



CLIMATE TRANSPARENCY REPORT 2019

OFI Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-DCBEC35C-9381-4EDC-B17A-9E4E4A2D9922/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	OFI Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2008
Region	Europe
Country	France
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

OFI Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Policy on controversial weapons <input checked="" type="checkbox"/> Other, specify(2) Policy on coal	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our ESG methodology relies on the assumption that corporates that are best in managing their CSR issues are likely to deliver superior performance over mid and long term. We have conducted studies that bring evidence of an over performance. For more see: https://www.ofi-am.fr/pdf/ISR_politique-isr.pdf and https://www.ofi-am.fr/pdf/ISR_methodologie-analyse-extra-financiere.pdf

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our methodology highlights material issues regarding issuer's core activities. As a matter of fact, corporate governance seems to be a key element regarding CSR effectiveness. For more see: https://www.ofi-am.fr/pdf/ISR_politique-isr.pdf and https://www.ofi-am.fr/pdf/ISR_methodologie-analyse-extra-financiere.pdf

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

Technological risks may affect both our mutual funds range and the segregated portfolios we manage on behalf of our clients. In the short term, we consider the potential impact of EU targets on those that derive a substantial amount of their revenues from coal mining and coal-fire power generation. The asset of these companies could rapidly become "stranded". In the midterm, companies that do not meet the co2 emissions targets (whether direct or indirect) are likely to incur additional costs (taxes, litigation...)

For mutual funds directly managed by our organisation, considering the probability of some assets becoming rapidly stranded, we have made the decision to eliminate from our investment universe all companies stated on the Coal Plant Developers list originated by the NGO Urgewald and coal mines owners.

Concerning segregated accounts, all of our clients have been made aware of our policy and have been incited to adopt it. A vast majority of them have modified their investment policy and implemented the exclusion of thermal coal developers and coal mines owners.

OFI's investment time horizon varies greatly depending on the asset classes. For equity funds, we usually consider a 5 year horizon while regarding fixed income and diversified funds, a 3 year time horizon will be considered.

Segregated accounts' Investment horizon is usually 10 years to 15 years.

Reputation Risk: rather a short term risk. Pressure is mounting on investors and asset managers over the financing of highly co2 emitting corporations and industries namely utilities. The potential damage to our brand name could be significant and tarnish our relation to retail customers. Engaging dialogue with GNO's on climate change issues has been part of our strategy. The upshot of this dialogue was a major decision affecting our investment policy. The action undertaken has indeed reduced the risk to our reputation.

Regulation risk: at the present time, the EU is considering raising the standards in ESG and Climate-related legislation for institutional and individuals. Market authorities are increasingly focusing their attention towards these topics.

Market opportunities: Institutional investors are driven by present French and coming EU regulation on climate disclosure. The coming EU regulation changes on MIFIDII and IDD is set to drive individual investors towards more sustainable financial products. Therefore, considering the expected strong shift in demand, we have adjusted our product strategy. In the short and medium term we aim to seize the market opportunity by offering a range of mutual funds addressing climate related and social issues demonstrating a positive impact.

Opportunities in portfolio management: Corporations investing in low-carbon technologies are likely to outperform over medium and long term time scale. Therefore, building portfolios comprising companies addressing the technological shifts needed to meet co2 emissions target is a valuable option in terms of financial performance for an asset manager in the mid and long term.

Physical risks related to positions in our portfolios have been identified and monetized.

7 risks are considered: Extreme Cold, Extreme Heat, Precipitation, Extreme Snowfall, Extreme Wind, Coastal Flooding, Tropical Cyclones

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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Transition risk: considering our investment universe (mostly European) we view transition risk horizon, as short and midterm (5 to 15 years)

Reputation Risk: rather a short term risk, likely to increase over the next five to ten years.

Physical risks: we estimate physical risks are already happening and are likely to become more intense in the long term in our investment universe.

Opportunities:

Market opportunities appear in the short and medium term while, opportunities in portfolio management deriving from technological shifts are rather located on a mid to long term time scale.

How risks and opportunities are assessed and the impact and likelihood determined?

Risks and opportunities are assessed and monetized via the Value-at-risk calculation provided by Carbon Delta using several temperature scenarios. So far, we did not proceed to the determination of the likelihood.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

Yes

Describe

The executive committee reviews the yearly report made mandatory by law in France. The approval of the board is required on the document that highlights the climate-risk and opportunities in the portfolios directly managed by OFI. All elements included in this report, assessing the corporations at risk and opportunities in the portfolios are complemented by the use of scenario analysis on a 5 year and 15 years' time scale.

On the short term, reputation and transition risks have been identified and have led to major investment strategy adjustments, avoiding potentially "stranded" assets. A document approved by the executive committee and publicly released describes our policy.

The executive committee has approved a training program on Climate-related issues. Sessions will be held with the sales force and the portfolio managers during 2019.

In the face of transition risks, measuring the carbon footprint of investments has been a first approach adopted by many investors.

The reduction of carbon emissions is not enough to address the climate issue and can eventually lead to an investment policy that would lower its emissions without contributing to a low carbon transition. Therefore, In addition, we use a combination of several approaches. Three complementary approaches are proposed that cover specific time horizons.

The first, developed by OFI AM uses current data and integrates a prospective dimension based on the climate strategy of the actors belonging to the most emitting sectors. It allows establishing a risk score of the portfolio, constituting a tool for decision. The analysis focuses on issuers in the most intense sectors in terms of carbon emissions (Automotive, Chemicals, Building Materials, Oil and Gas, Utilities, etc.) and delivers a matrix of risks and opportunities as well as a split between green and brown shares of activities in the portfolios.

The second projects at 5 years the technological positioning of companies in sectors for which alternative low carbon technologies exist. This approach allows us to visualize the alignment of the portfolios with the 2 ° scenario of the IEA. A prospective scenario analysis is carried out for sectors with high greenhouse gas emissions (energy, electricity, transport and industrial). The model assesses the alignment of investment portfolios over a 5-year forecast period. The time horizon is that of capital expenditure planning for which data can be tracked at a significant level.

The third delivers an estimate of financial risk and opportunities over a 15-year horizon. It quantifies the potential financial impacts on the portfolio by incorporating an estimate of the physical risk. The Carbon Delta analysis methodology completes and deepens the OFI methodology, in line with the recommendations of the TCFD. The methodology thus brings the following elements:

- Monetization of climate change risk and opportunities
- Assessing the resilience of portfolios to different climate scenarios, including a 2 ° C scenario
- The determination of a temperature of a portfolio
- The assessment of physical risks

The financial impact of transition and physical risk has been calculated for the first year.

No

**SG 1.12
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-isr.pdf}

- Attachment (will be made public)

Attachment

[File 1:ISR_politique-isr.pdf](#)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-isr.pdf}

- Attachment (will be made public)

Attachment

[File 1:ISR_politique-isr.pdf](#)

- Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-isr.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR_politique-isr.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-isr.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR_politique-isr.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_methodologie-analyse-extra-financiere.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR_methodologie-analyse-extra-financiere.pdf](#)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-engagement.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR_politique-engagement.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-de-vote.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR_politique-de-vote.pdf](#)

Other, specify (1)

Other, specify (1) description

Policy on controversial weapons

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_position-armes-controversees.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR_position-armes-controversees \(1\).pdf](#)

Other, specify (2)

Other, specify (2) description

Policy on coal

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_politique-entreprises-exploitant-le-charbon-thermique.pdf}

Attachment (will be made public)

Attachment

[File 1:ISR politique-entreprises-exploitant-le-charbon-thermique \(1\).pdf](#)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/brochure_ofi-responsible-solutions.pdf}

Attachment

File Attachment

{hyperlink:brochure_ofi-responsible-solutions.pdf [991KB]}

Your investment objectives that take ESG factors/real economy influence into account

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/brochure_ofi-responsible-solutions.pdf}

Attachment

File Attachment

{hyperlink:brochure_ofi-responsible-solutions.pdf [991KB]}

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_methodologie-analyse-extra-financiere.pdf}

Attachment

File Attachment

{hyperlink:ISR_methodologie-analyse-extra-financiere.pdf [301KB]}

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/pdf/ISR_processus-identification-et-priorisation-actions-engagement-collectif.pdf}

Attachment

File Attachment

{hyperlink:ISR_processus-identification-et-priorisation-actions-engagement-collectif.pdf [103KB]}

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.ofi-am.fr/produit/afficher-document/8f27a18450b5e627794c50c5981ad0e2f423a1bc9d4ec6343c37a00f70f0598a}

Attachment

File Attachment

{hyperlink:Reporting_M_UK_FR0000971160_201902.pdf [542KB]}

Climate change

URL/Attachment

URL

URL

{[hyperlink:https://www.ofi-am.fr/pdf/ISR_transition-energetique.pdf](https://www.ofi-am.fr/pdf/ISR_transition-energetique.pdf)}

Attachment

File Attachment

{[hyperlink:ISR_transition-energetique.pdf \[1003KB\]](#)}

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC Voluntary Public Descriptive General

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Other description (1)

Other role, specify (1)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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OFI AM aims to bring the climate issue to the highest level of the company and integrate it into its corporate strategy. OFI AM's climate policy oversight body is the board of directors.

Its role is to control the relevance of OFI AM's climate change policy and that the executive committee ensure the implementation of it.

This mission is carried out in collaboration with the Group Executive Committee. In order to facilitate communication between the two bodies a referent is appointed. The referent on the Board of Directors is Christophe Lepitre, Deputy Chief Executive Officer. His mission is to make sure that the climate issue is well addressed within the board of directors. To carry out this mission, he can put on the agenda any item related to the climate issue and convene any person that he will find useful.

The Board of Directors will address climate related issues at least once a year. Nevertheless, the referent can put on the agenda any purpose relating to climate change at any time.

In order to review and track progress, a dashboard is set up and consists of the following indicators:

"physical" indicators (carbon footprint, "temperature" of investments, technological trajectory, green / brown share ...)

"financial" indicators (climatic financial impact, transition risk financial impact, opportunities financial impact, VAR of physical risk ...)

indicators relative to products and services dedicated to climate issues (subscription / redemption of funds,

turnover from funds and services related to the climate ...)

A presentation of the 10 least risky funds

A presentation of the 10 most risky funds

Any indicator (quantitative and / or qualitative) to ensure the proper implementation of the group's climate policy.

SG 07.7
CC

For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.

OFI AM aims to bring the climate issue to the highest level of the company and integrate it into its corporate strategy. The body responsible for the definition and the good implementation of OFI AM's climate policy is the executive committee.

Its role is to define a climate policy, to integrate it into the corporate strategy and to put in place all the resources needed for the correct implementation of it.

A "climate" referent is appointed within the executive committee. Mr. Christophe Frespuesch, development director is currently the "climate" referent within the executive committee.

His mission is to make sure that the climate issue is well addressed within executive committee. To carry out this mission, it can put on the agenda any item related to the climate issue and convene any person that he will find useful.

OFI AM decided, not to create a dedicated structure, but to integrate the climate related issues into the global decision-making process of the group.

The manager of the operational follow-up and the implementation of the climate risk within OFI AM is the Head of Risk Management. One person in his team is dedicated to extra-financial risks (climate and ESG).

The executive committee will address climate related issues at least once a year. Nevertheless, the referent can put on the agenda any purpose relating to climate change at any time.

In order to review and track progress, a dashboard is set up and consists of the following indicators:

"physical" indicators (carbon footprint, "temperature" of investments, technological trajectory, green / brown share ...)

"financial" indicators (climatic financial impact, transition risk financial impact, opportunities financial impact, VAR of physical risk ...)

indicators relative to products and services dedicated to climate issues (subscription / redemption of funds, turnover from funds and services related to the climate ...)

A presentation of the 10 least risky funds

A presentation of the 10 most risky funds

Any indicator (quantitative and / or qualitative) to ensure the proper implementation of the group's climate policy.

SG 07.8
CC

Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.

- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

Governance analysis

- Yes, to assess future climate-related risks and opportunities

Describe

linked to TCFD issues

- No, not to assess future ESG/climate-related issues

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13 CC

Voluntary

Public

Descriptive

General

**SG 13.4
CC**

Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

The scenario analysis provides a forward-looking perspective and therefore helps us spot corporations most at risk on a mid-term scale. Integration of the results into our investment policy and risk management tools will be rolled out in the next two years.

- Inform active ownership

	Describe
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As a committed asset manager, we engage with companies on climate change issues. We have included climate issues in our voting policy and vote in accordance supporting resolutions on climate change. The engagement is conducted by the ESG team also in charge of the voting policy.

We are an active member of the IIGCC initiative and participate in the Climate 100+ collective action. We support collective shareholder proposals targeting the most carbon intensive corporations.

Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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Yes

	Describe
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The potential impact has been evaluated on a 15 years' time scale which is beyond OFI 's directly managed assets (3 to 5 years) and slightly beyond our client's horizon (average 12 years) . Both transition risk and its constituents and physical risks have been assessed as well as opportunities.

No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.
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- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

SG 13.8 CC	Indicate the climate scenarios the organisation uses.
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Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 5px; border: 1px solid #000;">Other (1) please specify:</div> Remind by PIK
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			269	000	000
Currency	EUR				
Assets in USD			306	900	252

Specify the framework or taxonomy used.

We aggregate all funds that are partially or fully invested in climate-related risk strategies. Either these funds use a risk and opportunity matrix (carbon intensity and energy transition vectors) set up by the ESG analysis team to exclude the riskiest issuers from the investment universe, or they integrate into their management process a strategy related to the energy transition (renewable energies, efficiency energy, and clean technology).

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

We phase out our investments in all assets issued by companies stated on the Coal Plant Developers list originated by the NGO Urgewald and coal

- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

We also use three other tools : the financial impact of climate risk (transition and physical risk) on the market value of assets, the temperature

- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We use a database made available by our service provider, perform our own analysis (carbon footprint, Green / Brown investments, ...). Otherwise, our SRI research team has developed a risk / opportunity matrix based on two vectors of analysis (energy transition, carbon intensity) for "carbon-intensive" sectors. We regularly assess these indicators on a number of our portfolios and their benchmark and disclose it to our clients through monthly reports of the assessed portfolios.

Since the beginning of 2019, we assess other indicators or methodologies made available by two service providers. We plan to disclose some of the results to our clients if the assessment of these alternative data is conclusive.

SG 14.5

Additional information [Optional]

OFI AM is working extensively on key climate indicators. A dashboard of about fifteen indicators has been determinate and will be communicated at the highest level of the company.

OFI AM has already set itself the goal of training key people internally and raising the awareness of its customers externally. To reach this goal, the group will train all its portfolio managers and commercial staff by the end of 2019.

Externally, all our clients (mandates) will receive a climate risk awareness document and a proposal to assist them to manage this new risk.

SG 14 CC

Voluntary

Public

General

SG 14.6
CC

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Client report	Carbon footprint of financed emissions defined as follows: Weight in portfolio * Total carbon emissions / Total liabilities	TCO2/M€
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Client report	The absolute greenhouse gas emissions (scope 1 and 2) associated with a portfolio	T CO2
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Client report and portfolio management	For corporate issuers, weighted average of volume of carbon emission per million dollars of revenue For govies, energy consumption from oil / GDP and GHG emissions / GDP	TCO2/M€
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio management		The amount or percentage of carbon-related assets in the portfolio, expressed in \$M or as a percentage of the current portfolio value
Other emissions metrics	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	training of key people internally and raising the awareness of our customers	- Financial impact of physical and transition risks and opportunities - Portfolio temperature gauge	<ul style="list-style-type: none"> o USD Transition risks: For bonds, impact on interest coverage of the issuer is assessed and therefore we deduce impact on credit spread of the issuer. Using credit sensitivities of bonds issued and credit spread impact, we estimate the profit & loss on each issued bond. For equities, we use a dividend discounted model approach. o To quantify physical risks and opportunities, our service provider applies a formula used in most hazard models. According to this formula, the expected cost depends on the vulnerability, the hazard and the exposure. o degree Celsius o The portfolio temperature metric is based on the alignment of each company within the portfolio to the sectoral GHG emission intensity needed for each sector to make its contribution to reach the global 2°C target.

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

OFI AM has a range of funds that partially or totally integrate climate related risks and opportunities, and will gradually expand the scope within 3 years.

OFI AM has tools and a coal policy that follows the information process via the risk committee and that impede any investment in coal-related securities.

Moreover, OFI AM has contracted with a service provider that we are integrating into the overall risk monitoring.

So, we use 3 methodologies:

the first one, developed by OFI AM, focused on the high stake sector's assets and two alternative methodologies developed by external entities

Our ESG analysis team is currently using a matrix approach (carbon intensity, energy transition) to identify issuers at risk or opportunity in the portfolios for which this is relevant.

Other more prospective approaches are being analyzed, including financial impact of climate-related risks and opportunities, and we will gradually include it in our risk monitoring systems.

In addition, a senior ESG analyst joined the Risk Department in mid-2018 to participate in the integration of climate and ESG risks into the overall risk identification and monitoring process for investment portfolios.

Regarding the decision process, the executive committee makes strategic decisions related to climate risks and opportunities (exclusion of issuers from the investment universe, creation of funds focused on climate related risks and opportunities...). The portfolio managers and sales teams apply the decisions made by the executive committee. The ESG Analysis and the Risk Management teams implement processes and monitoring tools, control and report to the Risk Committee to allow its members to decide. And if necessary the executive committee makes the ultimate decision.

- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9
CC**

Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe

We engage with investees companies on climate change issues. Our voting policy (conducted by the ESG Team) includes climate related items. See point 13.4 for more details on OFI's engagement.

We identify and assess either transition risks and opportunities or physical risk.

- No, we do not engage

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

1

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

Listed equity

% of AUM

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Cash

Brief description and measures of investment

<https://www.ofi-am.fr/produit/afficher-document/43885ae40bed010d962521e280c8f4e7cb427762a7f4b5bdd03c060476c7a329>

<https://www.ofi-am.fr/produit/afficher-document/66460f86256311bdc7fc9c605a4c9f7c9b107cca1b68e5324f2578b2f20a811d>

- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing

Asset class invested

Listed equity

% of AUM

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Cash

Brief description and measures of investment

<https://www.ofi-am.fr/produit/afficher-document/43885ae40bed010d962521e280c8f4e7cb427762a7f4b5bdd03c060476c7a329>

- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No