

3/ Pre-contractual disclosure template (Article 8 SFDR)

**Product name:**  
Ofi Invest ESG Global Emerging Equity

**Legal entity identifier:**  
213800NEWGZKLIQN9H89

## 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/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?

Ofi Invest ESG Global Emerging Equity (the “**Sub-Fund**”) promotes Environmental and Social characteristics by investing in companies from emerging countries that have good Environmental, Social and Governance (ESG) practices.

The Sub-Fund does not have an ESG benchmark as a reference benchmark.

### 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 environmental or social characteristics promoted by the financial product are:

- The SRI score calculated in the process of the investment strategy. The methodology to calculate the SRI score is detailed in the “investment strategy” section.
- The percentage of the investee companies falling in the exclusion criteria of the companies “under-surveillance” (as per the SRI filter further described), so as to measure the attainment of the exclusionary screening.

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

The fund also monitors three indicators corresponding to the social and environmental characteristics promoted as part of the ISR label requirements:

- financed emissions on scopes 1 and 2;
- share of investee companies that violated the United Nations Global Compact;
- female to male ratio at the Board of Directors of the investee companies.

- **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.

**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.

*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 not 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 Sub-Fund considers the principal adverse impacts (PAIs) through different policies:

- Due to Ofi Invest Asset Management's (“Ofi Invest AM”) exclusion policies, the following thresholds 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”).
  - Controversial Weapons Policy. This policy establishes de facto an issuer-level exclusion threshold on PAI 14, as soon as it exceeds 0%.
- The SRI score described above considers issues that in their majority relate to negative externalities as defined by the PAIs: carbon emissions, renewable energy, impact on biodiversity, composition of the Board, etc. The maturity of the issues (e.g., the scope of coverage) and the availability of data make impact measurement more or less possible, but all issues are considered in the fundamental analysis of each investment line. The investment strategy leads to the exclusion of 20% of the worst rated SRI securities from the investment universe.
- 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.

- The monitoring of social and environmental controversies. It is part of the weekly analysis of controversies within the Ofi Invest AM group and it applies to all the ESG issues that are integrated in the ESG rating.

For more information, please refer to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the Ofi Invest AM's website.

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

☐ No



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

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

The Sub-Fund invests in equity securities of companies from emerging countries with the best ESG performance.

#### 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 Sub-Fund include Ofi Invest AM exclusion policies, that are both sectorial and normative:

- The Sub-Fund is compliant with Ofi Invest AM's policy on controversial weapons (cluster bombs, anti-personnel mines and chemical and biological weapons).
- The Sub-Fund excludes companies producing tobacco.
- The Sub-Fund is compliant with Ofi Invest AM's policy on oil and gas investment.
- The Sub-Fund is compliant with Ofi Invest AM's policy on full exclusion of thermal coal investments before 2030.
- The Sub-Fund is compliant with Ofi Invest AM's policy on non-compliance with the principles of the UN Global Compact and excludes companies that seriously or repeatedly violate one or more of the ten principles of the United Nations Global Compact without providing an appropriate response or remediation measures.

Moreover, the less performing emitters in terms of ESG practices are excluded. To assess the ESG practices of the issuers, 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.

For each stake, several indicators are taken into account. Some examples, non-exhaustive, are shown below:

- Climate change: Carbon emissions of the production process ; Carbon emissions, upstream and downstream.
- Natural resources: activity's impact on water resource ; activity's impact on biodiversity.
- Human capital: Health and security ; human capital development.
- Goods and services: private data protection; healthier goods offer.
- Governance structure: minority shareholder's rights respect; executives' remuneration.

The way these criteria are taken into account varies according to the sector of activity (wich criteria are considered as "core" and their weight in the ESG rating).

#### How is the SRI score calculated?

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.

Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the level of risk induced by the behavior of the company or its managers. This level varies according to the sector of activity.

The overall weighting of E and S issues is then determined. The weighting of Environmental, Social and Governance issues is specific to each business sector.

These scores may be subject to

1. Possible malus linked to controversies not yet integrated into the ratings of key issues

This system of malus allows the most significant controversies to be taken into account quickly, pending their integration into the analysis of key issues. The evaluation scale is as follows:

- Very serious and/or structural controversy, repetition of serious controversies: Malus of 0.75.
- Severe controversy or repetition of major controversies: Malus of 0.5.
- Important controversy: Malus of 0.25.

The total number of controversies is capped at 0.75. When the controversy is included in the analysis of the key issues - and therefore in the score of the issue - this Malus is removed.

2. Any bonuses or maluses assigned by the analyst in charge of the sector in the event of a discrepancy in the rating agency's assessment of an issue.

The ESG ratings of companies are used to establish an SRI score corresponding to the issuer's ESG rating ranking in relation to other players in its ICB super sector (level 2). The SRI score is established on a scale of 0.5 to 5, with 5 being the highest ESG score in the sector.

Companies are classified into categories, based on their SRI Score. Each SRI category covers 20% of the issuers in the universe analyzed. The categories are as follows:

- Under surveillance: issuers that are lagging behind in addressing ESG issues.
- Unclear: issuers whose ESG issues are poorly managed.
- Followers: issuers whose ESG issues are moderately managed.
- Committed: issuers that are active in taking ESG issues into account.
- Leaders: issuers that are the most advanced in taking ESG issues into account.

The calculation of the ratings, scores and categories of companies is updated once every quarter. Assets with an ESG rating or SRI score will represent at least 90% of the assets, averaged over 12 months. An ESG analysis of the issuer will then be carried out by the SRI department within 3 months.

**The eligible investment universe is defined by excluding from the investment universe private issuers presenting the SRI category "Under Surveillance". This means that, as part of the securities selection process, the Sub-Fund excludes from the investment universe the 20% of securities which do not have the best sustainable and socially responsible investments ratings compared to the other securities which have been selected.**

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 regulations and apply the group's 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 Sub-Fund commits to excluding a minimum of 20% of the investments considered through the exclusions detailed in the previous question.

● ***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:
  - 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
  - its Market Behavior: 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 10<sup>th</sup> principle: "Businesses should work against corruption in all its forms, including extortion and bribery"<sup>1</sup>. Under this policy, companies that face controversies of

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

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

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.



**Asset allocation**  
describes the  
share of  
investments in  
specific assets.

Taxonomy-aligned  
activities are  
expressed as a share  
of:

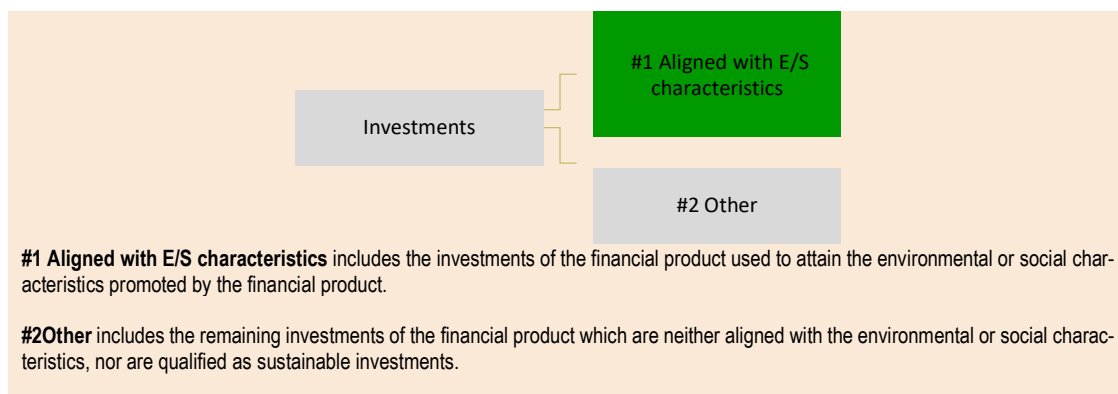
- **turnover**  
reflecting the  
share of revenue  
from green  
activities of  
investee  
companies
- **capital  
expenditure**  
(CapEx) showing  
the green  
investments made  
by investee  
companies, e.g. for  
a transition to a  
green economy.
- **operational  
expenditure**  
(OpEx) reflecting  
green operational  
activities of  
investee  
companies.

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

The Sub-Fund has at least 80% of its investments used to attain the environmental and social characteristics promoted (#1 Aligned with E/S characteristics).

A maximum of 10% of its investments in equity securities may not be subject to an ESG or SRI rating (#2 Other).

A maximum of 10% of the investments of the financial product will be derivatives and cash held for liquidity purposes (#2 Other).



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

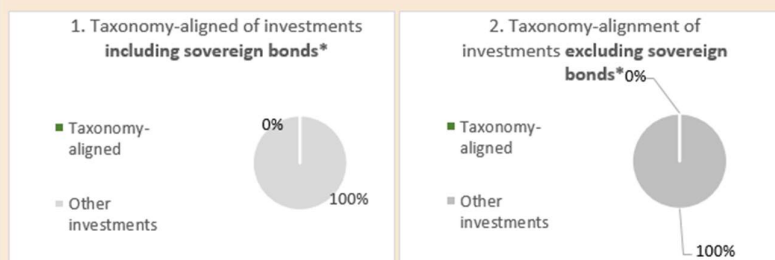
Not applicable.



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

Not applicable.

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?

Not applicable.

**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.



are 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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of investments in transitional and enabling activities is set at 0%.



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

Not applicable.



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

These investments, that represent a maximum of 10% of the NAV, include:

- cash held for liquidity purposes;
- derivatives, only made in specific situations and the use of which is limited to:
  - o sharp swings in subscriptions or redemptions;
  - o market events likely to have a material impact on Sub-Fund performance (e.g., macroeconomic indicators, central bank interventions, etc.).

No minimum environmental or social safeguards have been put in place.



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

**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.



**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/produit/ofi-invest-rs-global-emerging-equity-part-i-eur/LU0286062228>