares of investments in enabling and transitional activities selected for the relevant Master Fund.

*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 purposes of these graphs, 'sovereign bonds' consist of all sovereign exposures.*



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

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

There is 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?**

Not applicable.



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

Not applicable.



- **Which 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 28% of the Fund's investments, will consist of:

- The Fund's cash, on the basis of up to 10% of its net assets
- The #2 Other component of the Master Fund, on the basis of up to 18% of the Fund's net assets, which is composed 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% of the Master Fund's assets.
  - All securities that do not have an ESG score within the limit of 10% of the Master Fund's assets

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?**

Not applicable.

**Reference benchmarks** are indexes used 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 Fund-specific information can be found on the website:  
<https://www.ofi-invest-am.fr/produits>