

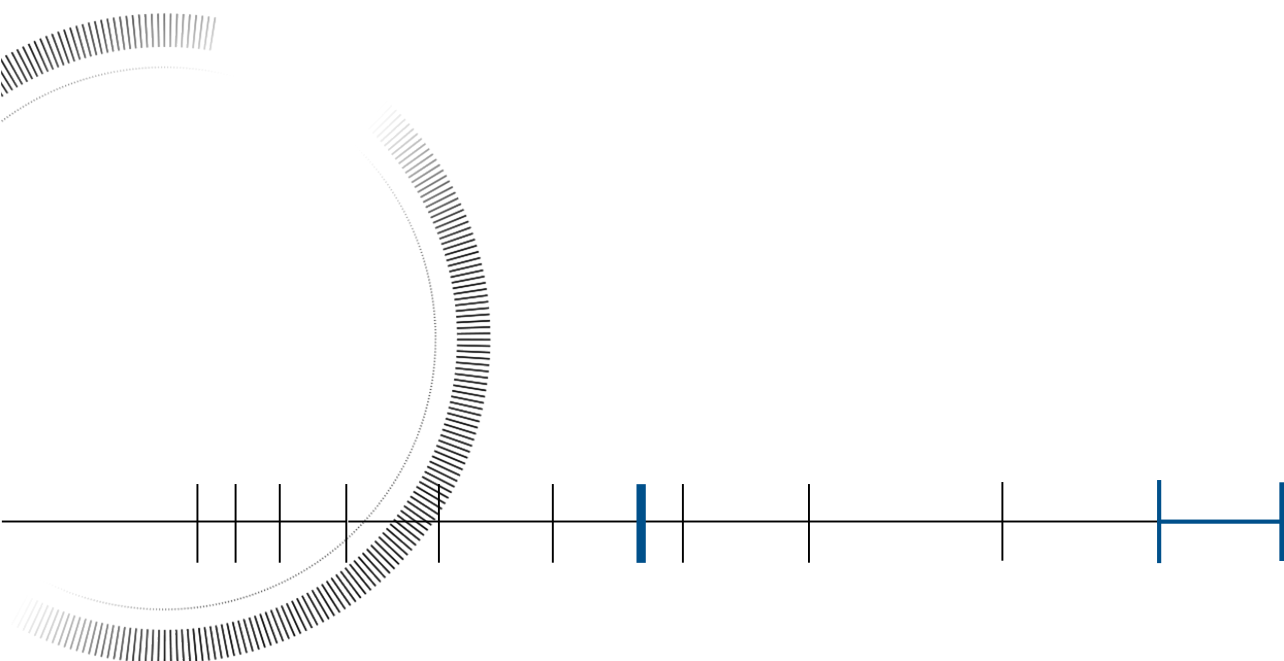
Transparency Code for SRI funds open to the public

FIR FORUM POUR
L'INVESTISSEMENT
RESPONSABLE

Eurosif

afg
association française
de la gestion financière

OFI RS Equity Climate Change



European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif.

REVISION OF THE CODE

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1.The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.

2.Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed;
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
- Funds should report data in the currency that they use for other reporting purposes;
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
- Responses should be updated at least on an annual basis and should have a precise publication date;
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code.
- Signatories are solely responsible for the answers to the questions, and should state this in their response.

Statement of Commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of OFI ASSET MANAGEMENT. We have been involved in SRI since 1990 and welcome the European SRI Transparency Code.

This is our first statement of commitment and covers the period from 06/01/2021 to 06/01/2022. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

Compliance with the Transparency Code

OFI ASSET MANAGEMENT is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate.

OFI ASSET MANAGEMENT meets the full recommendations of the European SRI Transparency Code.

DATE : 06/01/2021.

Eurosif classification of Sustainable and Responsible Investment¹ strategies

Sustainability Themed Investment: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.

Best-in-Class Investment Selection: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

Norms-Based Screening: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

Exclusion of Holdings from Investment Universe: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This approach systematically excludes companies, sectors or countries from the permissible investment universe if they are involved in certain activities based on specific criteria. Common criteria include weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

Integration of ESG Factors into Financial Analysis: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Engagement and Voting on Sustainability Matters: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

Impact Investing: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances ². Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French fonds solidaires.

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2. General information about the fund management company
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1 Sustainable and responsible investment ("SRI") is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016

2 Global Impact Investing Network (GIIN), "What is Impact Investing?", <http://www.thegiin.org/cgi-bin/iowa/investing/index.html>, 2012

General information

1. List of funds concerned by the Transparency Code

This code concerns the "OFI RS Equity Climate Change" fund

Dominant/Preferred SRI Strategy (Please choose a maximum of 2 strategies)	Asset Class	Exclusions Standards and Norms	Fund Capital as at 31 December 2020	Other labels	Links to relevant documents
<input checked="" type="checkbox"/> Best in Class Investment Section <input type="checkbox"/> Engagement & Voting <input checked="" type="checkbox"/> ESG Integration <input type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <ul style="list-style-type: none"> - Leading to exclusions - Leading to risk management <input type="checkbox"/> Sustainability Themed	Passively Managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively Managed <input type="checkbox"/> Shares in a euro area country <input checked="" type="checkbox"/> Shares in an EU country <input type="checkbox"/> International shares <input type="checkbox"/> Bonds and over debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds	<input checked="" type="checkbox"/> Controversial weapons <input type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input checked="" type="checkbox"/> Arms <input checked="" type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input type="checkbox"/> Labour rights <input checked="" type="checkbox"/> Gambling <input type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input type="checkbox"/> CO2 intensive (including coal) <input type="checkbox"/> Genetic engineering <input checked="" type="checkbox"/> Global compact <input type="checkbox"/> OECD Guidelines for MNCs <input checked="" type="checkbox"/> ILO Conventions <input type="checkbox"/> Other (please specify) <ul style="list-style-type: none"> - Carbon - Uranium 	274 M€	<input checked="" type="checkbox"/> French ISR label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES LABEL <input type="checkbox"/> Luxflag label <input type="checkbox"/> FNG label <input type="checkbox"/> Austrian Ecolabel <input type="checkbox"/> Other (please specify)	KIID Prospectus Management report Financial and non-financial reporting Corporate presentations Other (please specify) These documents are available on https://www.ofi-am.fr/produit

General information

2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

OFI ASSET MANAGEMENT – 22, rue Vernier – 75017 PARIS - Website: www.ofi-am.fr

Contact person : LD-ISR@ofi-am.fr

2.2. What are the company's track-record and principles when it comes to integrating SRI into its process?

Since its creation in 1971, the OFI group has embraced the values of mutualism and the social economy ever since it began. Sustainable development, which is naturally in line with these values, is a genuine commitment. Accordingly, the OFI Group publishes its SRI policy, a vision that underpins the deployment of extra-financial analysis, as well as its voting and commitment policy.

In addition, it offers a range of responsible investment solutions and services to investors concerned about the challenges of sustainable development.

- For more information, see the website page dedicated to responsible investment: <https://www.ofi-am.fr/isr>

2.3. How does the company formalise its sustainable investment process?

The OFI group has formalized its SRI approach through five policies that are available on the website www.ofi-am.fr, in the "RESPONSIBLE INVESTMENT" and "Downloads" sections:

- An [SRI policy](#) that describes the objectives, the means used and the main features of our analysis methodology.
- A [commitment policy](#) that describes the process of dialog with firms to raise their awareness of best practices in CSR (Corporate Social Responsibility) and bring about improvement, especially in light of the global aim to limit climate change to 2°C.
- A [voting policy](#) that sets forth the principles of corporate governance that underpin our analysis of voting proposals at annual general meetings of shareholders. Exercising voting rights is an essential practice in our role as a responsible investor. We seek to exercise all our voting rights at firms in our SRI portfolios.
- A [position on controversial weapons](#). On its own behalf and on behalf of collective-investment schemes for which it provides active investment management, the group applies the principles enshrined in international conventions banning anti-personnel mines, cluster munitions and chemical weapons.
- An [Investment policy : full exclusion of thermal coal by 2030](#). OFI Asset Management wishes to contribute to efforts to limit global warming to less than 2°C by 2100, as per the Paris Agreement, and thus achieve GHG neutrality by 2050; it has therefore made a commitment to discontinue coal funding altogether by 2030 at the latest, across all asset classes and all regions.
- [Investment policy : oil and gas](#). OFI Asset Management wishes to gradually scale back its investments in unconventional gas and oil extraction companies and is aiming for full exclusion of the oil industry by 2050.
- [Investment policy : tobacco](#). OFI ASSET MANAGEMENT has adopted an exit policy from the tobacco industry by excluding from all its investments the producers in the 1st Euro of Turnover.

General information

2.4. How are ESG risk and opportunities - including those linked to climate change - understood/taken into account by company?

• ESG risks / opportunities

Our approach is based on the conviction that issuers that integrate Environmental, Social and Governance (ESG) issues into their strategy offer better long-term prospects. Taking into account the ESG impacts of their activities enables them to identify areas of risk, but also opportunities for development (particularly in green technologies).

ESG risks faced by issuers may impact their ability to produce, the tangible or intangible value of their assets, or expose them to regulatory risks leading to the payment of fines or taxes.

This consideration of ESG risks and opportunities is the foundation of our ESG analysis (see 3.5). In addition, the analysis of ESG controversies is a key element of our risk analysis (see 3.6).

• Risks/opportunities relating to climate change

The work of the IPCC (Intergovernmental Panel on Climate Change) observes a constantly increasing global warming on a worldwide scale and attributes this to the sharp increase in the concentration of greenhouse gases (GHGs) emitted by human activities.

Based on this observation, governments around the world have begun to take action in order to limit these GHG emissions, with the Kyoto Protocol signed in 1997 and implemented in 2005, followed by the Copenhagen Accord in 2009 (global warming limited to 2°C) and finally the COP 21 with the Paris Accord signed on December 15, 2015 which aims to contain this global warming "well below 2°C compared to pre-industrial levels".

These are possible economic trajectories, compatible with global warming limited to +2°C or +1.5°C policies involve restructuring economic activities to achieve a low-carbon production and consumption C by 2100 compared to the pre-industrial era.

In this context, companies are exposed to risks related to climate change that could impact their financial performance.

General information

These climate-related risks are grouped into two categories:

1. Physical risks, i.e. risks resulting from damage directly caused by weather and climate phenomena;
2. Transition risks, i.e. resulting from the effects of establishing a low-carbon economy

Transition risks cover different sub-categories of risk:

- Regulatory and legal risks are related on the one hand to a change in policies, (e.g. the introduction of a carbon price or more stringent product regulations). And on the other hand to an increase in claims and litigation as loss and damage from climate change increases.
- Technological risks are linked to technological innovations and breakthroughs that are favorable to the fight against climate change (new renewable energy technologies, energy storage, carbon capture, etc.).
- Market risks refer to changes in supply and demand linked to the increasing consideration of climate risks (variation in the price of raw materials, etc.).
- Reputation risks risks relate to changes in customer and stakeholder perceptions of an organization's contribution to the transition to a low-carbon economy.

Like physical risks, transition risks carry potential financial impacts. They represent potential portfolio impairment risks for financial players.

Opportunities

Three types of players constitute investment opportunities related to the energy transition:

1. Companies with the lowest GHG emissions in high-emitting sectors. The level of carbon emissions "financed" by investing in these companies will serve as a basis for comparison.
2. Companies that are making the most progress in managing the "Climate Change" theme. These companies may currently be high GHG emitters due to their activities, but it is the progress made by such players that will bring about the most significant changes.
3. Companies which, through their products or services, are already providing energy transition solutions, for example: renewable energies, improvement of energy efficiency, etc.
4. Companies with low GHG emissions have at least good management of their environmental issues. We believe that for companies in low-carbon sectors it is essential to evaluate practices, performance and strategy on the challenges of natural resources, project financing, and toxic discharges.

General information

2.5. How many employees are directly involved in the company's sustainable investment activity?

The teams involved in the responsible investment activity are:

- SRI Analysis Unit,
- Support Functions:
 - Project Management,
 - General Secretariat,
 - Open Fund Engineering,
 - Legal,
 - Data Management,
 - IT Department,
 - Middle Office
- Reporting Department,
- Control Functions: Compliance and Internal Control (DCCI) and Internal Audit,
- Teams using SRI analysis:
 - Managers,
 - Credit Analysis,
 - Risk Management.
- Teams promoting SRI management:
 - Marketing,
 - Communication,
 - Sales,
- Négociating Table OIS

General information

2.6. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission’s High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input checked="" type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI – Principles for Responsible Investment <input type="checkbox"/> SIFs – Sustainable Investment Fora <input checked="" type="checkbox"/> Other (please specify) - FIR	<input checked="" type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input checked="" type="checkbox"/> Green Bond Principles <input checked="" type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input type="checkbox"/> Other (please specify)	<input checked="" type="checkbox"/> Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input checked="" type="checkbox"/> Other (please specify) - FAIRR Initiative EFG risks of intensive livestock farming)	<input checked="" type="checkbox"/> ICGN – International Corporate Governance Network <input checked="" type="checkbox"/> Other (please specify) - EM Lyon partnership

2.7. What is the total number of SRI assets under the company’s management?

As of the end of December 2020, the asset management firm had a total of 43,93 billion euros in SRI assets under management.

This information is available in updated form at: <https://www.ofi-am.fr/isr>, under “Information”.

The OFI RS offering covers the main asset classes and geographical regions. OFI Group’s strategies are regularly awarded labels and awards and are integrated directly into OFI RS’s best-in-class or thematic funds (energy transition, solidarity funds, etc.).

A list of SRI funds is available in updated form at: <https://www.ofi-am.fr/produit>, filter “SRI” = “yes”

General Information on the Fund

3. General Information about the SRI Fund that come under the scope of the Code

3.1. What is the fund aiming to achieve by integrating ESG factors

According to the Management Company's analysis, Environmental, Social and Governance (ESG) issues are risk areas that can have significant financial impacts on issuers and therefore on their sustainability. Furthermore, issuers that integrate responses to sustainable development issues into their growth strategy create opportunities that contribute to their economic development. In this sense, ESG analysis complements and enriches traditional financial analysis.

We seek to refine analysis both of our investment universes by incorporating ESG concerns regarding issuers' practices and activities, and to give clients who wish so the chance to implement an SRI policy reflecting their own values, in dedicated investments.

Objectives regarding ESG analysis

ESG analyses are incorporated so as to foresee risks relating to ESG issues, to reduce volatility and to improve the quality of our clients' financial-asset portfolios without impairing performances.

In addition, we act as responsible shareholders by establishing a constructive dialog with companies on improving the consideration of their social responsibility. This dialog, which covers not only CSR performance, but also sectoral or cross-cutting issues, helps to raise companies' awareness of the importance that investors attach to their CSR practices. Our objective is to avoid "greenwashing" and communication by companies that is unrelated to their actual practices.

This dialog, as well as the SRI selection process of the companies in the portfolio, aims to achieve an improvement in the Environmental, Social and Governance performance of the issuers in the portfolio compared to those making up the fund's benchmark index. Achievement of this objective is monitored through the periodic publication of indicators on the three areas, E, S and G, for the fund and its benchmark index (cf 6.2).

Objectives related to Energy Transition

The fund pursues a Low Carbon strategy, i.e. a strategy to promote the most active private issuers with regard to Energy Transition and performance in terms of carbon emissions.

3.2. What internal and external resources are used in ESG evaluation of the issuers who make up the investment universe of the fund(s)?

The ESG analysis of company practices is carried out by the SRI Unit, which is made up of a team of seven people. Data used by the analysts come mainly from ESG rating agencies (MSCI <https://esgmanager.msci.com/esgManager>) (and VIGEO <https://esgmanager.msci.com/esgManager>), but also from specialized agencies: Reprisk for monitoring ESG controversies (<https://www.reprisk.com>) and Proxinvest for analyzing resolutions submitted to the vote at companies' general meetings (<http://www.proxinvest.fr>).

An analysis of possible ESG controversies produced by the SRI analysis team is presented to the managers at a weekly committee meeting.

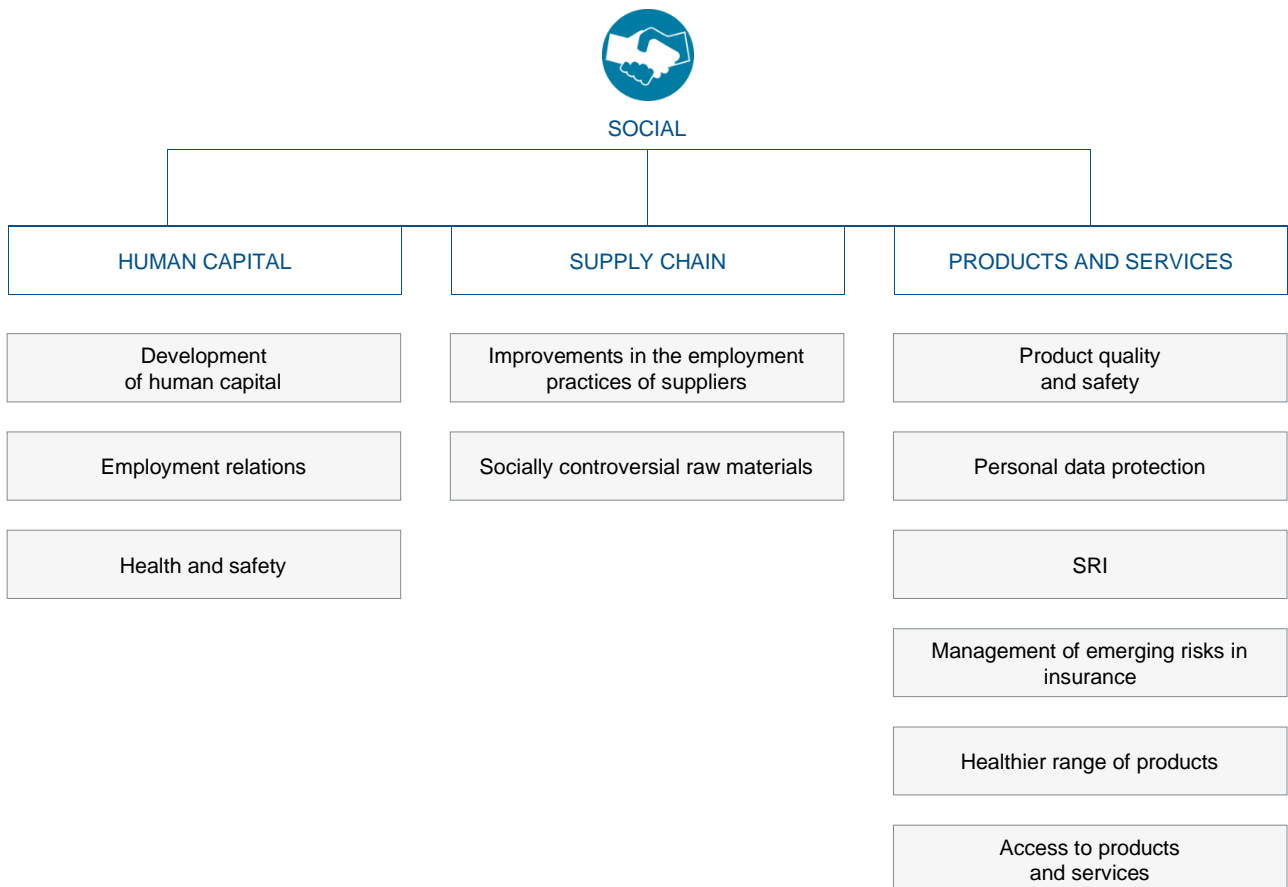
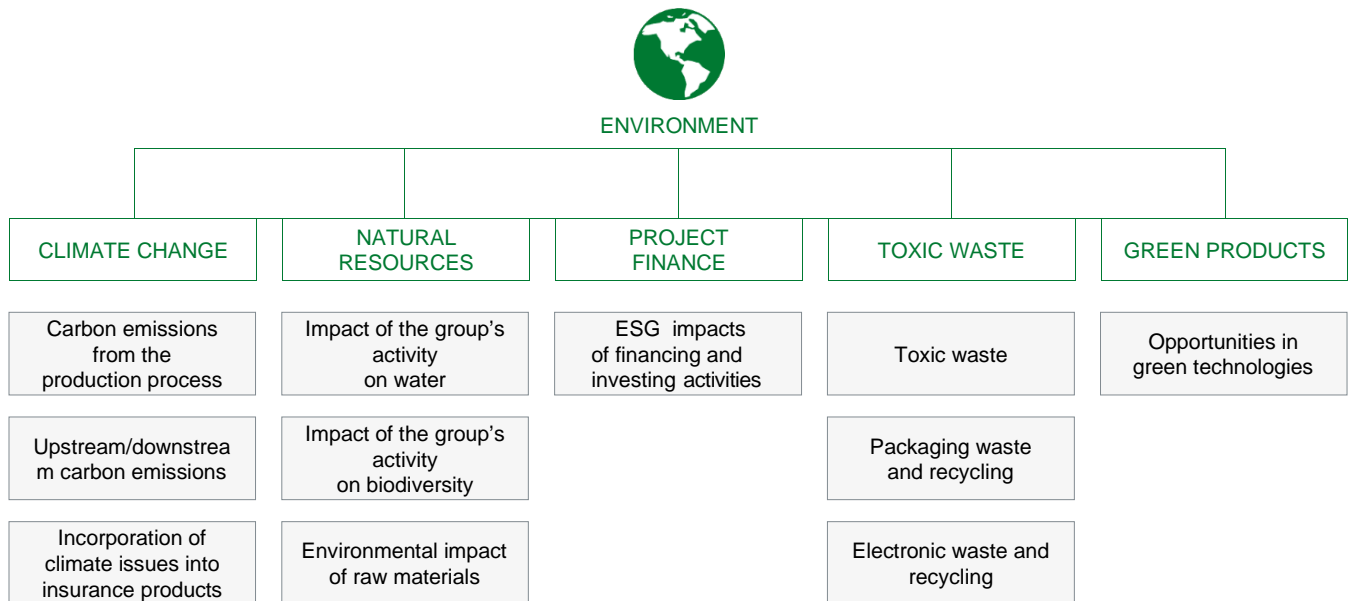
Osiris, an internal tool dedicated to SRI, automates the quantitative processing of data from multiple information sources.

General Information on the Fund

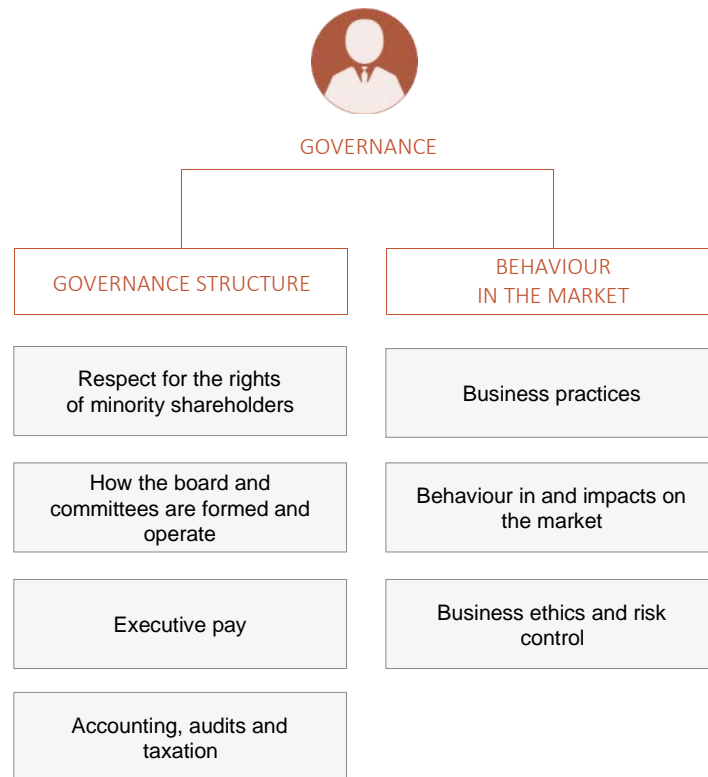
3.3. What ESG criteria are taken into account by the fund(s)?

Assessment of issuers' CSR practices is based on an analysis of the three ESG pillars: environment, social and governance.

The issues analyzed are the following:



General Information on the Fund



These criteria are taken into consideration depending on the business sector in question. They apply exclusively to corporate issuers and are similar irrespective of the region.

Exclusion criteria are describe in paragraph 4.1.

3.4. What principles and criteria linked to climate change are taken into account in the fund ?

In the ESG analysis of companies, the criteria analyzed in the Climate Change theme are the following:

Criteria relating to physical risks, i.e.:

- Risks relating to rising sea levels and the increase in natural catastrophes
- Risks of drought
- Health risks (outbreak of illnesses)

Criteria concerning risks relating to the energy transition

- Carbon emissions of the production process:
- Company's exposure according to the portfolio of activities and carbon regulation in force, depending on its geographical locations
- Efforts to reduce these issues: reduction aims, technological adaptation/change, set up of carbon-capture processes, use of less polluting energies.
- Efforts to improve the energy efficiency of production processes

Development opportunities in green technologies:

- Renewable energies
- Eco-designed buildings
- Technology improving energy efficiency
- Recycling solutions, green chemistry, etc.

General Information on the Fund

Involvement of issuers in the Energy and Ecological Transition (EET) is also analyzed on behalf of this fund. This analysis covers business sectors that emit the most greenhouse gases (GHG*) and that are the most capable of taking action to significantly reduce global GHG emissions:

- Automobiles and parts
- Commodities
- Chemicals
- Building materials
- Oil and gas
- Utilities
- "Carbon-intensive" industrials corresponding to the following subsectors (ICB4): aerospace, commercial vehicles & trucks, containers & packaging, defense, delivery services, diversified industrials, marine transportation and trucking.
- "Carbon-intensive" travel and leisure corresponding to the following subsectors (ICB4): airlines, hotels, and travel & tourism.

This analysis takes the following criteria into consideration:

1. The carbon intensity of a company's activities

Two types of measurements are used to assess carbon intensity:

If the information is available: GHG emissions **per physical unit of the products or services** supplied by the company. So, for car makers, we use the number of grams of CO2 per km covered. The other activities for which such information is available include:

- Electricity producers (kilos of CO2 / Mwh)
- Cement producers (tons of CO2 / ton of cement)
- Steel producers (tons of CO2 / ton of steel)
- Airlines (grams of CO2 / passenger/km)

If the above information is not available, we use financed emissions which are calculated by dividing a company's total GHG emissions by the total amount of its balance sheet. Intensity is expressed in tons of CO2 equivalent / € million invested. This makes it possible to estimate an investor's indirect emissions when they invest one million € in the company in question.

2. The company's involvement in the energy transition

The company's involvement in the energy transition is calculated based on an analysis of the way in which it factors in the following environmental issues:

- Carbon emissions of production process
- Upstream/downstream carbon emissions
- Opportunities in green technologies

One or more of these issues may be concerned depending on the business sector in question.

General Information on the Fund

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc ...)

The ESG analysis is performed according to a reference framework defined internally, produced from an analysis of the risks likely to affect the issuer's stakeholders and the issuer itself.



The level of risk resulting from this analysis determines the issues that will be considered to be "key" for each sector of activity, and the weight of the issue within the global ESG score.

General Information on the Fund

Method for calculating the ESG score

Based on our list of key issues by sector, an ESG score is calculated for each issuer which includes scores for the key Environmental and Social (E and S) issues on the one hand, and for Governance (G) issues on the other.

As regards governance issues, a fixed weighting of 30% is allocated to corporate governance while a variable weighting of 10% to 40% is allocated to reflect the risk incurred by the behavior of the company's executives. This level will vary depending on the business sector in question.

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

For these scores:

1. penalties may be applied depending on whether or not controversies have already been factored into the scores allocated to the key issues.

This system of penalties makes it possible to factor in the most significant controversies rapidly, pending their incorporation into the analysis of the key issues. The rating scale is as follows:

- Severe and/or structural controversy, recurrence of serious controversies: Penalty of 0.75
- Serious controversy or recurrence of significant controversies: Penalty of 0.5
- Major controversy: Penalty of 0.25

The total penalty for all controversies combined is capped at 0.75. If a controversy has already been factored into our analysis of the key issues, and therefore into the rating allocated to the issue in question, then the penalty is withdrawn.

2. the analyst covering the sector may apply bonuses or penalties if their assessment of an issue differs from that of the rating agency.

Company ESG ratings are used to establish an SRI score corresponding to the ranking of an issuer's ESG rating relative to those of other issuers in its ICB supersector (level 2). The SRI score is established on a scale of 0 to 5, with 5 corresponding to the best ESG rating in the sector.

In this best-in-class approach, companies within each sector are ranked according to their SRI score. Each SRI category covers 20% of companies in the ICB2 sector, and the categories are as follows:

- Under watch: issuers who are late in taking ESG issues into account
- Uncertain: issuers whose ESG issues are poorly managed
- Followers: issuers whose ESG issues are passably well managed
- Engaged: issuers who actively take ESG issues into account
- Leaders: issuers among the most advanced in taking ESG issues into account

Companies' ratings, scores and categories are updated once a quarter.

General Information on the Fund

Method for calculating the EET score

1. Relative carbon intensity of a company's activities

When information on GHG emissions per physical unit is available, a double ranking by quintiles is calculated for companies within the sectors concerned: one is based on emissions, the other on emission trends. If not, the ranking by quintiles is calculated based on financed emissions.

These rankings allocate scores ranging from -2 (for the worst quintile) to +2 (for the best quintile).

2. A company's involvement in the energy and ecological transition

A score out of 10 is calculated for the way in which a company manages these issues. A ranking is calculated within the business sectors concerned, resulting in a score being allocated ranging from -2 (for the worst quintile) to +2 (for the best quintile).

Factoring in a company's involvement in green technologies

The SRI research team allocates bonuses to companies depending on the revenues they generate in green technologies, using the following scale:

% REVENUE IN GREEN TECHNOLOGIES	BONUS
≥ 75%	+4
≥ 50%	+3
≥ 25%	+2
≥ 10%	+1

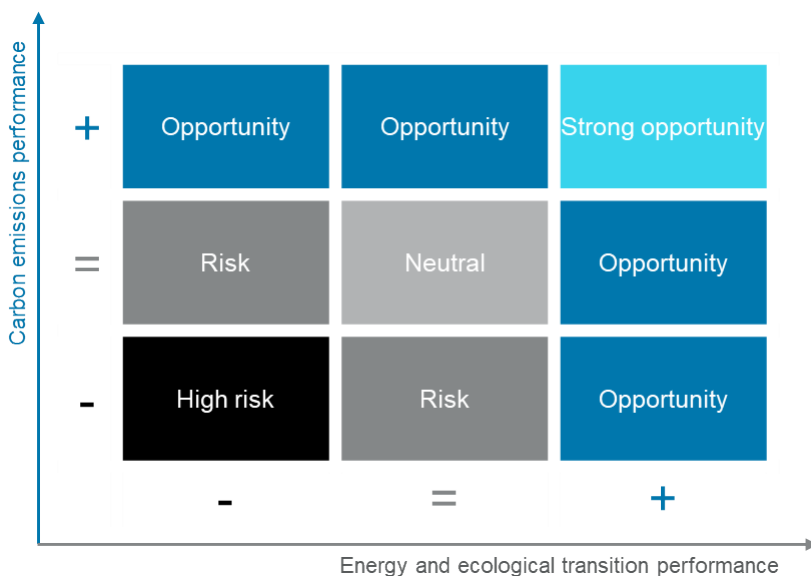
This bonus may be allocated in reference to the company's "energy and ecological transition".

Factoring in the risks relating to thermal coal production

A penalty of -4 is allocated to companies that have majority ownership, be it directly or indirectly, of thermal coal mines.

This penalty may be allocated in reference to the company's "carbon intensity" and "energy and ecological transition".

A selection matrix is drawn up for each carbon-intensive sector by placing carbon intensity along the y-axis and progress on the energy transition along the x-axis.



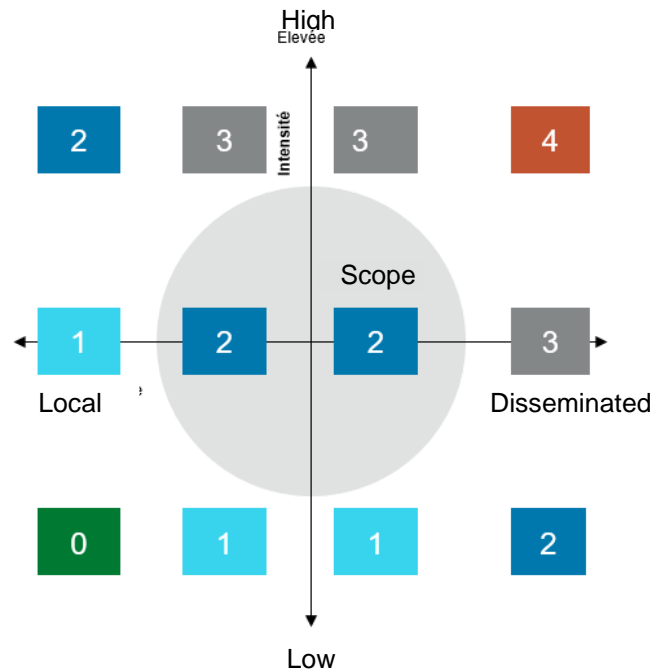
General Information on the Fund

- 3.6. How often is the ESG evaluation of issuers revised? How are the controversies managed?**
- The ESG analysis of company practices is reviewed at least every 18 months. It can also be impacted as it evolves through the analysis of controversies, or as a result of commitment actions.
- The EET analysis is reviewed on an annual basis.
- ESG controversies are systematically monitored and a weekly committee meeting of SRI analysts and managers is held.
 - The themes analyzed are the following:

 <p>CUSTOMERS</p>	<ul style="list-style-type: none"> • Product quality and safety • Customer relations • Privacy and data security • Responsible marketing practices 	 <p>INVESTORS</p>	<ul style="list-style-type: none"> • Investments in controversial projects • Corporate governance
 <p>SUPPLIERS</p>	<ul style="list-style-type: none"> • Child labor • Social rights in the supply chain • Environmental achievements in the supply chain 	 <p>REGULATORS</p>	<ul style="list-style-type: none"> • Corruption, fraud • Anti-competitive practices
 <p>EMPLOYEES</p>	<ul style="list-style-type: none"> • Health and safety • Employment relations • Trade union freedoms • Discrimination 	 <p>CIVIL SOCIETY</p>	<ul style="list-style-type: none"> • Impacts of the activity on local populations • Human rights • Civil liberties
		 <p>ENVIRONMENT</p>	<ul style="list-style-type: none"> • Biodiversity and land use • Toxic waste • Energy and climate change • Water resources

General Information on the Fund

- Controversies are assessed, in five levels, according to their intensity, their dissemination (in time and/or space) and the measures taken, if any, by the company to remedy them:



In case of a company falling in controversy level 4, the position will have to be sold within 3 months

0	Negligible: no material controversy identified
1	Low: limited and/or one-time controversies
2	Average: controversies have a large but limited impact (in time and/or space)
3	High: controversies having a very large impact and/or having a structural character
4	Very high: major controversies dealing with fraud, human rights violations or environmental disasters

Management process

4. Investment process

4.1. How are the results of the ESG research integrated into portfolio construction?

The fund applies three concurrent selection processes:

1. one focusing on the overall consideration of the ESG performance of issuers: exclusion from the investment universe of companies in the SRI category "Under Watch".
2. the second consists in factoring in the "Energy and Ecological Transition" performances of companies operating in "carbon-intensive" sectors and excluding from the investment universe any companies ranked in the "high risk" and "risk" EET categories.
3. and the third on the consideration of environmental practices for emitters in other sectors. (sectors with low greenhouse gas emissions): limitation of companies with the lowest scores (at least 15%) on environmental issues (climate change, natural resources, project financing, toxic discharges, green products).

The following are also excluded:

- Companies holding, directly or indirectly, thermal coalmines or developing new coal-based power generation capacities, based on [the OFI Group's exclusion policy: full exclusion of thermal coal by 2030](#).
- OFI Asset Management wishes to gradually scale back its investments in unconventional gas and oil extraction companies and is aiming for full exclusion of the oil industry by 2050. [Investment policy : oil and gas](#).
- OFI ASSET MANAGEMENT has adopted an exit policy from the tobacco industry by excluding from all its investments the producers in the 1st Euro of Turnover. [Investment policy : tobacco](#).
- Companies that seriously or repeatedly contravene one or more of the ten principles set out in the UN Global Compact, corresponding to the "very high" category of controversies as defined in 3.6.
- Companies operating in excluded activities, such as, gambling (products or services >10% turnover), Conventional weapons (Producers of conventional weapons and/or their essential components > 5% turnover), Uranium mining (> 5% turnover), Nuclear power plant operators and/or manufacturers of essential components for nuclear power plants (> 5% turnover), Nuclear power generation (> 5% turnover), Coal mining (1 euro turnover), Coal-fired power generation (> 10% turnover), Oil sands (> 5% turnover), Fracking (> 5% turnover).

In addition to these filters, which determine the eligible universe, ESG analyses of companies are taken into account when constructing the portfolio.

The maximum investment in a company depends on its SRI category:

MAXIMUM WEIGHTING PER STOCK DEPENDING ON ITS SRI CATEGORY

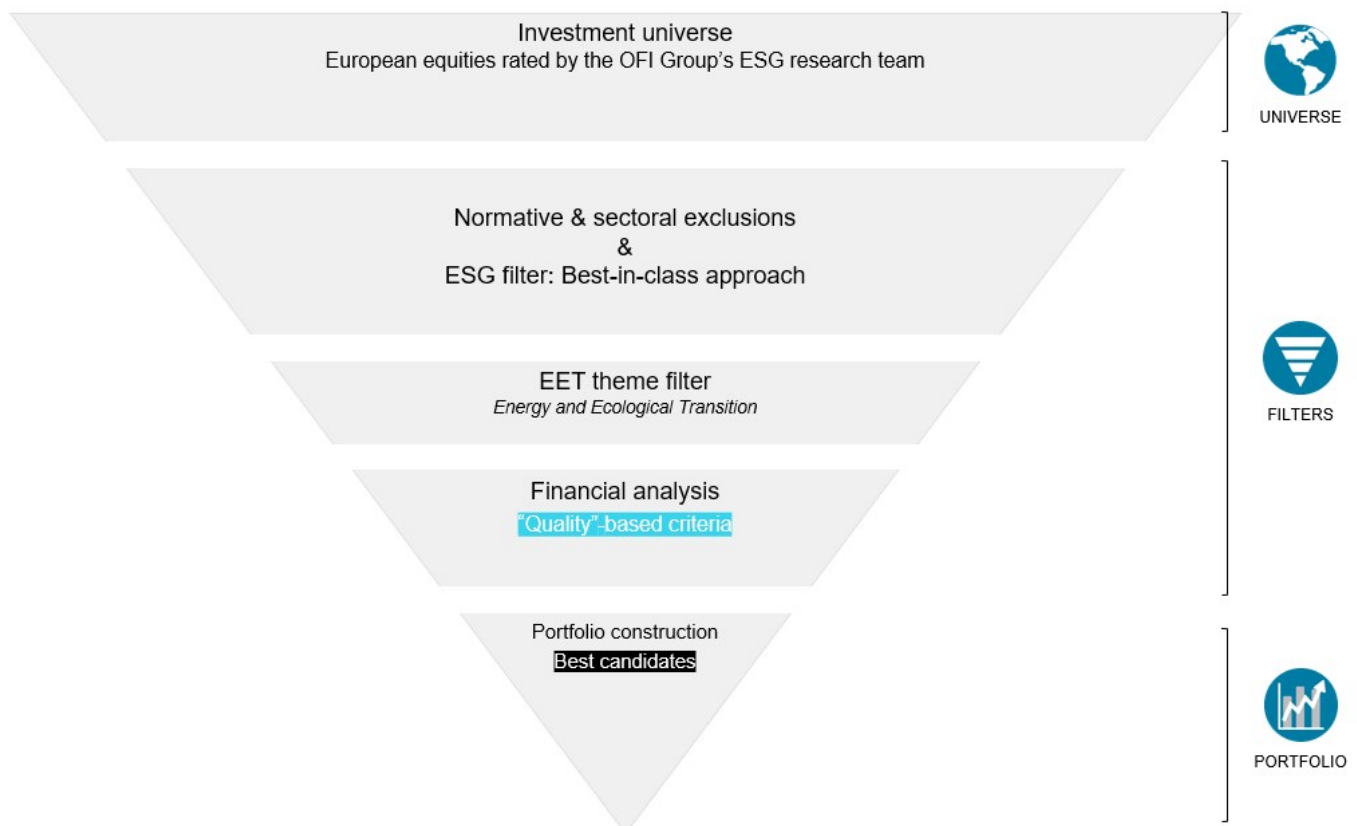
Leaders	Engaged	Followers	Uncertain
10%	6%	3%	2%

Management process

Finally, the Fund will hold at least 15% of its portfolio in companies that present "strong opportunities". So the fund's portfolio might include companies that emit large amounts of greenhouse gases provided they are major participants in Energy and Ecological Transition. These are the very companies that are in the best position to deliver the most improvement.

ESG rated assets will represent at least 90% of assets, including cash, on average over 12 months.

The management process is as follows:



Companies that do not benefit from an ESG analysis, will not be allowed to exceed 10% of the net assets of the portfolio.

When divestments take place in response to a downgrading of a company's ESG rating, these are mentioned in the management commentary in the fund's monthly report.

Management process

4.2. How are the criteria specific to climate change integrated into portfolio construction?

Climate change criteria are taken into account both in the ESG analysis of companies, by taking into account the "Climate Change" theme for sectors of activity where this is a significant issue, and in the EET analysis as described in 4.1.

Meanwhile, the fund applies the [OFI Group's exclusion policy: full exclusion of thermal coal by 2030 and the OFI's Investment policy oil and gas](#): OFI Asset Management wishes to gradually scale back its investments in unconventional gas and oil extraction companies and is aiming for full exclusion of the oil industry by 2050.

4.3. How are the issuers that are present in the portfolio but not subject to ESG analysis evaluated (not including mutual funds)?

The fund may acquire issuers that are not subject to an ESG analysis, but a prior analysis of the level of controversy will be systematically carried out. No company with a "high" or "very high" level of controversy will be acquired.

Companies not subject to an ESG analysis may not exceed 10% of the net assets of the portfolio on average calculated over 12 months. An ESG analysis of the issuer will then be carried out by the SRI division within 3 months.

4.4. Has the ESG Evaluation or investment process changed in the last 12 months? No

4.5. Is a part of the fund invested in entities pursuing strong social goals/social enterprises? No

4.6. Does the fund engage in securities lending activities? No

4.7. Does/do the fund(s) use derivative instruments? Yes

The use of derivatives is limited to transactions made as an exposure or hedge through futures on the fund's benchmark.

Derivatives are used to steer the fund's overall exposure efficiently and at lower cost in the event of:

- sharp swings in subscriptions or redemptions;
- market events likely to have a material impact on fund performance (e.g., macroeconomic indicators, central bank interventions, etc.).

4.8. Does the fund invest in mutual funds? No

Control and reporting

5. ESG controls

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?

The managers have integrated SRI scores in all their tools: selection filters (pre-trade), dashboards, etc.

They therefore continuously monitor the compliance of the portfolios with the defined ESG rules.

The Middle Office monitors ex-post compliance with SRI management constraints.

The DCCI ensures that any ratio overruns are rectified.

If the portfolio no longer complies with these rules, for example if the ESG rating of an issuer in the portfolio is downgraded, the managers shall comply as soon as possible.

6. Impact measurements and ESG reporting

6.1. How is the ESG quality of the fund(s) assessed?

The fund's monthly reporting includes a section on the fund's ESG analysis, which includes a comparison of the distribution of the fund's assets under management and the index by SRI category and EET category.

6.2. What ESG indicators are used by the fund(s)?

The annual SRI assessment of the fund includes publication of:

- The weighted average ratings of the Environmental, Social and Governance aspects, the portfolio and its index,
- A performance indicator in the "Environmental" area: the greenhouse gas emissions indirectly financed by the portfolio and its index, calculated using the "Portfolio Carbon Footprint" methodology.
- Performance indicator in the Social domain:
 - Percentage of women on the Boards of Companies
- Performance indicator for the "Governance" domain:
 - Percentage of independent members on company boards
- Human Rights Performance Indicator:
 - Percentage compliance with United Nations Global Compact principles

We commit to beat the benchmark on the "Environmental" performance indicator: greenhouse gas emissions (indirectly financed by the portfolio and its index), calculated according to the "Carbon footprint of portfolios" methodology with a coverage rate of more than 90%.

We commit to beat the benchmark on the performance indicator "Human Rights": % compliance with the principles of the United Nations Global Compact with a coverage rate of more than 70%.

Control and reporting

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

All the information documents concerning this fund are available on the website:

www.ofi-am.fr/, category "Funds", "Equities", "OFI RS EQUITY CLIMATE CHANGE PART" then tab "Documentation":

- Product sheet: summary presentation of the fund
- Prospectus and the DICI
- Monthly reporting
- Annual SRI assessment
- Annual activity report
- This Transparency Code

6.4. Does the fund management company publish the results of its voting policy and engagement policy?

The Voting Policy and the Commitment Policy are an integral part of the ESG analysis process.

They are the subject of annual reports that can be accessed online via the following links:

- [Voting report](#)
- [Commitment report](#)

Definitions

ESG criteria	Environmental, Social and Governance
Environmental Division	Means the direct or indirect impact of an issuer's activity on the environment.
Social Dimension	Relating to the direct or indirect impact of an issuer's activity on stakeholders, with reference to universal values (including human rights, international employment standards, anti-corruption, etc.).
Governance Dimension	All the processes, regulations, laws and institutions that influence the way in which the company is managed, administered and controlled. It also includes the relationships among the many stakeholders and the objectives that govern the company. These key stakeholders include, among others, the company's shareholders, management and board of directors.
SRI	"SRI (Socially Responsible Investment) is an investment that aims to reconcile economic performance with social and environmental impact by financing companies and public entities that contribute to sustainable development irrespective of their sector of activity. By influencing governance and the behavior of stakeholders, SRI promotes a responsible economy". (AFG - FIR, July 2013)
Issuers	All entities (companies, states, agencies, supranationals or local authorities) that tap the market to finance themselves by issuing shares, bonds and other financial securities.
Commitment	Funds whose objective is to influence the behavior of companies invested to improve their environmental, social or governance practices. Commitment themes must be defined and the follow-up of commitment actions (individual or collective dialog, voting at general meetings, submission of resolutions) must be documented.
Exclusion	<p>There are two types of exclusions that the funds may apply:</p> <ul style="list-style-type: none"> • NORM-BASED EXCLUSIONS Norm-based exclusion consists in ruling out companies that do not observe certain international standards or conventions (human rights, ILO convention, Global Compact, etc.) and countries that have not ratified certain international treaties or agreements. • SECTORAL EXCLUSIONS Sectoral exclusions consist of excluding companies in sectors such as alcohol, tobacco, armaments, gambling and pornography for ethical or public health reasons, or GMOs, nuclear, thermal coal, etc. for environmental reasons. <p>The only exclusions resulting from a regulatory ban (e.g. controversial weapons, countries under embargo.etc.) are not sufficient to characterize an exclusionary approach.</p>
Impact investing	<p>Funds that invest in companies or organizations whose primary goal is to generate a positive environmental or social impact. The impact induced by the investments must be measurable.</p> <p>In France, impact investing can be assimilated to solidarity funds that invest in companies in the social and solidarity economy (SSE).</p>

Definitions

ESG incorporation

ESG integration means that a management company provides its managers with information gleaned from Environmental, Social and Governance (ESG) analysis so that they can take them into account in their investment decisions. ESG integration relies on appropriate resources: organized access to ESG research, portfolio ESG or carbon score or any other ex-post monitoring indicator. It aims to improve understanding of the risks and opportunities associated with each issuer.

ESG selection

This approach consists of selecting issuers with the best environmental, social or governance practices. ESG selection can take several forms:

- best-in-class: selection of issuers with the best ESG practices within their industry. This approach includes all sectors of the economy;
- best-in-universe: selection of issuers with the best ESG practices regardless of their sector of activity;
- best effort: selection of issuers demonstrating an improvement in ESG practices over time.

ESG theme

Funds that specialize in environmental, social or governance themes. They invest in issuers whose products or services contribute to generating profits in line with the investment strategy. Selected companies must meet a minimum set of ESG requirements such as active monitoring of environmental (E), social (S) and governance (G) controversies and be subject to a demonstration of their E or S or G impact.

Commitment by the AFG and the FIR

The AFG and the FIR will ensure the promotion and the widest possible dissemination of this Code. To this end, they undertake to publish a list of the names of funds that have signed this Code, on their respective websites.

www.afg.asso.fr

www.frenchsif.org

The AFG and the FIR cannot assume any legal or other liability for incorrect or misleading information provided by the signatory funds in their responses to this Transparency Code.



The *Association Française de la Gestion Financière* (AFG) represents and promotes the interests of third-party asset management professionals. It brings together all players in the asset management business, whether individual (mandates) or collective players. The latter manage nearly €4,000 billion in assets, including €1,950 billion in funds under French law and around €2,050 billion in mandates and funds under foreign law.

AFG decided very early on to lend its full support to the development of responsible investment in France.

This involvement is part of its more global action to promote long-term savings (equity savings, employee savings and retirement savings) and asset quality (particularly in terms of corporate governance), which are levers for the sound financing of our economy and the protection of citizens against life's risks.

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The *Forum pour l'Investissement Responsable* (FIR) is a multi-stakeholder association that brings together investors, management companies, ESG rating agencies, consultants, civil society actors, NGOs, trade unions and committed personalities: lawyers, researchers, journalists, etc.

FIR's missions include advocacy with public authorities and dialog with companies on environmental, social and governance issues. The FIR is also at the initiative of the European Research Prize "Finance and Sustainable Development". This prize, which is associated with the PRIs (Principles for Responsible Investment), has been awarded every year since 2005 for the best academic work. The Forum coordinates the Responsible Finance Week that it created in 2010.

The FIR is one of the founding members of Eurosif.

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www.frenchsif.org

Commitment by the AFG and the FIR



The European Responsible Investment Forum (Eurosif) is the European Association for the promotion of sustainable and responsible investment practices. Eurosif is a not-for-profit organization working in partnership with its members, as the European national forums share the same mission and rely on a network of partners. This network brings together a wide range of stakeholders in the responsible investment industry, from fund managers to their specialized service providers such as extra-financial rating agencies for example. Based in Brussels, Eurosif focuses mainly on advocacy activities in favor of SRI and the integration of sustainable development issues in investment with the European institutions, on the promotion of the European Code of Transparency and on research and reflection on market practices and their evolution.

Today, Eurosif is the European reference organization for any player interested in the development of responsible investment practices.

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www.eurosif.org

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