H. "ARTICLE 9" DISCLOSURE ANNEX

➢ Ofi InvestAct4 Social Impact

1/ How Sustainability Risks are integrated into product investment decisions

In order to integrate all Sustainability Risks into this Sub-Fund's investment process, the Company has different methods at its disposal:

In terms of our ESG analysis

An analysis of the following three criteria is carried out on the basis of an internal methodology:

- Environmental: Climate Change – Natural Resources – Project Financing – Toxic Waste – Green Products
- Social: Human Capital – Supply Chain – Goods and Services
- Governance: Governance Structure – Behaviour

Each issuer is therefore given an ESG score which makes it possible to assess its non-financial practices and to classify it within each sector of the investment universe.

For each Issuer, an analysis is carried out both in terms of its governance structure: Respect for the rights of minority shareholders – Composition and functioning of Boards or Committees, Remuneration of Executives, Accounts, Audit and Taxation, as well as in terms of its Market Behaviour: Business Practices, Market Impact, Business Ethics and Risk Control.
The results of these analyses ensure the keeping or disposal of an issuer in the Sub-Fund's portfolio.

For each sector of the investment universe, 20% of issuers with the poorest scores are removed.

Issuers are selected from among those with the best ESG practices in their sector.

Controversies that may affect the relationship or impact on one of the issuer's stakeholders are monitored and analysed. They may concern: customers, investors, regulators, suppliers, civil society, employees or the issuer's environment. Details can be found in the Transparency Code.

Controversies shall be assessed, at five levels, in relation to their intensity and their dissemination (over time and/in or space) and the measures taken, where appropriate, by the company to remedy this: Negligible, Low, Medium, High, Very High.

No position will be initiated in the securities of an issuer with controversies rated "high or "very high".

Companies that do not benefit from an ESG analysis may not exceed 10% of the net assets of the portfolio.

In terms of analysis of companies' social contribution

Consideration of ESG criteria is also implemented through a social impact and responsible practices score; the management team seeks to select companies that contribute positively to achieving the Sustainable Development Goals in the social sphere.

Thus, the management team will only select equity securities of companies aiming for a positive social impact measured using a social impact score based on 5 criteria: the company's intention and mission, work value, social progress, value sharing and social inclusion.

The investment team will exclude from the Sub-Fund's Eligible Investment Universe, 20% of the equity securities with the lowest scores in terms of social impact.

2/ The results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products

Sustainability Risks are primarily related to climate events resulting from climate change (known as physical risks), the ability of companies to respond to climate change (known as transition risks) and which may result in unanticipated losses affecting the Sub-Fund's investments and financial performance. Social events (inequalities, labour relations, investment in human capital, accident prevention, changes in consumer behaviour, etc.) or governance gaps (recurrent and significant breach of international agreements, corruption, product quality and safety and sales practices) can also translate into Sustainability Risks.

3/ Pre-contractual disclosure template (Article 9 SFDR)

Sustainable investment means an in-vestment in an economic activity that con-tributes to an environ-mental or social objective, provid-ed that the invest-ment does not significantly harm any envi-ronmental or social objective and that the investee compa-nies 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 so-cially sustainable economic activities. Sustainable in-vestments with an environ-mental objective might be aligned with the Taxonomy or not.

Product name: Ofi Invest Act4 Social Impact **Legal entity identifier:** 213800L51WFQ2N88FA12

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective:** **90**%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the sustaina-ble objectives of this finan-cial product are attained.

What is the sustainable investment objective of this financial product?

Ofi Invest Act4 Social Impact ("The Fund") invests in virtuous growth by selecting companies that are responsible in their ability to integrate ESG issues and committed to having a positive social impact on their stakeholders, primarily their employees.

The social sustainable objective of the fund is to:

- Assess the social ambition of all portfolio companies through a qualitative analysis of their engagement and the maturity of their corporate social responsibility (CSR)
- Select companies that contribute positively to the achievement of the Sustainable Development Goals (SDGs) in the social area
- Anticipate the negative impacts and risks related to practices that do not take ESG issues sufficiently into account.
- Engage with companies on the social policy implemented in favor of young people.

Our intention is to encourage companies to communicate more on social issues that are still far from covering enough areas such as youth employment, the nature of contracts, social training for subcontractors or suppliers that are not based on any standardization or obligation, poverty, gender equality, economic prosperity and education.

No public benchmark has been designated for the purpose of attaining the sustainable investment objective, as there is currently no suited benchmark available.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The sustainability indicators used to measure the attainment of the sustainable objective of the Fund is the percentage of the portfolio belonging to each quintile defined by the Social Impact scoring (see the Investment Strategy below). The last quintile is excluded and at least 50% of the fund's assets must belong to the 1st quintile of the Social Impact Score.

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.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

We ensure that the investments are not causing significant harm to environmental or social objectives as defined by the SFDR by introducing different approaches:

- Strict exclusions
- Consideration of the adverse impacts in the filters applied to the investment universe (ESG ratings and KPIs integrated in the portfolio construction)
- Continuous monitoring: ESG controversies, engagement and voting.

– *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Among the 14 mandatory principal adverse impacts (PAI) assigned to private issuers, by default each of them are considered either through:

- Sectoral or normative exclusion policies
- ESG performance assessment
- KPIs for portfolio construction (French Labelled Funds)
- ESG controversies
- Engagement
- Votes in AGM

Sectoral or normative exclusion policies: Due to OFI Invest Asset Management's exclusion policies, the following exclusions are applied to certain PAIs:

- Coal and Oil & Gas sector policies. These exclusion policies establish de facto exclusion thresholds at the issuer level on the PAI 4 ("Exposure to companies active in the fossil fuel sector"): thresholds on the development of new projects involving the use of thermal coal (as soon as > 0) and on the activity in coal and oil & gas. It also indirectly applies a filter on investments in companies with a high impact on PAIs 1, 2 and 3 ("GHG emissions", "carbon footprint" and "GHG intensity of investee companies").
- Exclusion policy on non-compliance with the UN Global Compact Principles. This policy establishes de facto an issuer-level exclusion threshold on the PAI 10 ("Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises"): as soon as the issuer faces controversies of high or very high severity regarding the UN Global Compact Principles. It also indirectly applies a filter on PAI 11 ("Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for multinational Enterprises") if excluded companies do not integrate corrective measures such as compliance mechanisms as demanded on PAI 11.
- Controversial Weapons Policy. This policy establishes de facto an issuer-level exclusion threshold on PAI 14, as soon as it exceeds 0%.

ESG performance assessment filter: The ESG rating of issuers is determined by the level of responsibility of companies, and is adapted at the sector level. These issues cover the fields:

- Environment: Climate Change – Natural Resources – Project Financing – Toxic Waste – Green Products
- Social: Human Capital – Supply Chain – Goods and Services – Human rights and communities
- Governance: Governance Structure – Behavior

Most of these issues relate to negative externalities as defined by the PAIs (principal adverse impact indicators): carbon emissions (PAI 1), Greenhouse gaz intensity (PAI 3), renewable energy (PAI 5), impact on biodiversity (PAI 7), water emissions (PAI 8), hazardous waste (PAI 9), composition of the Board (PAI 13), etc. We exclude 20% of the worst rated ESG securities from the investment universe according to the Best-in-class approach. For more information on the ESG scoring system and how it ensures that PAI are integrated at a granular level, please refer to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the OFI Invest website.

KPIs for portfolio construction (French Labelled Funds): As the Fund complies with the criteria of the ISR label, three indicators related to the PAIs are monitored at the portfolio construction level:

1. Financed emissions on scopes 1 and 2 (related to PAI 3 "Carbon intensity of investee companies")

2. Share of investee companies that violated the United Nations Global Compact (related to PAI 10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”)
3. Female to male ratio at the Board of Directors of the investee companies (related to PAI 13 “Board gender diversity”)

Besides the criteria of the investment process, the PAIs are also taken into account on a continuous basis through:

- The **monitoring of social and environmental controversies**. It is systematic for all the stocks in the ACT4 range and an essential part of the ESG rating. It is part of the weekly analysis of controversies within the OFI group and it applies to all the ESG issues that are integrated in the ESG rating, above mentioned including gender salary discrimination (PAI 2).

- The **engagement and voting policy**. The engagement policy applies to all investments in stocks and focuses mainly on three pillars: climate change mitigation, biodiversity and social. Climate change and women on board are considered through in our voting policy through Say on Climate resolutions and criteria on Board composition and functioning

For more information on how the voting and engagement takes into account the integration of the PAIs, please refer to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the OFI Invest website.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

OFI Invest Asset Management assesses the ESG performance of issuers by taking into account their compliance with international standards of corporate social responsibility, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The ESG rating of issuers assesses their ability to responsibly manage the environmental, social and governance issues that present the most significant reputational, operational, legal or opportunity risks within their industry. On the social pillar, the issues reviewed (based on data provided by MSCI) are:

- Human capital: development of human capital, social relations, health and safety
- Social: improvements in suppliers' social practices, socially controversial raw materials
- Products and services: product quality and safety, protection of personal data, SRI, management of emerging insurance risks, healthier product offerings, access to products and services
- Communities and human rights: impact on local communities

In addition, a weekly review of controversies is carried out on all the issues mentioned above. This includes a specific analysis of controversies that constitute violations of at least one of the 10 Global Compact principles, for which OFI Invest has adopted an exclusion policy. The evaluation methodology applied to the analyses that may lead to the exclusion or not of issuers follows the reference framework of the United Nations Guiding Principles on Business and Human Rights "Protect, Respect, and Remedy". The analysis of controversies that violate the Global Compact principles takes into account their severity, their dissemination, and the response and corrective measures taken by companies.

Controversies are assessed on the basis of data provided by RepRisk and other sources (MSCI, press, specialized media, NGOs, brokers, sector monitoring).

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

☒ Yes

The Fund considers all the principal adverse impacts that are taken into account through the policies applied to not cause significant harm to any environmental or social sustainable investment objective:

- At entity level: sectoral and normative exclusion policies, voting and engagement policies
- Fund-specific: thematic filter (the exclusion of the 20% of the companies with the worst Social Impact scores), ESG filter (the exclusion of 20% of the worst rated ESG securities from the investment universe), monitoring of ESG controversies, a rigorous investment process that enables the Fund to exclusively invest in companies for which we run an analysis which inherently takes into account the PAIs.

For more information, please refer to the previous section and to the "Statement on the consideration of Principal Adverse Impacts of our investment decisions on sustainability factors" available on the OFI Invest website.

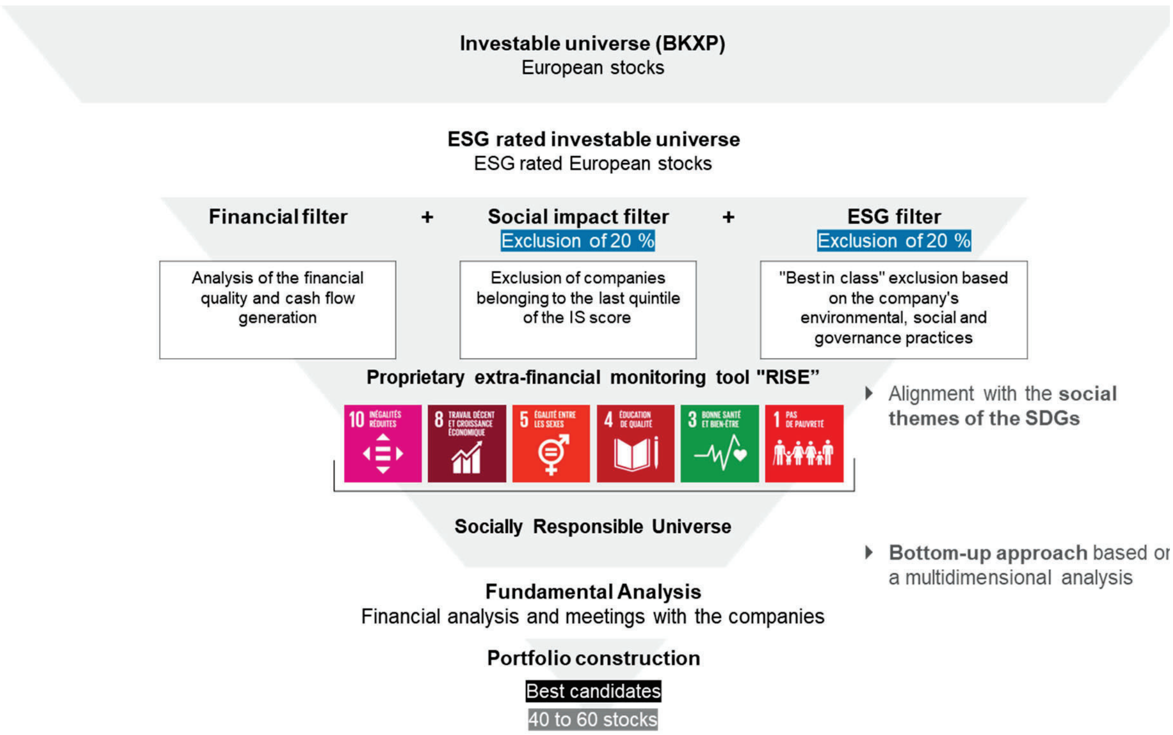
In accordance with SFDR, a comprehensive annual reporting is published from 2023 onwards, including PAI considered and irrespective of their prioritization.

☐ No

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

What investment strategy does this financial product follow?

The Fund intends to be 100% invested in the social impact theme. The sustainable investment is analyzed through a social impact score, the level of intention in social engagement and responsible practices (integration of the most relevant ESG criteria by sector). The fund's management process is as followed:



Firstly, the exclusions of controversial and normative activities of the OFI group are applied:

- Respect for human rights: respect of the 10 principles of the Global Compact, monitoring of compliance with the OECD principles and monitoring of controversies
- Controversial weapons
- Coal
- Tobacco
- Oil and gas

Then, on the basis of the publication and transparency of public data, three filters are applied in parallel to the companies (applied to the same initial universe and not successively):

- <u>ESG filter</u>:

Based on the sector benchmark of key issues, an ESG rating is calculated for each issuer, which includes the Environmental and Social (E and S) key issues ratings on the one hand and the Governance G issues on the other. For the three pillars, the fund considers the following aspects:

- <u>Environmental</u>: Climate Change – Natural Resources – Project Financing – Toxic Waste – Green Products
- <u>Social</u>: Human Capital – Supply Chain – Goods and Services – Human rights and communities
- <u>Governance</u>: Governance Structure – Behaviour

The resulting score may be subject to bonuses and maluses in the event of controversies or discrepancy in the rating agency's assessment of an issue.

Within the “best in universe” approach, companies are ranked according to their SRI Score. Each SRI category covers 20% of the companies, these categories are the following:

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

The eligible investment universe is defined by **excluding from the investment universe private issuers with the SRI category "Under Surveillance" (*e.g.*, 20%).**

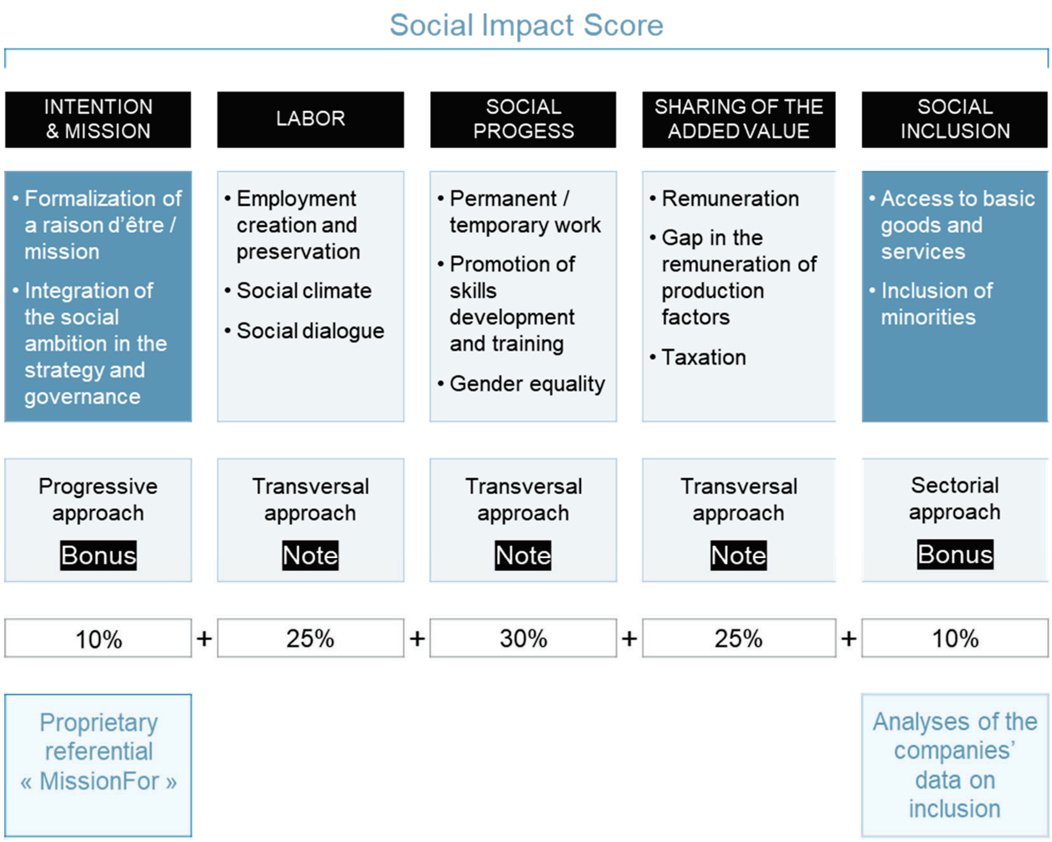
- <u>**Social Impact filter**</u>:

The eligible universe of impact companies is constituted on the basis of a social impact indicator developed by OFI Invest AM's teams to filter the social performance of a company, whatever the sector of activity. It measures the contribution to the sustainable development goals (hereafter "SDGs") related to social issues:

  - SDG 1: No poverty
  - SDG 3: Good health and well-being
  - SDG 4: Quality education
  - SDG 5: Gender equality
  - SDG 8: Decent work and economic growth
  - SDG 10: Reduced inequalities

The objective is to measure the materiality of the social policy in its level of societal ambition, on the values of WORK, SOCIAL PROGRESS and the SHARING OF ADDED VALUE and SOCIAL INCLUSION, within the framework of its offer of basic products and services.

This social impact score is based on a proprietary methodology, built from historical data and qualitative analyses and around 5 pillars: intention, work, social progress, sharing of added value, social inclusion. Each pillar is broken down into issues and indicators (in total, about thirty indicators). For each indicator, a Z-score is calculated, which has the advantage of taking into account the deviation from the average, but also of being able to associate ratios of a different nature. Thus, a Z-score belonging to the interval [-1;1] is calculated per indicator and per pillar and an overall Z-score (Z-Score Social Impact) is obtained by aggregating the scores. Each of the stocks in the investable universe is assigned a social impact score, which is then used to rank them by quintiles.



Companies belonging to the last quintile of the social impact score are excluded from the universe (best in group), *i.e.*, 20%.

- **Financial filter**: the analysis of the financial quality is a criterion that allows us to identify companies in good financial health.

Regarding the **selection of the stocks** in the portfolio, the objective is to select the most responsible and socially committed companies. The manager constructs his portfolio in a bottom-up manner without sector or geographical constraints: all the stocks in the investable universe are assigned a social impact score and ranked by quintiles, a minimum threshold of 50% of the fund's assets must belong to the first quintile. Once the work on the overall score has been completed, a quantitative screening is also carried out separately on the scores of the three pillars: labor, social progress and sharing of added value. For the best values thereby selected, additional information is collected on each of the pillars, including on social inclusion (on disability or policy in favor of youth).

In exceptional cases representing a maximum of 10% of the portfolio at any given moment, the Social Impact score is not available because the data is not yet disclosed by the data provider (IPO, split, etc.). In this case, companies are selected on the basis of an extensive analysis including a direct dialogue with the management and a fast-track on the quality of governance.

The management team uses a specific proprietary tool ("RISE" for Corporate Social Responsibility and Impact) which includes all the elements of the Social Impact score, the SRI category with all ESG criteria and level of controversies and the financial quality of all the stocks in the investable universe. The qualitative data obtained during meetings with the companies is updated regularly. This tool allows the generation of ideas by screening the investment universe and the monitoring of the extra-financial performance of the portfolio.

The strategy is implemented in the investment process on a continuous basis:

- The social contribution of issuers is updated every quarter, and the underlying data is updated whenever new data is published by the issuers, that is at least once a year with the annual report.
- ESG research into companies' practices is revised every quarter, while the underlying data is updated at least once every 18 months (as per MSCI's policy, the data provider). It may also be revised in real time through analysis of controversies or following engagement initiatives.
- As part of the qualitative aspect of the analysis, meetings with companies are conducted on an ongoing basis to discuss specific social and/or environmental policy matters. The result of these meeting can lead to improvements or deterioration in bonuses.
- The RISE tool used by the management team is updated every quarter, in order to integrate potential changes in bonuses following the qualitative analysis.
- In addition, for cash management purposes, the Fund may invest up to 10% of its assets in monetary UCIs. These UCIs managed by OFI Invest AM are classified as Article 8 according to SFDR and apply the group's ESG integration strategy.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The binding elements of the investment strategy are:

- The exclusions resulting from the exclusion policies mentioned in the previous section.
- The exclusion from the investment universe of investee companies with the SRI category "Under Surveillance" (e.g. 20%).
- The exclusion of Companies belonging to the last quintile of the social impact score are excluded from the universe (best in group), *i.e.*, 20%.
- At least 50% of the fund's assets must belong to the 1st quintile of the Social Impact Score.

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

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

Several policies are implemented to evaluate the good governance practices of investee companies:

1. The analysis of governance practices within the ESG analysis (pillar G). For each Issuer, the ESG analysis includes an analysis of the company's governance, with indicators revolving around:
   A) Its governance structure: Respect for the rights of minority shareholders – Composition and functioning of Boards or Committees, Remuneration of Executives, Accounts, Audit and Taxation; and
   B) its Market Behavior: Business Practices.

2. The weekly monitoring of ESG controversies: the ESG analysis also takes into account the presence of controversies on the issues above-mentioned and their management by the issuers.

3. OFI Invest AM's exclusion policy related to the UN Global Compact, including to its 10th principle: "Businesses should work against corruption in all its forms, including extortion and bribery"5. Under this policy, companies that face controversies of a high or very high level of severity with respect to the 10 Principles of the Global Compact, recurring frequently or repeatedly, and have inadequate remedial measures in place, are excluded from the investment universe.

4. The "MissionFor" Referential. As part of the impact strategy, the governance of the societal commitment is also analyzed. Good governance practices are assessed through the analysis and entered into the "MissionFor" reference tool to complete the "Intention and Mission" pillar within the social contribution assessment. This specific qualitative analysis aims to measure the intentionality of companies in achieving the SDGs through the formalization of a Mission, its integration into the strategy and governance, and thus allows for the association of a general interest purpose with its economic performance.

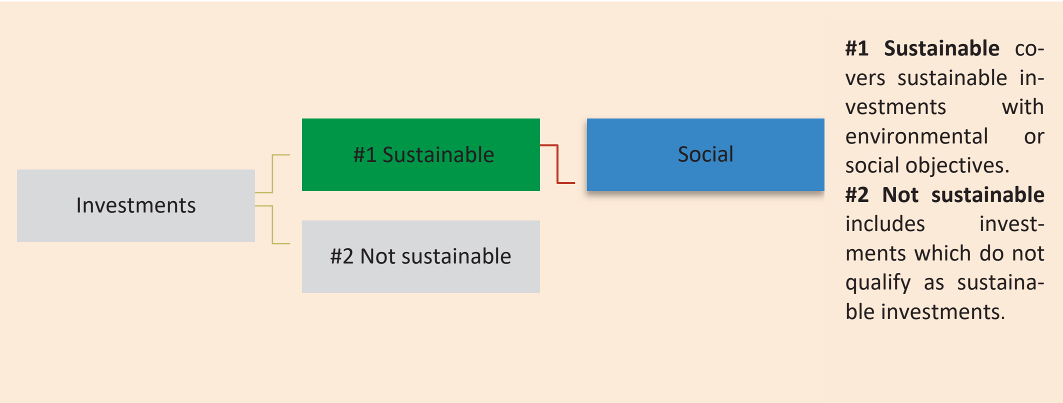
What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

The Fund has at least 90% of its investments (and 100% of the stocks invested in) consisting in sustainable investments with a social objective (#1 Sustainable).

A maximum of 10% of the investments of the financial product will be derivatives, cash and/or cash equivalent, or non rated-ESG assets, the use of which is limited to very specific situations and short periods of time (#2 Not sustainable).

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



How does the use of derivatives attain the sustainable investment objective?

Not applicable.

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

The product will make sustainable investments with an environmental objective but does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

5 https://pactemondial.org/decouvrir/dix-principes-pacte-mondial-nations-unies/#lutte-contre-la-corruption

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[6]?***

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

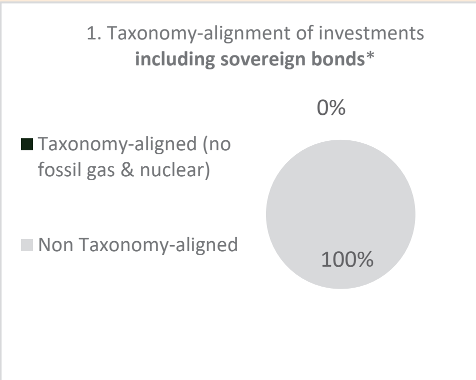
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission leels corresponding to the best performance.

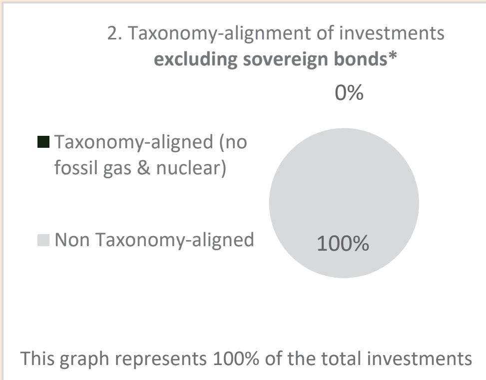
☐ Yes

☐ 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 purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

There is currently 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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The minimum share of sustainable investments with a social objective is 90%. A part from the punctual use of derivatives, the entirety of investments are contributing to the social objective of the fund, that is to invest in virtuous growth by selecting companies that are

[6] 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 objectives - 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.

responsible in their ability to integrate ESG issues and committed to having a positive social impact on their stakeholders, primarily their employees.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

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

- Cash and/or cash equivalent (excluding Monetary UCIs classified as Article 8 according to SFDR and managed by OFI Invest AM) held for liquidity purposes
- Non ESG-rated assets
- Derivatives, only made in specific situations and the use of which is limited to:
    - 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.)

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

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.ofi-invest-am.com/en/produit/ofi-fund-rs-act4-social-impact-f-c-eur/LU1209227344