

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 ISR Actions Japon**

LEI: **969500ZBKJXW1KQHLB43**

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?

The Ofi Invest ISR Actions Japon 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 will invest between 60% and 100% of net assets on the Japanese listed equity market and between 0% and 40% of net assets in debt securities and money market instruments issued on the Japanese market. These securities exhibit best practices in terms of managing the ESG issues specific to their sector of activity, in accordance with the MSCI ESG Research ESG rating methodology.

These securities will be from the Japanese market and, within the limit of 10% of net assets, will include securities from other countries, including emerging markets.

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

Themes taken into account in the review of good ESG practices include, for example:

- Environmental: carbon emissions, water stress, biodiversity, toxic emissions or waste
- Social: management and development of human capital, occupational health and safety, product quality, data security
- Governance: board independence, audit costs, remuneration policy, business ethics

The reference benchmark, Topix (Tokyo Stock Price Index) Net Total Return or Topix (Tokyo Stock Price Index) Net Total Return Euro Hedged, is used for financial performance measurement objectives. This benchmark has been chosen independently

● ***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:

- The ESG score calculated according to the MSCI ESG Research rating. For the method used to calculate this score, please refer to the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".
- The percentage of companies with the lowest ESG performance excluded according to the Best-in-Class approach (i.e., 20% of each sector in the investment universe).

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

- Carbon intensity,
- The share of independent board members.

● ***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 Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

Yes

No

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 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		Measuring element
Climate and other environment-related indicators		
GHG intensity	1. GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
	2. Carbon footprint	Carbon footprint (Scope 1, 2 and 3 GHG / EVIC emissions)
	3. GHG intensity of investee companies	GHG intensity of investee companies (Scope 1, 2 and 3 GHG / CA emissions)
4. Exposure to companies active in the fossil fuel sector	5. Share of non-renewable energy consumption and production	Share of investment in companies active in the fossil fuel sector
		Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources, compared to renewable energy sources, expressed as a percentage of total energy sources
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
6. Energy consumption intensity per sector with high climate impact		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters		
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises

	12. Unadjusted gender pay gap	Unadjusted average gender pay gap in investee companies
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons
Climate and other environment-related indicators		
Water, waste and material emissions	7. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters		
Anti-corruption and anti-bribery	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

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 aims to invest in issuers with the best practices in terms of managing the ESG issues specific to their sector of activity, in accordance with the MSCI ESG Research ESG rating methodology.

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

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

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy used to select the investments to attain each of the environmental and social characteristics promoted by the Fund are as follows:

The Fund’s investment universe comprises the constituent securities of the TOPIX Index in Euro.

A Best-in-Class filter is applied by selecting only the best-rated companies in their sector, based on ratings provided by the external provider MSCI ESG Research. Therefore, to form part of the eligible investment universe, the company must not be in the bottom 20% of its sector. The MSCI ESG Research reference system identifies 35 criteria across 10 themes, with a difference in the weighting of criteria for each sector based on their materiality for that sector:

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

3 pillars	10 themes	35 criteria, including:
Environment	Climate change	Carbon emissions, energy efficiency, carbon footprint, vulnerability to climate change
	Natural resources	Water stress, raw materials, biodiversity
	Pollution and waste	Toxic emissions and waste, electronic waste, packaging waste
	Environmental opportunities	Green buildings, green technology, renewable energy
Social	Human capital	Health and safety at work, labour management, human capital development
	Product liability	Product quality and safety, data security, responsible investment
	Objection of stakeholders	Controversial procurement, relations with the Community
	Social opportunities	Access to communication services, access to health services, access to finance services
Governance	Corporate governance	Board of Directors, remuneration, structure, accounting
	Corporate conduct	Business ethics, tax transparency

Controversy analysis is an integral part of the ESG analysis process: it allows the company's declarations and commitments to be compared with its practices. This analysis is performed on a weekly basis. According to the MSCI ESG Research policy, the data underlying the ESG score are updated at least once every 18 months.

Assets forming the subject of an ESG rating represent at least 90% of assets. Within a maximum limit of 10% of net assets, the manager may pick stocks or securities that do not have an ESG score based on the MSCI ESG Research rating (such as debt securities or companies not covered by the MSCI ESG Research ESG analysis).

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

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

The committed minimum rate corresponds to the exclusion from the Fund's investment universe, in each sector and at any time, of 20% of securities with the lowest ESG rating according MSCI ESG Research.

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

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

1. Analysis of governance practices within the rating based on MSCI ESG Research scores: the Board of Directors, remuneration structure, accounting, business ethics and tax transparency are criteria assessed in the Governance pillar.
2. Weekly monitoring of social and environmental controversies, carried out by the Management Company's teams.
3. The Management Company's exclusion policy related to the UN Global Compact, including its Principle 10: "Businesses should work against corruption in all its forms, including extortion and bribery"¹. Companies which are dealing with serious and/or systemic controversies on this principle on a recurrent or frequent basis, and which have not implemented appropriate remedial measures, are excluded from the investment universe.
4. The voting and shareholder engagement policy, for securities invested in equities. This policy is based on the most rigorous governance standards (G20/OECD Principles of Corporate Governance, AFEP-MEDEF Code, etc.). Firstly, in connection with the voting policy, the Management Company may have recourse to several actions in the context of general meetings (dialogue, written questions, filing of resolutions, protest votes, etc.). In addition, the engagement policy is reflected in dialogue with certain companies, not only in order to have additional information on their CSR strategy, but also to encourage them to improve their practices, particularly in terms of governance. This engagement policy is subject to an escalation process, which may also result in the filing of a resolution or a protest vote.

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

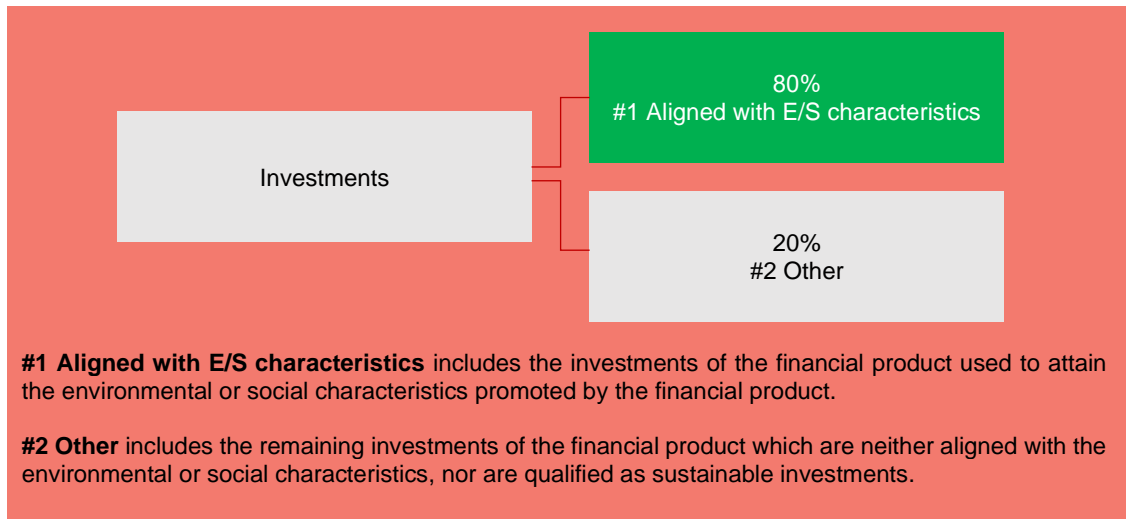


What is the asset allocation planned for this financial product?

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.
- **operating 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 impinging on the environmental and/or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria applicable to **fossil gas** include emission limitations and switching to renewable electricity or low-carbon fuels by the end of 2035. As far as **nuclear energy** is concerned, the criteria include comprehensive rules on nuclear safety and waste management.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

The Fund 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%.

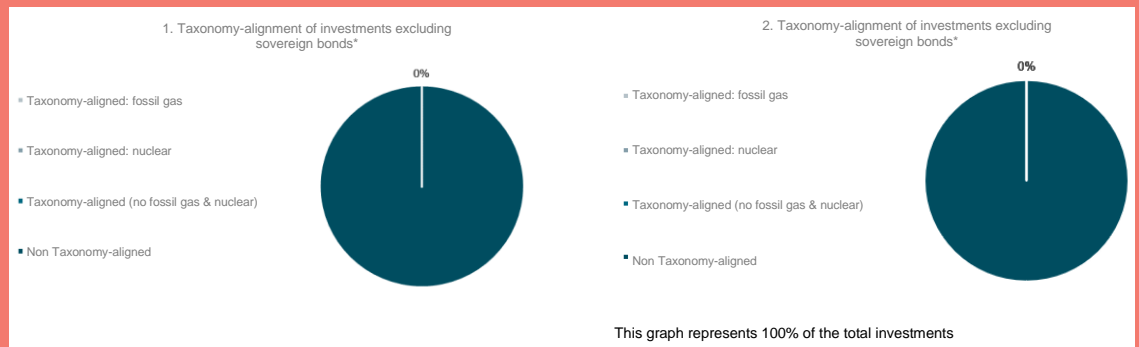
● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹ ²

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 purposes 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 which are limited to specific situations in order to allow occasional hedging against or exposure to market risks within a total limit of 10%,
- All securities that do not have an ESG score 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? More product-specific information can be found on the website:

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