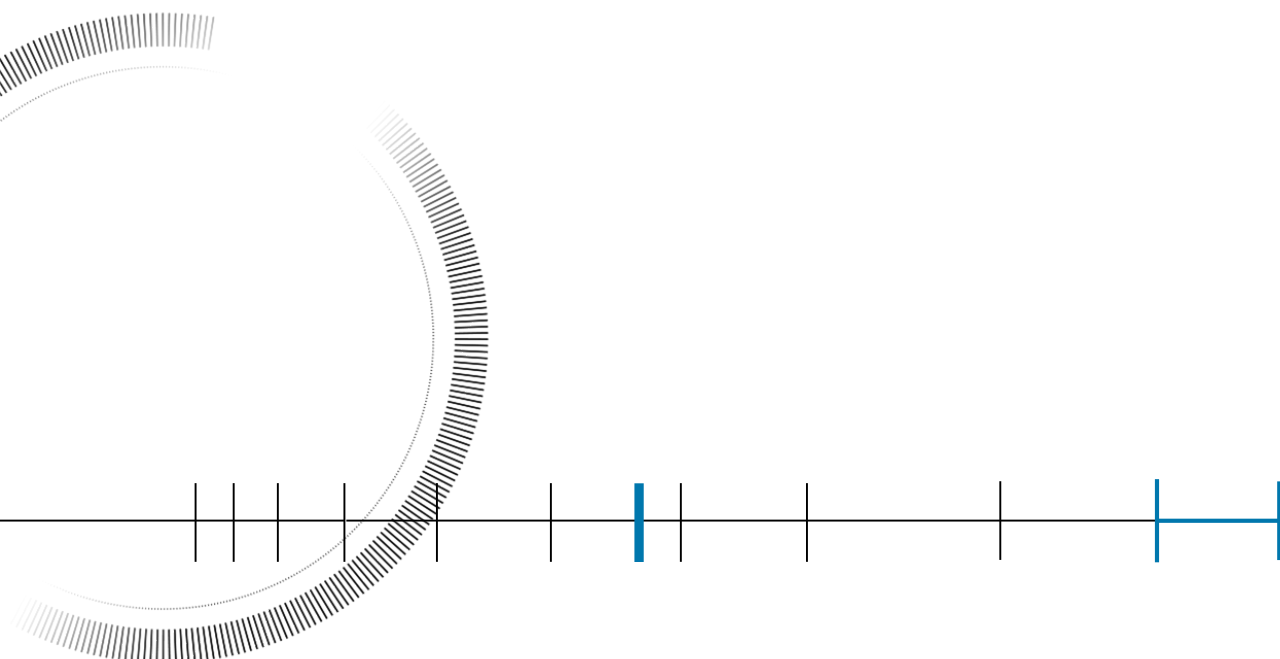


# Socially responsible investment Code of transparency

OFI Invest RS Ethical European Equity



**Declaration of Commitment**

Socially responsible investment is an essential element of the strategic positioning and management of the OFI Invest RS Ethical European Equity fund. The OFI Group has been active in SRI since 1997 and we are pleased to implement the Code.

Application of the Code covers the period august 2018 to july 2019. Our full response to the SRI Code of Transparency is provided below and may be accessed via a weblink as stated in the annual report of each of our SRI funds open to the public and on our website.

**Compliance with the Code of Transparency**

The management company OFI Lux undertakes to maintain transparency and we believe that we do so to the greatest possible extent in the light of the applicable regulatory and competitive environment in the country of operation. The OFI Invest RS Ethical European Equity fund complies with all the recommendations of the Code.

31<sup>st</sup> august 2018

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# General information

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## THE MANAGEMENT COMPANY

### **1a - Name of the management company responsible for the fund(s) to which the Code applies.**

OFI Lux - 6, route de Trèves – L-2633 LUXEMBOURG

Provider: OFI ASSET MANAGEMENT – 22, rue Vernier – 75017 PARIS Website: [www.ofi-am.fr](http://www.ofi-am.fr)

### **1b - Present the general approach of the management company outlining how it takes into account environmental, social and governance (ESG) criteria.**

- Is the general approach of the management company compliant with its policy of corporate social responsibility (CSR)? Yes

Link: <https://www.ofi-am.fr/corporate>

- Is the management company a PRI signatory? Yes, at OFI Group level

Link: <https://www.ofi-am.fr/politique-isr>

- Is the management company a signatory or member of other international and/or national initiatives supporting SRI practices?

The OFI Group is also a signatory of the Carbon Disclosure Project (CDP), the CDP Water Disclosure and is a member of the ICGN.

- Does the management company have a defined ESG engagement policy? Yes

Link: [https://www.ofi-am.fr/pdf/ISR\\_politique-engagement.pdf](https://www.ofi-am.fr/pdf/ISR_politique-engagement.pdf)

- Does the management company have a defined voting policy? Yes

Link : [https://www.ofi-am.fr/pdf/ISR\\_politique-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_politique-de-vote.pdf)

- Present how the management company or group participates in the promotion and circulation of SRI.

## THE OFI GROUP

- is a signatory of the Principles for Responsible Investment (PRI), the Carbon Disclosure Project (CDP), the CDP Water Disclosure, the Forest Footprint Disclosure Project (FFDP) and is a member of the ICGN.
- actively participates in the work of the FIR (Forum pour l'Investissement Responsable, a French social investment forum) and the SRI and Corporate governance committees of the AFG.

### **1c - Present a list of the SRI funds and specific resources dedicated to the SRI business.**

The OFI Group offers investors a complete range of SRI solutions. Multiple asset classes and management formats are covered by the SRI teams: direct management or multi-management, cash products, socially-responsible equities and funds.

Our range of SRI funds is one of the most complete on the French market.

Regularly in receipt of awards and quality labels, the SRI expertise of the OFI Group is directly integrated within the various investment processes: upstream for SRI assessment of the issuers and reports sent to investors.

# General information

| NOM DU FONDS                                  | TYPE DE FONDS  |
|---|----------------|
| Avenir Partage ISR                            | ACTIONS        |
| MACIF Croissance Durable et Solidaire         | ACTIONS        |
| MAIF Croissance Durable                       | ACTIONS        |
| MAIF Retraite Croissance Durable              | ACTIONS        |
| OFI Actions Euro                              | ACTIONS        |
| OFI RS Euro Equity                            | ACTIONS        |
| OFI RS European Growth Climate Change         | ACTIONS        |
| OFI RS Euro Equity Smart Beta                 | ACTIONS        |
| OFI Invest – RS Ethical European Equity       | ACTIONS        |
| FCPE MACIF Croissance Durable et Solidaire ES | ACTIONS        |
| FCPE MACIF Dynamique ES                       | DIVERSIFIÉ     |
| FCPE MACIF Equilibre ES                       | DIVERSIFIÉ     |
| FCPE MACIF Prudent ES                         | DIVERSIFIÉ     |
| FCPE MACIF Court Terme ES                     | MONÉTAIRE      |
| Harmonie Allocation                           | DIVERSIFIÉ     |
| OFI RS Prudent                                | DIVERSIFIÉ     |
| OFI RS Equilibre                              | DIVERSIFIÉ     |
| OFI RS Dynamique                              | DIVERSIFIÉ     |
| OFI RS Monétaire Court Terme                  | MONÉTAIRE      |
| OFI RS Liquidités                             | MONÉTAIRE      |
| OFI RS Monétaire                              | MONÉTAIRE      |
| OFI RS Euro Credit Short Term                 | TAUX ET CRÉDIT |
| OFI RS Euro Investment Grade Climate Change   | TAUX ET CRÉDIT |
| OFI Obligations ISR                           | TAUX ET CRÉDIT |
| FCPE MACIF Obligations Europe ES              | TAUX ET CRÉDIT |
| OFI RS European Convertible Bond              | CONVERTIBLES   |
| OFI RS Euro Convertibles Bond Defensive       | CONVERTIBLES   |

A list of assets under management and all the documentation related to the SRI funds is available at the following address: <https://www.ofi-am.fr/produit>

The OFI Group benefits from an SRI research team consisting of 6 experienced employees whose skills notably include expertise in specific sectors or in corporate governance. The team becomes involved both upstream of the investment process, for the purposes of the non-financial assessment of issuers, and downstream, monitoring the SRI aspect of the portfolios and providing support to fund managers and investors.

## **1d - Describe the content, frequency and resources used by the management company to inform investors about the ESG criteria taken into account.**

Investors are informed about the ESG criteria taken into account via this Code of Transparency and via information about the ESG analysis of companies in the portfolios published in the monthly fund reports.

These documents are available on the [www.ofi-am.fr](http://www.ofi-am.fr) website, in the "Products" tab.

# General information

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## THE SRI FUND

### **1e - Provide the name of the fund to which the Code applies, including its main features.**

The Code applies to the OFI Invest RS Ethical European Equity subfund of the Luxembourg SICAV 'OFI Multiselect'. OFI Invest RS Ethical European Equity is a multi-manager UCITS/SICAV fund invested in equities. It consists of management mandates entrusted to management companies selected by the OFI AM Multi-management team. Currently there are three selected management companies: Kempen Capital Management, OFI AM and De Pury Pictet Turretini.

The detailed features of OFI Invest RS Ethical European Equity may be viewed on the [www.ofi-am.fr](http://www.ofi-am.fr) website

Details of the equities held in the portfolio are published half-yearly on the [www.ofi-am.fr](http://www.ofi-am.fr) website, in the "Products" tab followed by "Equities" and "Documentation".

### **1f - What are the objectives targeted by taking into account ESG criteria for the fund(s)?**

Environmental, Social and Governance issues represent areas of risk which can have significant financial impact on issuers and on sustainability. Furthermore, issuers whose growth strategy includes a response to the challenges of sustainable development create opportunities which support their economic development. Within this context, ESG analysis supplements and enhances traditional financial analysis.

Our objective is both to refine analysis of our investment universe by including ESG issues associated with issuers' practices and activities, and to enable clients who so wish to implement an SRI policy in line with their own values within the framework of dedicated management.

#### Objectives related to private issuers

The inclusion of ESG analysis is designed to anticipate new risks associated with ESG issues in order to reduce volatility and to improve the quality of our clients' portfolios of financial assets without diminishing performance.

Furthermore, we act as responsible shareholders by establishing constructive dialogue with companies to enhance their consideration of corporate governance issues. This dialogue, which not only concerns CSR performances, but also sectorial or transversal subjects, gives us the opportunity to raise companies' awareness about the importance for investors for their CSR practices. Our aim is to prevent greenwashing and a communication of companies which would be unrelated with their effective practices.

#### **Exclusion policy**

Excluded from all three mandates are:

- Companies involved in the following activities:
  - Ammunitions and weapons
  - Gambling, casinos and equivalent enterprises
  - Pornography, prostitution
  - Tobacco
  - Alcoholic beverages
  - Thermal coal mining
  - Coal Plant Developpers
  - Nuclear energy and radioactive materials.
  - Tar sands, shale gas, arctic drilling

- Also excluded are companies that make use of:

Products, services or activities involving human trafficking, forced labour or child labour as defined by the International Labour Organisation (ILO) conventions Products, services or activities deemed illegal under international conventions and agreements.

# General information

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The detailed exclusion policy of OFI Invest RS Ethical European Equity is available on the [www.ofi-am.fr](http://www.ofi-am.fr) website in the "Products" tab, followed by "OFI Invest RS Ethical European Equity".

The aforementioned exclusion criteria are common to all three mandates. Each fund manager reserves the right to apply additional exclusion criteria or stricter criteria than those set out in the OFI Invest RS Ethical European Equity Exclusion policy.

# Mandate managed by Kempen Capital Management

## Issuers' ESG assessment methodology

### 2a - What are the fundamental principles on which the ESG assessment methodology is based?

Our philosophy regarding socially responsible investment:

Our SRI approach is designed to optimise investment returns while taking into account exposure to the environmental, social and ethical challenges faced by the companies in which we invest.

We believe that:

- Companies that meet or exceed our ESG criteria are less exposed to the risk of compromising their reputation
- The inclusion of ESG criteria in our decision-making processes and in our dialogue with the companies improves the ability of the companies to incorporate ESG issues at a strategic level

### 2b - What internal and external resources are exploited to carry out this analysis?

The SRI policy is defined and updated by an "ESG Committee" composed of managers at KCM and two independent members.

ESG analysis of companies is carried out by internal analysts and subsequently validated by an independent company, ACTIAM.

### 2c - What are the main ESG analysis criteria?

Analysis of companies is based on the three areas of ESG and on any controversial activities:

| POSITIVE  |  |   | NEGATIVE   |
|---|--|---|--|
| Business Ethics & Governance  | Social Performance   | Environmental Performance   | Controversial Activities*  |
| <ul style="list-style-type: none"> <li>Ethical code of conduct</li> <li>Integrity &amp; transparency</li> <li>Compliance</li> <li>Social responsibility</li> <li>Integration in procedures &amp; strategy</li> <li>KPI Reporting</li> <li>Active monitoring auditing &amp; reporting</li> </ul> | <ul style="list-style-type: none"> <li>Policy on human resources and reach</li> <li>Social strategy in "risk countries"</li> <li>Screening of social performance of:</li> <li>Suppliers</li> <li>Public service commitments</li> <li>KPI Reporting</li> <li>Active monitoring &amp; reporting</li> </ul> | <ul style="list-style-type: none"> <li>Environment policies</li> <li>Environmental Management System</li> <li>Auditing / ISO certification</li> <li>Carbon Emission intensity</li> <li>Green innovation</li> <li>KPI Reporting</li> <li>Auditing &amp; transparent reporting</li> </ul> | <ul style="list-style-type: none"> <li>Weapons &amp; armaments</li> <li>Animal testing</li> <li>Gambling</li> <li>Tobacco</li> <li>Alcohol</li> <li>Nuclear energy</li> <li>Pornography</li> <li>Genetic engineering</li> <li>Factory Farming</li> <li>Corruption</li> <li>Human &amp; labour rights abuses</li> </ul> |

### 2d - What is the ESG analysis and assessment methodology (construction, assessment scale, etc.)?

Companies are analysed by an independent company, ACTIAM. The analyses are then examined by Kempen Asset Management, which verifies the information provided directly by companies and establishes contact with the companies' senior management.

| Interest expressed by an analyst   | Study by the ESG analysis team   | Dialogue with the company   | Results sent to ACTIAM for validation  | Dialogue with the company  | Post-validation by ACTIAM   |
|--|--|---|--|--|---|
| <ul style="list-style-type: none"> <li>Major financial assessment</li> <li>Fund manager meetings with the company</li> </ul> | <ul style="list-style-type: none"> <li>Annual report, website</li> <li>Information requested from the company</li> </ul> | <p>Dialogue</p> <ul style="list-style-type: none"> <li>With analysts about weaknesses</li> <li>With fund managers about critical areas</li> </ul> | <ul style="list-style-type: none"> <li>ACTIAM validates the research carried out by Kempen</li> <li>ACTIAM determines the status of the company</li> </ul> | <ul style="list-style-type: none"> <li>ESG analysts:</li> <li>Suggest areas of improvement</li> <li>Hold discussions with fund managers</li> </ul> | <ul style="list-style-type: none"> <li>ACTIAM assesses the company's ESG improvement efforts</li> </ul> |

### 2e - How frequently is ESG assessment reviewed?

The assessment process is carried out continually throughout the year. Assessments are reviewed annually.

### 3a - How are ESG criteria taken into account when defining the eligible investment universe?

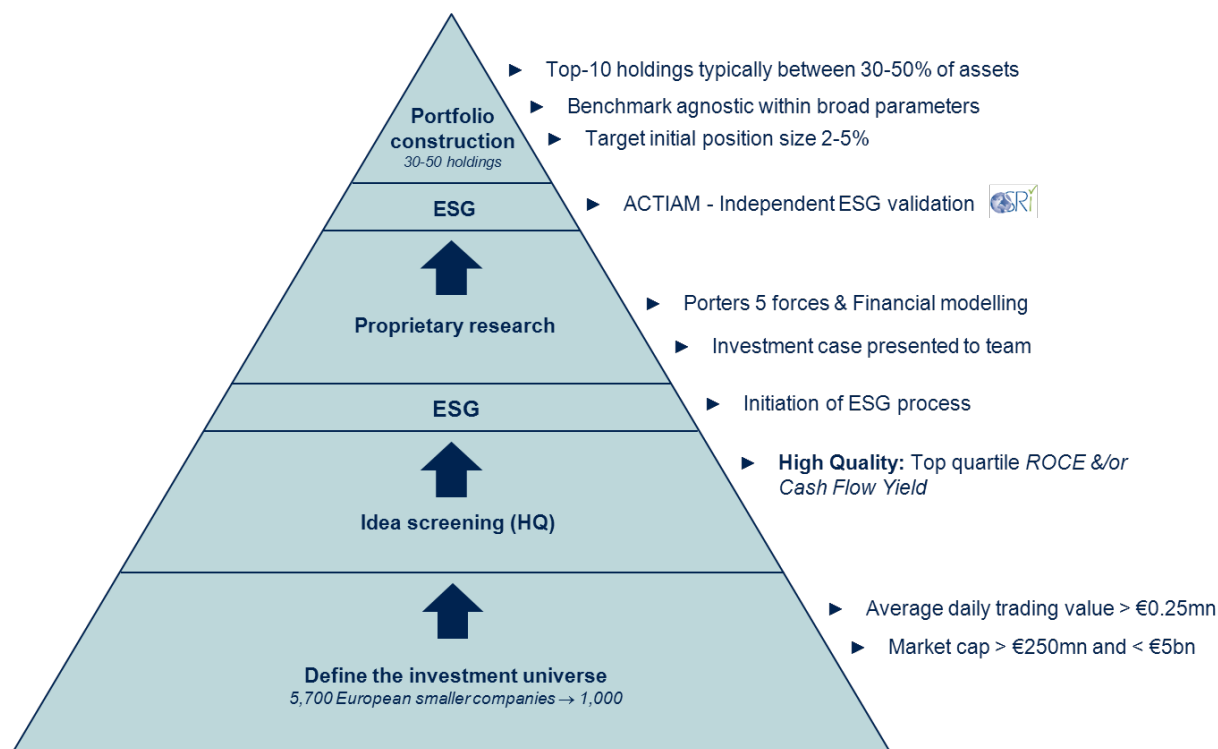
The status of companies analysed, as accorded by ACTIAM depending on the assessment obtained for the three ESG fields: Business Ethics, Social Performance and Environmental Performance, is as follows:

- "Pass": if the company is given a positive rating for at least two of the three ESG fields: the company is eligible for the investment universe.
- "Provisional": if the company obtains a positive rating for only one of the ESG fields. In such cases the company is eligible for the investment universe for only one year. Active dialogue is entered into with such companies: if after one year it has failed to make any progress in the ESG fields it will be removed from the eligible investment universe.
- "Fail": if the company pursues controversial activities, refuses to enter into dialogue about the ESG fields or lacks transparency in the fields. In such cases the company is excluded from the investment universe. The exclusion criteria associated with controversial activities relate to: nuclear energy, weapons, military armaments, tobacco, alcohol, genetic engineering, animal testing and pornography.

Only companies that obtain "Pass" or "Provisional" status, and which are not affected by the Exclusion Policy set out on page 4, may be admitted to the investment universe of the Mandate.

### 3b - How are ESG criteria taken into account when constructing the portfolio?

The mandate investment process is as follows:





### 2a - What are the fundamental principles on which the ESG assessment methodology is based?

The ESG assessment methodology is founded on analysis of the issues associated with the Environment and Social fields identified by exhaustive examination based on reference documents, notably: The Universal Declaration of Human Rights, the Kyoto Protocol, the United Nations Global Compact, ILO Conventions, OECD Guidelines for multinational companies and European Directives and Regulations affecting the fields. Governance issues are identified via OECD principles and a set of legislative and regulatory texts and codes of good practice (hard and soft laws).

The assessment is carried out in three stages:

- |   |   |  |
|---|---|--|
| 1 | <b>Identification of ESG issues</b>               | <ul style="list-style-type: none"> <li>• Founding texts</li> <li>• Watch</li> </ul>                              |
| 2 | <b>Determination of key issues</b>                | <ul style="list-style-type: none"> <li>• Potential impact</li> <li>• Key issue targeting</li> </ul>              |
| 3 | <b>Analysis of issue management by the issuer</b> | <ul style="list-style-type: none"> <li>• Issuer's exposure</li> <li>• Observed behaviour (indicators)</li> </ul> |

### 2b - What internal and external resources are exploited to carry out this analysis?

The SRI research team carries out detailed analysis of the environmental and social issues specific to each business sector and also establishes the governance issues.

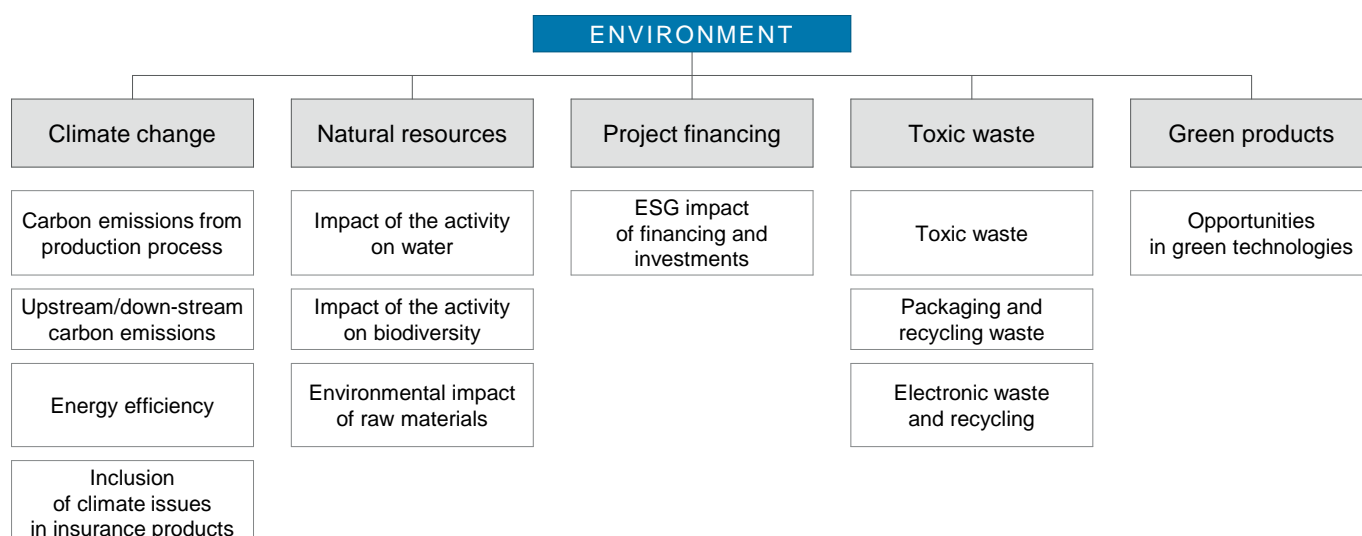
It uses data from multiple information sources: non-financial analysis agencies, broker analyses, news and investigations of issuers. This analysis is also enhanced by the analysis of any ESG controversies and by the outcome of engagement activities undertaken.

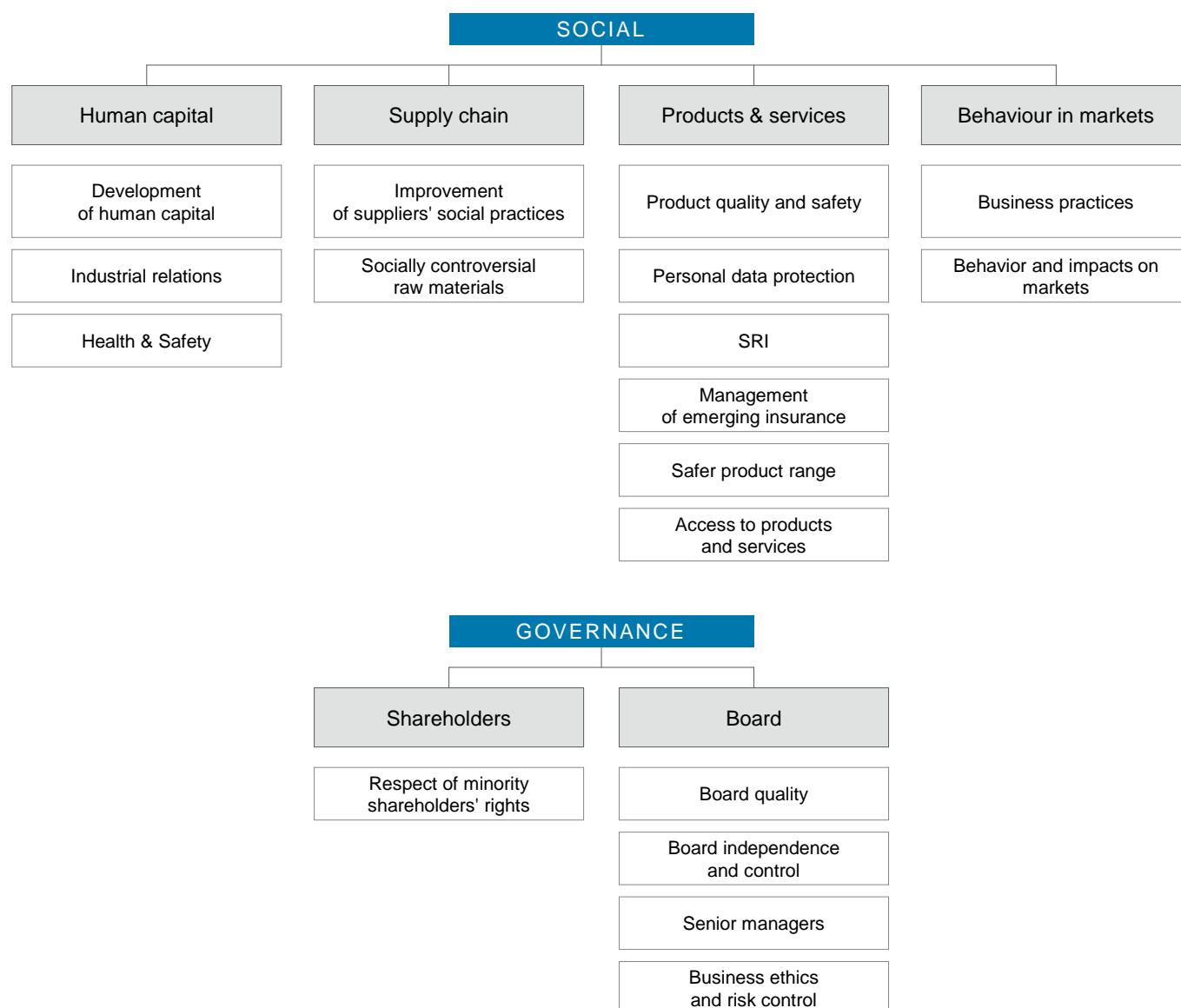
Osiris, an internal tool dedicated to SRI, provides automated and quantitative processing of data from numerous information sources.

### 2c - What are the main ESG analysis criteria?

For private issuers:

The issues analysed are as follows:

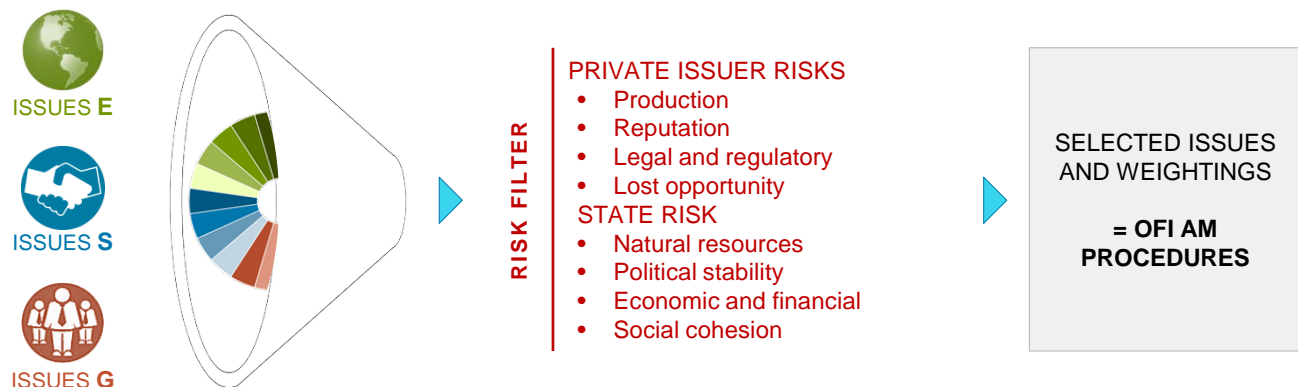




### 2d - What is the ESG analysis and assessment methodology (construction, assessment scale, etc.)?

Analysis is carried out in accordance with an internally defined procedure resulting from the analysis of risks likely to impact the issuer's stakeholders as well as the issuer itself:

- Production risk
- Legal & regulatory risk
- Reputational risk
- Loss of opportunity risk



The level of risk resulting from the analysis determines which issues are to be considered "key" for each business sector, including weighting for each issue within the overall ESG rating.

The calculation method for the ESG rating is as follows

#### For private issuers

Based on the key issue procedure for each sector, an ESG score is calculated for each issuer comprising on one hand a score based on the Environmental and Social (E and S) key issues and on the other hand comprises a score on the Governance (G) key issues.

Governance issues include a fixed weighting of 30% of the company's governance and a variable weighting between 10% to 40% representing the risk level induced by the executives or company's behaviour.

The global weighting of both Environmental and Social issues is then determined. The weighting on Environmental, Social and Governance issues vary between the different sector of activities.

The scores may be subject to :

- Potential penalties, still not included in the score, due to controversies

This system enables us to take into account the main controversies pending their inclusion in the analysis of the key issues. Rating scale:

- Very serious controversy and/or structural, repetition of serious controversies: malus = 0,75.
- Serious controversy or repetition of significant controversies: malus = 0,5.
- Significant controversy: malus = 0,25.

A malus cannot exceed 0,75.

When the controversy is integrated in the analysis, the malus is removed.

- Given a specific issue, potential bonus or penalties can be attributed by the analyst in charge of the sector even if its analysis diverges from a rating agency.

Companies' ESG ratings are used to establish an SRI score corresponding to the rating of the issuer's ESG rating relative to other players in its ICB sector (level 2). The SRI score vary on a scale of 0 to 5, where 5 correspond to the best ESG score.

Companies' ESG ratings are updated quarterly.

### **2e - How frequently is the ESG assessment reviewed?**

Company ESG assessments are reviewed at least once a quarter.

### **3a - How are ESG criteria taken into account when defining the eligible investment universe?**

Issuers' ESG assessments are used to establish an SRI score corresponding to the issuer's level of ESG performance compared to the other players in its ICB super sector (level 2). The SRI score is established on a scale of 0 to 5 – where 5 is the highest performance level.

In accordance with the SRI score, an SRI category is assigned to each company for each ICB super sector (level 2) of the fund's investment universe. Each SRI category represents 20% of super sector's companies:

- Leaders: companies most advanced in the inclusion of ESG issues
- Committed: companies actively including ESG issues
- Followers: companies with an average level of ESG issue management
- Unclear : companies with a low level of ESG issue management
- Under surveillance: companies lagging behind as far as ESG issue management is concerned.

The eligible investment universe is defined by the prior exclusion from the investment universe of companies in the "Under surveillance" SRI category and those affected by the Exclusion Policy set out on page 4.

Should a company's ESG assessment worsen it may be retained within the investment portfolio on a temporary basis, with the joint agreement of the managers and analysts. The equity will then appear in the "Under surveillance" category. Disinvestment will take place within a maximum period of three months.

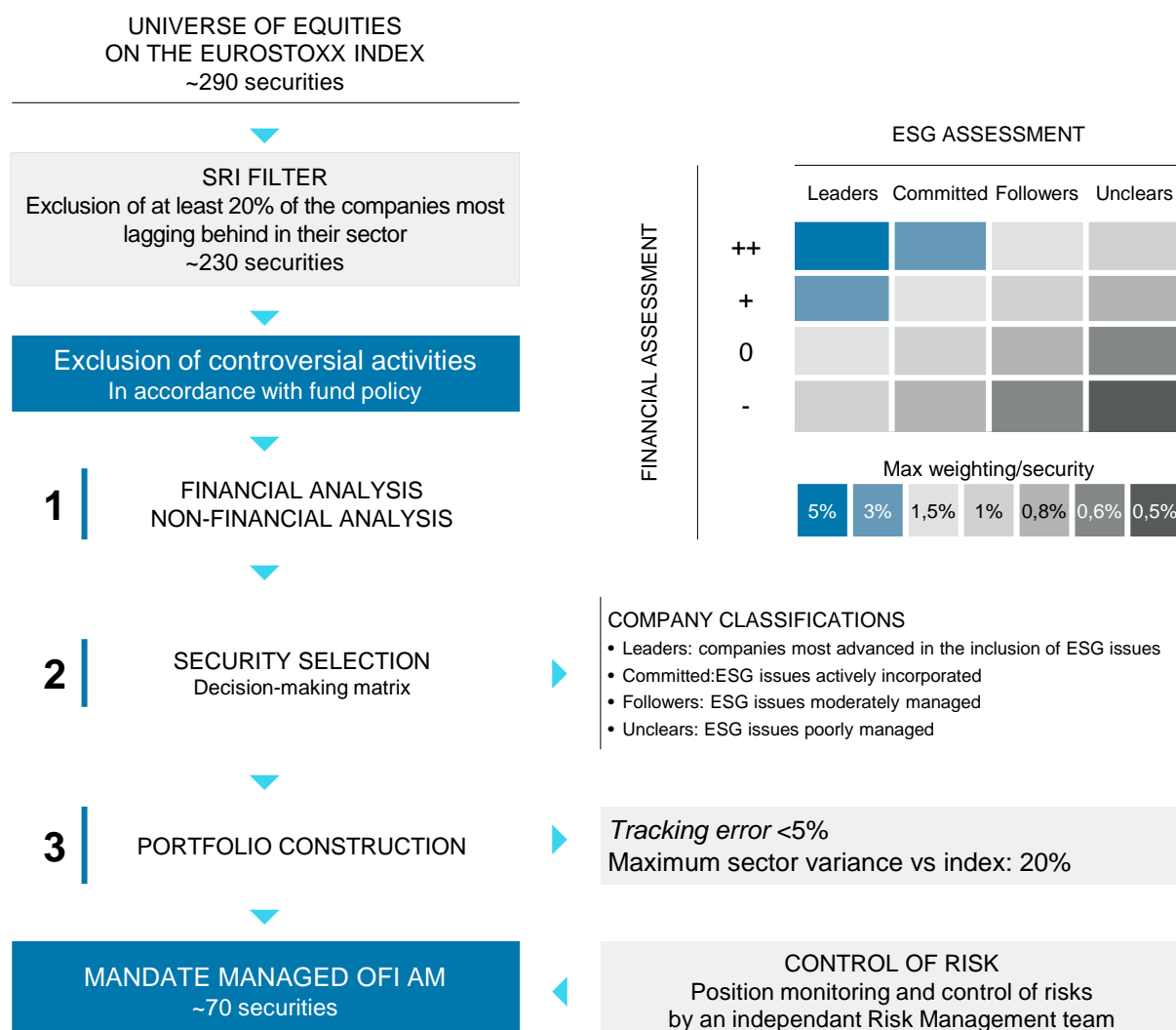
Any disinvestment taking place as a result of a company's worsened ESG assessment must be mentioned in the management comments featuring in the monthly fund report.

### **3b - How are ESG criteria taken into account when constructing the portfolio?**

In addition to the initial quantitative SRI filter which establishes the eligible universe, company ESG analyses are taken into account when constructing the portfolios. The maximum investment in a company is determined by a matrix created by the company's financial assessment and ESG assessment:

# Mandate managed by OFI Asset Management

## Process



### 2a - What are the fundamental principles on which the ESG assessment methodology is based?

The ESG analysis, carried out by the Fondation Guilé, is based on compliance by the issuers with the principles of the Global Compact:

#### ► Human rights

- 1) Companies are invited to promote and protect international law relating to human rights within their sphere of influence
- 2) They must ensure that their own companies are not complicit in any infringement of human rights.

#### ► Labour laws

- 3) Companies are invited to respect freedom of association and to recognise the right to collective bargaining
- 4) To eliminate all forms of forced or compulsory labour
- 5) To effectively abolish child labour
- 6) To eliminate discrimination in employment and occupation.

#### ► Environnement

- 7) Companies are invited to apply a precautionary approach to environmental challenges
- 8) To undertake initiatives to promote environmental responsibility
- 9) To encourage the development and diffusion of environmentally friendly technologies

#### ► Fight against corruption

- 10) Companies are invited to work against corruption in all its forms, including extortion and bribery

### 2b - What internal and external resources are exploited to carry out this analysis?

Analysis is carried out by Fondation Guilé, a mandate advisor. This Swiss foundation is a specialist in the analysis of compliance with the principles of the Global Compact and benefits from a 15-person operational team.

### 2c - What are the main ESG analysis criteria?

The analytical methodology of Fondation Guilé is based on the conviction that companies can be encouraged to change under the active influence of their shareholders under certain conditions:

- If the view taken of the company takes account of the economic realities it actually faces in its particular field
- If the analysis is formulated within a universally recognised context, such as the United Nations Global Compact, and not from a highly personalised perspective
- If the improvement objectives help it to enhance its ESG risk management while at the same time enabling it to seize a competitive opportunity as a result of the changes

Accordingly, the analytical methodology holds up a mirror to companies, highlighting how their information is perceived and whether it is pertinent or not, to subsequently be in a position to enter into dialogue with them on a very tangible basis. It is a shareholder exercise based on the notion of "soft power" (as opposed to "hard power", which rises up publicly from the failings of the company and dramatically calls for action from senior management), designed to encourage PROGRESS as far as the ESG practices of the investee companies are concerned.

The non-financial (ESG) analytical methodology is exclusively based on public information about the investee company (CSR report, Internet, Code of Conduct, etc.).

### 2d - What is the ESG analysis and assessment methodology (construction, assessment scale, etc.)?

Fondation Guilé assesses company performance in terms of the principles of the Global Compact in two stages:

- Analysis of completeness of information

This analysis aims to define the implementation of each principle throughout the management cycle according to 8 criteria:

- 1) How does the company describe the importance of the principle?
- 2) To what extent has the company made a commitment vis-à-vis the principle?
- 3) How is the principle integrated within the company's strategy?
- 4) Are the objectives clearly defined?
- 5) Are the necessary measures correctly described?
- 6) What performance measurement indicators has the company identified?
- 7) Is a control system in place?
- 8) What is the impact of the measures taken?

- Analysis of information quality

This analysis aims to define whether or not the information provided by the company is credible. 6 criteria - with varying weightings - are taken into account to judge the quality of the information provided:

- |                  |     |
|------------------|-----|
| 1) Accessibility | 15% |
| 2) Clarity       | 15% |
| 3) Comparability | 10% |
| 4) Accuracy      | 25% |
| 5) Reliability   | 25% |
| 6) Rapidity      | 10% |

### 2c - How frequently is the ESG assessment reviewed?

The analytical process is carried out in several stages throughout the year and published annually (publication reserved for participating companies):

- 1) Once the company has published its annual non-financial information (either in the form of a Communication on Progress within the context of the Global Compact or in another form of corporate responsibility or sustainable development report) the team collates this information for analytical purposes. It also takes into account any other public information of value for the analysis of the 10 principles of the Global Compact.
- 2) Once the analysis has been completed it is qualitatively validated by a senior consultant in Corporate Responsibility (see point 3b re the team).
- 3) The analysis is subsequently sent to the fund managers for internal discussion regarding their more "business" view in relation to the more "sustainability" view of the sustainable development specialists.
- 4) The results are then sent to the companies (see point 3e) and shareholder engagement discussions may take place.

The information generated from the meeting with the company (physical or telephone meeting) is then included in the final annual report on the analysis of the company.



### **3a - How are ESG criteria taken into account when defining the eligible investment universe?**

The ESG process represents shareholder engagement with investee companies. The analysis constitutes the basis for dialogue with the company. The results of the ESG analysis are not intended to serve as a "filter" in the investment process in order to select companies. This corresponds with our vision of the engagement: to enter into dialogue with companies to induce them to make progress rather than maintaining a certain detachment without any impact on how they manage their responsibilities vis-à-vis other stakeholders.

### **3b - How are ESG criteria taken into account when constructing the portfolio?**

The analysis and the outcome of the engagement approach with companies are integrated within the process, potentially leading to divestment on non-financial grounds.

Fund managers may decide to sell their holdings in the companies:

- With which dialogue is difficult or impossible
- Which continue to refuse to sign the Global Compact or to improve the adoption of its principles
- Which are at risk from the ESG issues they face, either generally or in response to major controversies

Any divestment taking place as a result of a company's worsened ESG assessment must be mentioned in the management comments featuring in the monthly fund report.

# Responses common to all three mandates

## Process

### 3c - Is there an ESG engagement policy specific to this fund or funds?

**No**, there is no engagement policy specific to this UCITS/SICAV fund:

Each of the three mandates' fund managers has implemented an engagement policy which applies to a group of funds. The policies are available on the management companies' websites:

- For Kempen Capital Management: [http://www.kempen.nl/asset\\_management.aspx?id=25151](http://www.kempen.nl/asset_management.aspx?id=25151)
- For OFI AM : [https://www.ofi-am.fr/pdf/ISR\\_politique-engagement.pdf](https://www.ofi-am.fr/pdf/ISR_politique-engagement.pdf)
- For De Pury Pictet Turrettini, engagement is carried out by Fondation Guilé: <http://www.guile.org/what-we-do/unite/engagement/>

### 3d - Is there a voting policy specific to this fund or funds which includes ESG criteria? No

**No**, there is no voting policy specific to this UCITS/SICAV fund:

Each of the three mandates' fund managers has implemented a voting policy which applies to a group of funds. The policies are available on the management companies' websites:

- For Kempen Capital Management : [http://www.kempen.nl/asset\\_management.aspx?id=27962](http://www.kempen.nl/asset_management.aspx?id=27962)
- For OFI AM : [https://www.ofi-am.fr/pdf/ISR\\_politique-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_politique-de-vote.pdf)
- For De Pury Pictet Turrettini voting takes place based on the Swiss Code of Best Practice for Corporate Governance ([http://www.ecgi.org/codes/documents/swisscodeofbestpractice\\_french.pdf](http://www.ecgi.org/codes/documents/swisscodeofbestpractice_french.pdf))

### 3e - Does the fund or funds practice securities lending or borrowing? No

### 3f - Does the fund or funds make use of derivatives? Yes

The mandate may make use of derivatives. Any such exposure shall not exceed 10% of the mandate's assets.

Management of the mandate requires temporary use of futures on the Euro Stoxx 50 index to hedge against lower equity prices for its reference indicator, Euro Stoxx 50.

In the event of liability streams (subscriptions or redemptions), the management company regularly uses Euro Stoxx 50 futures for equity market exposure in respect of its reference indicator, Euro Stoxx 50.

### 3g - Is any part of the assets of the fund or funds invested in unlisted companies of high social utility? No

# ESG Control and reporting

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## **4a - Which internal and/or external control procedures ensure that the portfolio complies with the ESG rules as defined in part 3 of the code?**

The mandates are verified by the OFI AM internal control team which ensures compliance of the portfolio with the fund strategy via sample audits.

## **4b - What media are used to communicate the SRI management aspect of the fund or funds?**

All the information documents concerning the relevant fund are accessible via the [www.ofi-am.fr](http://www.ofi-am.fr) website, tab "Products", "Actions", funds OFI Invest RS Ethical European Equity:

- Product sheet: summary presentation of the fund
- The prospectus and KII
- Monthly reports
- Annual activity report
- This Code of Transparency

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## COMMITMENT BY THE AFG AND FIR

The AFG and FIR are responsible for the widest possible promotion and circulation of this Code. To this end, they are committed to publishing on their respective websites a list of the signatory funds to the Code.

[www.afg.asso.fr](http://www.afg.asso.fr) (Section: Products & Services / SRI)

[www.frenchsif.org](http://www.frenchsif.org)

[www.eurosif.org/publications/european\\_sri\\_transparency\\_guidelines](http://www.eurosif.org/publications/european_sri_transparency_guidelines)

Disclaimer - The AFG and FIR can accept no legal or other responsibility for any inaccurate or misleading information provided by the signatory funds in their responses to this Code of Transparency.

## DEFINITION OF TERMS RELATED TO SRI

- **SRI** (Socially Responsible Investment)

Application of the principles of sustainable development to investment activities. An approach consisting of simultaneously and systematically taking into account the three dimensions of environment, social and governance (ESG) in addition to the usual financial criteria. Implementation may take many forms based on positive selection, exclusion, or both at the same time, where applicable including issuer dialogue criteria.

- **Sustainable development**

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."\* This concept includes at least three dimensions: economic, social and environmental.

- **ESG Criteria**

**Environmental Dimension:** the direct or indirect impact of an issuer's activities on the environment

**Social Dimension:** the direct or indirect impact of an issuer's activities on stakeholders with reference to universal values (notably human rights, international labour standards, the fight against corruption, etc.).

**Governance Dimension:** all the processes, regulations, laws and institutions that influence how the company is managed, administered and controlled.

It also includes the relations between the various stakeholders and the objectives that govern the company. These parties notably include shareholders, management and the board of directors of the company.

- **Engagement**

Activity of investors (pension funds, insurance companies, fund managers, etc.) designed to influence the company's behaviour over the medium and long term, by asserting the importance of taking into account environmental, social and governance factors. These actions include dialogue with other companies (individually or collectively) just as much as fund managers' voting practices, including the submission of resolutions to shareholders' general meetings..

- **CSR** (Corporate Social Responsibility)

Application of the principles of sustainable development to investment activities. Voluntary inclusion by companies - in addition to the usual financial criteria - of environmental, social and governance (ESG) issues within their activities and relations with stakeholders.

- **Stakeholders**

Any group or individual able to affect or be affected by the attainment of an organisation's objectives. For companies, this term covers all natural persons or legal entities (employees, shareholders, customers, suppliers, local authorities, NGOs, unions, civil society, etc.) which have direct or indirect links with the company.

\* Brundtland Report, August 1987, World Commission on Environment and Development.



## Association Française de la Gestion Financière

(AFG) represents fund management professionals working for third parties. It brings together all professionals of the asset management sector, whether individual (mandates) or collective funds. They manage nearly 2,600 billion euros of assets, of which over 1,400 billion euros is in the form of collective management (No. 1 in Europe and No. 2 worldwide, after the USA). France is the SRI fund market leader in Europe.

Very early on the AFG decided to put its full weight behind the development in France of socially responsible financial management, notably by setting up an SRI Commission. A forum for discussion and information, the commission is actively involved in tangible areas such as the development of codes of transparency and coordination and participation in SRI-related market activities.

The commission has played and continues to play a major role in the establishment and running of the research chair "Finance Durable et Investissement Responsable" (Sustainable Finance and Responsible Investment).

This involvement of the AFG in SRI is part of its global objective of promoting long-term savings (employee and retirement savings) and of asset quality (resolute action in terms of corporate governance, etc.), the driving force behind proper financing of the economy and the effective protection of saver interests.

AFG - 31 rue de Miromesnil 75008 Paris - Tél. 01 44 94 94 00 - Fax. 01 42 65 16 31 - [www.afg.asso.fr](http://www.afg.asso.fr)



## Forum pour l'Investissement Responsable

(FIR) is a multipartite association whose objective is to promote SRI, Socially Responsible Investment. The FIR brings together all the various players in the SRI field: investors, fund managers, brokers, non-financial rating agencies, investment advisers, market and union organisations, etc.) as well as academics and other professionals.

The missions of the FIR include lobbying with institutions and opinion leaders as well as dialogue with companies regarding environmental, social and governance issues, notably via the CorDial platform. The FIR has also introduced the Finance and Sustainability European Research Award. This award is associated with PRIs (Principles for Responsible Investment) and has been awarded each year since 2005 to the best academic research. In 2010 the FIR launched SRI Week which every October includes several dozen events throughout France. The FIR is a founder member of Eurosif.

FIR - La Ruche 84 quai de Jemmapes 75010 Paris - Tél. 09 72 27 23 08 - [www.frenchsif.org](http://www.frenchsif.org)



## Le Forum Européen de l'Investissement Responsable

(Eurosif) is the European association for the promotion of sustainable and responsible investment practices. A not-for-profit organisation, Eurosif works in partnership with national European forums sharing the same mission and draws on a vast network of affiliate members. The network brings together a wide range of stakeholders from the responsible investment sector, from fund managers to their specialist service providers such as non-financial rating agencies. Based in Brussels, Eurosif mainly concentrates on lobbying activities in favour of SRI, on promoting the adoption of sustainable development issues in investment by European institutions, on promoting the European Code of Transparency and on research and analysis regarding market practices and developments.

Today Eurosif is the benchmark European organisation for all those interested in developing responsible investment practices.

EUROSIF – 331 rue du Progrès, B-1030 Bruxelles - Tél. +32 (0) 2 274 14 35 - [www.eurosif.org](http://www.eurosif.org)

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