

OFI INVEST - RS ETHICAL EUROPEAN EQUITY

The fund aims not to invest in financial instruments issued by companies and/or entities which violate international social, environmental and/or governance criteria. The fund's policy is based on the United Nations Global Compact principles and on other international treaties and conventions and is compliant with the Luxflag label's requirements.

Companies that do not meet these requirements are excluded from investment in the OFI INVEST - RS ETHICAL EUROPEAN EQUITY Fund. The fund invests in equity; exclusion criteria apply to companies involved in specific activities and practices.

The following products, services or activities are subject to exclusion:

- 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:

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. OFI AM lists corporations whose practices do not comply with the Global Compact Principles. The list is reviewed quarterly by the OFI AM risk committee. Corporates listed are excluded from the investment universe.

For detailed information about the criteria leading to the exclusion of corporates involved in such products, services or activities, see next pages.

NB: This exclusion list applies to all mandates, but the mid and small caps mandate managed by Kempen Capital Management applies additional exclusion criteria.

Ammunitions and Weapons

The following types of revenues are considered:

- a) Revenues from production or sale of controversial weapons: anti-personnel landmines, cluster munitions, nuclear and chemical weapons. Exclusion is applied from the first euro of revenue.
- b) Revenues from production or sale of weapons that are directly design to kill wound or destroy (and that are ready to use for those purposes). This includes: firearms, bombs, missiles, torpedoes, combat vehicles, grenades, mines, ammunition, and IT systems for weapon control. Exclusion is applied from the first euro of revenue.
- c) Hunting guns: Exclusion is applied from the first euro of revenue for producers, revenues > 5% for retailers.
- d) Essential parts of these weapons: companies that derive a portion of the revenues >10% from the production or sale of these parts are excluded.

Gambling

The following types of revenues are considered:

Revenues from organisation of gambling and/or the production of gambling devices.

Gambling devices are for instance: slot machines, table games. Organisation of gambling includes: managing casino's, gambling websites, organising betting on animal, sports and events competition.

Companies that operate or own gambling establishments, casinos, on-line gambling, lotteries and bingo and companies that manufacture or provide products and services that are fundamental and specialized for gambling operations such as gambling machines, lottery terminals, gambling technology, software and support are excluded from the investment universe if they derive a portion of their revenues > 10% from the production or involvement in gambling.

Pornography/prostitution

The following types of revenues are considered:

Revenues in production of pornography or sexual services. Pornography consists of any sexual goods that represent erotic behaviour and intend to cause sexual excitement. It depicts sexuality as an isolated subject, i.e. it lacks content other than sex. Sexual services are mainly prostitution, table dancing, telephone sex, internet sex and other forms of activities aiming at the sexual excitement of someone else – in exchange for payment.

Exclusion is applied from the first euro of revenue.

Tobacco

The following types of revenues are considered:

Revenue in manufacturing of core tobacco products: leaf tobacco (raw material), cigarettes, cigars, hand rolling, pipe snuff and chewing tobacco.

Exclusion is applied from the first euro of revenue.

Alcohol

The following types of revenues are considered:

Revenue in production of alcoholic beverages.

Companies that derive a portion of their revenues >10% from the production of alcoholic beverages are excluded.

Thermal Coal Mining

Companies that derive over 1% of their revenue from the sale of thermal coal or own thermal coal mines are excluded from the investment universe.

Coal Plant Developers

Investments in new coal power capacity are incompatible with the Paris climate goals as each new coal plant locks-in high CO2 emissions for decades to come

All companies that are planning to build more than 2500MW of new coal power capacity and all companies planning to build coal plants in countries that have a lot of coal plants already as well as all companies planning to build coal plants in countries that do not have any or only little coal power are excluded from the fund's investment universe.

Nuclear Energy

Revenue in tailor-made products or services to produce nuclear energy, ie, electricity provider which uses nuclear energy. This also includes mining, processing or sale of uranium or nuclear fuels; processing or storing of nuclear waste stemming from the exploitation of nuclear energy plants. However, this does not include companies which design, build nuclear energy plants, including specific research and consultancy services; supply of essential parts of nuclear energy installations.

Companies that derive more than 5% of their revenues from the production or sale of nuclear energy are excluded.

Fossil fuel: Companies that derive more than 1% of their revenues from the production or tar sands, shale gas or arctic drilling are excluded from the investment universe.

HUMAN RIGHTS/ LABOUR RIGHTS

Forced labour

Companies that are directly involved with forced labour are excluded from the investment universe.

We shall engage with companies that are indirectly involved with forced labour, for instance through contractors or suppliers to understand what corrective actions they undertake. Follow up on controversies is applied. Companies that fail to upgrade the worker's conditions will be excluded from the investment universe.

Child labour & human rights

The International Labour Organisation has formulated internationally accepted standards for under aged workers' labour conditions. Companies that violate these standards or use child labour are excluded from the investment universe.

Companies that violate the human rights as stated in the UN Universal Declaration of Human Rights are excluded. Companies are screened on a case by case basis to establish the breach in ILO's standards. Follow up on controversies is applied.

Products, services or activities deemed illegal under international conventions and agreements:

The fund does not wish to be involved in activities deemed illegal under international conventions and agreements, or subject to international bans or phase-outs: Companies are screened on a case by case basis to establish their implication. Follow up on controversies is applied. In case of proven breach, companies will be excluded from investment.

Juillet 2019