

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 Monétaire**

Legal entity identifier: **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.



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

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/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

☐ 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 by investing in issuers with good environmental, social and governance practices.

To this end, the Fund invests mainly in negotiable debt securities, money market instruments and bonds of private or public issuers from eurozone Member States or the OECD, posting the best practices in terms of management of ESG issues, in accordance with the Management Company's proprietary ESG rating methodologies applying to each of these types of issuers.

Private issuers

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

Public issuers

The themes taken into account in reviewing countries' good ESG management practices 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 reference benchmark, the capitalised €STR +5 bp, is used for financial performance measurement purposes. This reference benchmark was chosen independently of the environmental and/or social characteristics promoted by the Fund.

● ***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:

Private issuers

- The SRI score calculated on private issuers during the investment strategy process. For the method used for calculation of this rating, please refer to the section "What investment strategy does this financial product follow?".
- The percentage of private issuers belonging to the "Under Supervision" category as defined by the SRI score calculation method and subject to an exclusion (i.e., 20% of each sector of the private issuer component of the investment universe).

In addition, under the French SRI Label awarded to the Sub-Fund, of the four E, S, G and Human Rights indicators, the following two ESG indicators were also selected:

- Emissions financed on Scope 1 and 2;
- Board gender diversity

Public issuers

- The ESG rating calculated on public issuers during the investment strategy process. For the method used for calculation of this rating, please refer to the section "What investment strategy does this financial product follow?".
- The percentage of public issuers 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 the Country component 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 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?

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.

☒ 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	ESG rating Proprietary methodology	Exclusion policies	Analysis of controversies	Engagement policy	Voting Policy	SRI label indicator
Climate and other environment-related indicators						
1. Scope 1, 2 and 3 and total GHG emissions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Coal / Oil and gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Say on Climate	<input checked="" type="checkbox"/> Emissions financed (Scope 1 & 2)
2. Carbon footprint				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Say on Climate	
3. GHG intensity of investee companies	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Say on Climate	
4. Exposure to companies active in the fossil fuel sector		<input checked="" type="checkbox"/> Coal / Oil and gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Say on Climate	
5. Share of non-renewable energy consumption and production	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
6. Energy consumption intensity per high impact climate sector	<input checked="" type="checkbox"/>					

7. Activities negatively impacting biodiversity-sensitive areas	☒		☒	☒		
8. Emissions to water	☒		☒			
9. Hazardous waste and radioactive waste ratio	☒		☒			
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		☒ <i>Global Compact</i>	☒	☒	☒	☒
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		☒ <i>Global Compact</i>	☒	☒	☒	
12. Unadjusted gender pay gap			☒			
13. Board gender diversity	☒			☒	☒	
14. Exposure to controversial weapons		☒ <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	☒		☒	☒		
Indicators applicable to investments in sovereigns and supranationals						
15. Intensity of greenhouse gases	☒					
16. Investment countries that have witnessed breaches of social norms	☒					

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, demonstrating cogent practices for managing ESG issues, and excluding those demonstrating insufficient consideration of these issues.

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:

Private issuers

Incorporation of ESG issues into investment decisions

An exclusion applies to private issuers based on the Best-in-Class approach: to form part of the eligible investment universe, the issuer must not be included in the last 20% of its sector according to the Management Company's proprietary ESG rating applied to private issuers.

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

- Environmental: 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; development of human capital.
- 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. SRI analysts may add a penalty, ranging from 0.25 to 0.75, to the ESG rating depending on the severity of the controversies. The total controversy penalty is capped at 0.75. Once the controversy has been incorporated into the analysis of the key issues (and therefore into the issue score), this penalty is removed.

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.

ESG scores are used to establish an SRI score corresponding to the ranking of the issuer's ESG score compared to other actors in its ICB sector (level 2). The SRI score is established on a scale of 0.5 to 5, with 5 being the best ESG score in the sector. Within each sector, issuers are classified into categories according to their SRI Score. Each SRI category covers 20% of companies in the ICB 2 sector, and these categories are as follows:

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

Issuers belonging to the "Under Supervision" category are excluded from the investment universe.

Exclusion Policy

In addition, the regulatory and sector-based exclusions applied by the Management Company are as follows:

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

Public issuers

To form part of the eligible investment universe, countries must not be included the last 20% of the Countries component of the investment universe, according to the Management Company's proprietary ESG rating applied to sovereigns.

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.

Based on the reference systems for countries' key issues, an ESG Score is calculated per country.

The E and S issues each represent 30% of the score, and the G issue, 40%.

For each issue, this score reflects the State's positioning compared to its peers.

This ESG Score is calculated out of 5.

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 analysis team (data mainly from ESG rating agencies, but also from specialised agencies).

There is a risk that, from time to time, our approach will not be effective and that the final rating assigned to an issuer by the Management Company's ESG analysis team will differ from that proposed by a third party.

Furthermore, the selection of SRI UCIs external to the Management Company may generate a lack of consistency insofar as the funds selected can a priori implement different and independent ESG approaches.

Each SRI category covers 20% of countries, and these categories are as follows:

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

The 20% of countries lagging the furthest behind in managing ESG issues are excluded from the investment universe, corresponding to the "Under Supervision" category.

For all issuers as a whole

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

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.

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

Private issuers

The committed minimum rate corresponds to the exclusion of 20% of public issuers from the corresponding component of the Fund's investment universe ("Under Supervision" SRI category) at any time.

Public issuers

The committed minimum rate corresponds to the exclusion of 20% of public issuers from the corresponding component of the investment universe ("Under Supervision" SRI category) at any time.

- *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 10:1 ¹. 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 shareholder engagement policy describes the objectives and framework for implementation of ESG commitments, led by the Management Company's ESG analysis team. Through these individual or collaborative engagement actions, the Management Company aims to raise awareness among issuers on improving their sustainability, social responsibility and governance practices, to encourage them to be more transparent on these matters, and to reduce the risk of any adverse impact. Climate change mitigation, biodiversity and the social component (Global Compact) are the three main areas of our engagement strategy.

Public issuers

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

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

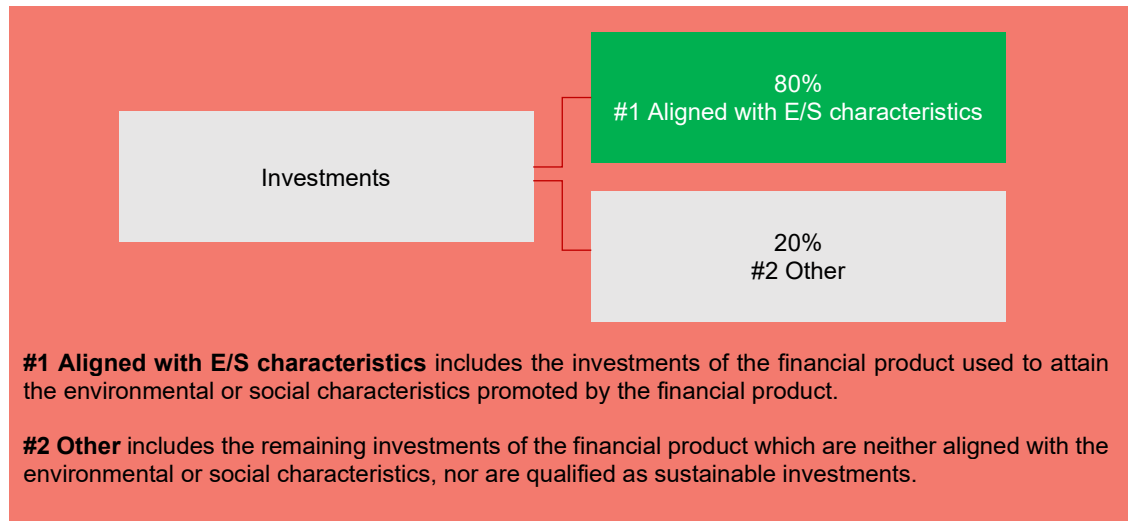


What is the asset allocation planned for this financial product?

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.



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 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.

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

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.

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

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

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.

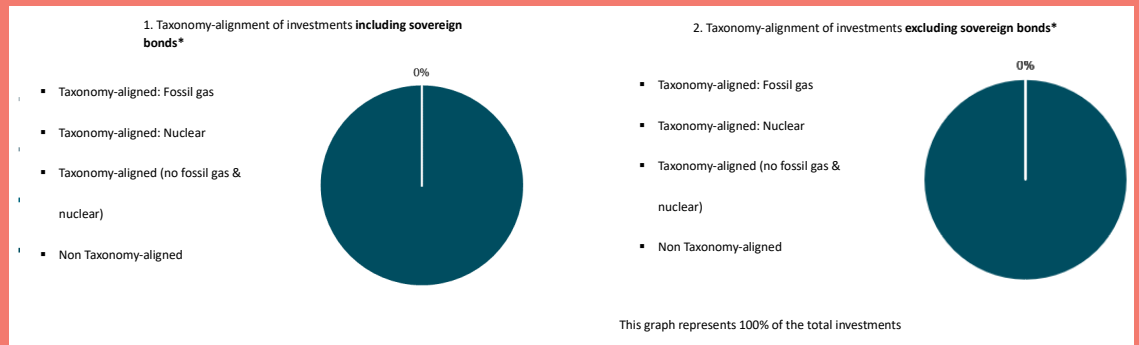
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

☐ **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.

● **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.

² 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 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 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 within a 10% limit.

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.

Not applicable.



Where can I find more product specific information online?

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