

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.

- Product name: GROUPAMA FUTURE FOR GENERATIONS BALANCED

Legal entity identifier: 969500ENKNBRPZC5I224

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**: 30.0%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

it will make a minimum of **sustainable investments with a social objective**: 10.0%

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 N/A of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the financial product is to invest in companies that generate environmental or social benefits, provided that these investments do not significantly harm any of the sustainable objectives defined by EU legislation and that the selected companies follow good governance practices. Our investment policy aims to select companies that can deliver sustainable financial growth. The financial product selects companies that benefit from economic developments and transformations in the field of energy transition, climate change mitigation and adaptation, sustainable consumption and production, and health and well-being.

Addressing an environmental or social objective:

- Companies whose activities contribute positively or very positively to at least one of the four SDGs (Sustainable Development Goals as defined by the UN) targeted by the subfund according to the proprietary approach developed by Groupama AM. This approach is based on data from our Moody's provider. Companies are analysed for their activities' positive contribution to four UN SDGs targeted by the subfund.
 - The company's contribution to an SDG is 'NEUTRAL' if the turnover of the identified sustainable activities is zero
 - The company's contribution to an SDG is 'POSITIVE' if the turnover of the identified sustainable activities is between 1% and 5%
 - The company's contribution to an SDG is 'VERY POSITIVE' if the turnover of the identified sustainable activities is strictly greater than 5%

- Investments made in green bonds, social bonds or sustainable bonds validated by an internal methodology based on two recognised benchmarks:
 - The transparency requirements of the Green Bond Principles, Social Bond Principles and Sustainable Bond Principles.
 - The classification of eligible activities under the Greenfin label for green bonds.

The internal analysis methodology ensures that these bonds meet our internal requirements in this regard. Through this methodology, we systematically analyse four interdependent and complementary criteria:

- o Characteristics of the issue;
- o ESG performance of the issuer;
- o Environmental and/or social quality of the projects financed;
- o Transparency.

If any of the following three criteria—the ESG performance of the issuer, the environmental and/or social quality of the projects financed or the transparency—is categorised as negative on analysis the bond will not be validated. Only investments made in green bonds, social bonds or sustainable bonds validated by our internal methodology are taken into account in the fund’s sustainable investment share.

For more information on our internal methodology, please see our ESG methodology here: <https://www.groupama-am.com/en/sustainable-finance>.

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

1/ Minimum share of sustainable investments

To measure the attainment of its sustainable investment objective, the subfund uses indicators regarding the contribution of companies to the four selected SDGs. The companies are analysed according to their contribution to each of the four SDGs. This contribution may be strongly positive, positive or neutral.

2/ ESG rating of the subfund

3/ ESG indicators

- Carbon intensity: the subfund incorporates carbon intensity into its management objective and how it implements its investment strategy. This indicator corresponds to the quantity of greenhouse gas emissions emitted by the investee companies (scopes 1 and 2 and upstream scope 3). It is expressed in tonnes of CO₂ equivalent per million EUR of turnover;
- Board gender diversity: The subfund incorporates board gender diversity into its management objective and how it implements its investment strategy. The financial product aims to achieve an indicator that is higher than that of its investment universe.

These are monitored daily, with the results published monthly in the subfund’s ESG report. These results are systematically compared with the investment universe.

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

Sustainable investments in the portfolio shall ensure that they do no significant harm to any sustainable investment objective by applying the following policies:

- The application of ESG and exclusion policies and of Groupama AM policies: the Major ESG Risks list, the Fossil fuel policy (coal and non-conventional fossil fuels), the controversial weapons exclusion policy. Consequently, any company featuring on one of these lists is considered non-compliant with the DNSH requirement.
- The application of sectoral exclusions: companies operating in the alcohol, gambling, tobacco and pornography sectors are considered to be non-compliant with the DNSH requirement if more than 5% of their turnover comes from these sectors.
- Incorporating indicators for adverse impacts into the calculation of an issuer’s ESG rating.

For green, social and sustainable bonds, the absence of harm is verified through the systematic analysis of the issuer’s ESG performance.

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

This financial product takes into account the 14 mandatory indicators set out in Table 1 of Annex I to Commission Delegated Regulation (EU) 2022/1288. It also includes an additional two indicators: Number of days lost to injuries, accidents, fatalities or illness, and water usage and recycling.

The principal adverse impact indicators are taken into account qualitatively or quantitatively at various levels of our sustainable investment approach: the exclusion policies, the analysis of controversies, the engagement policy and the internal ESG analysis methodology.

The indicators for adverse impacts 1 to 14, as well as the two additional indicators, are qualitatively taken into account during our ongoing monitoring of controversies.

The indicators for adverse impacts 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13 are qualitatively integrated into the proprietary ESG analysis methodology.

PAI 10 on violations of the United Nations Global Compact and OECD Guidelines is taken into account through the normative exclusion policy applied to the financial product. PAI 4 is taken into account through the sector exclusion and engagement policies.

PAI 14 is taken into account in our exclusion policies.

An assessment of the principal adverse impacts is carried out at the financial product level and reported annually as part of the ESG annex to the periodic report.

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

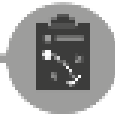
The violations of the principles of the Global Compact, the OECD Guidelines and the lack of a monitoring process are taken into account in the analysis of sustainable investments. They are monitored through the Global Compact score calculated by our ESG data provider. This score is based on an analysis of the controversies of companies in relation to respect for human rights, labour rights, business ethics and the environment.



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

Yes, in line with the principle of double materiality the principle adverse impacts (hereinafter “PAIs”) are taken into account at several levels of the sustainable investment approach: the exclusion policy, monitoring of controversies, the engagement policy and the internal ESG analysis methodology. This consideration helps to limit the environmental and social impacts of investment decisions and makes it possible to monitor sustainability risks to which the portfolio may be exposed.

No



What investment strategy does this financial product follow?

The investment strategy aims to select companies that benefit from economic developments and transformations in the field of energy transition, climate change mitigation and adaptation, sustainable consumption and production, and health and well-being.

The initial investment universe is made up of two sub-universes — a global equity universe and a global bond universe. Within these two sub-universes, issuers are selected in connection with the fund’s themes on the basis of the contribution score to the sustainable development goals (SDGs) targeted by the subfund.

This initial investment universe is then reduced by at least 30%, in accordance with the selectivity requirements of SRI Label V3, to define an eligible investment universe. This reduction is achieved by applying a number of filters:

- Selection of issuers that make a positive contribution to at least one of the four SDGs targeted by the subfund in accordance with the internal SDG contribution methodology detailed in response to the question “What is the sustainable investment objective of this financial product?”: Good health and well-being (SDG 3), Industry,

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

innovation and infrastructure (SDG 9), Responsible consumption and production (SDG 12) and Climate action (SDG 13).

- Application of sectoral and normative exclusions to ensure there is no adverse impact on the targeted themes.

Exclusions by the Management Company:

- Application of sectoral exclusions concerning controversial weapons and fossil fuels in accordance with Groupama AM's exclusion policies, which can be viewed on its website.

- Exclusion of issuers on the Major ESG Risks list: issuers identified as presenting inadequate governance or significant sustainability risk, which could call into question their economic and financial viability, or could have a significant impact on the company's value, thus resulting in a significant fall in market value or a significant downgrade by rating agencies.

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.

- Application of the normative exclusions regarding non-cooperation in tax matters, corruption and money laundering in accordance with Groupama AM's AML-CFT policy

Specific portfolio exclusions:

Global equity universe

- The portfolio applies the exclusions of the SRI Label (V3) regarding tobacco, fossil fuels (thermal coal, new developers, electricity producers) and issuers suspected of serious and/or repeated violations of one or more principles of the UN Global Compact.

- Application of normative exclusions with regard to non-cooperation in tax matters, corruption and money laundering in accordance with SRI Label V3 requirements.

- Exclusions for EU Climate Transition Benchmarks (CTB) pursuant to ESMA's guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657). Issuers operating in the tobacco or controversial weapons sector and issuers suspected of serious and/or repeated violations of one or more UN Global Compact principles are excluded.

- The portfolio also applies the sectoral exclusions defined in the internal methodology relating to sustainable investments (Article 2 (17) of the SFDR): tobacco, alcohol, gambling and pornography.

Global bond universe

- The portfolio applies the exclusions of the SRI Label (V3) regarding tobacco, fossil fuels (thermal coal, new developers, electricity producers) and issuers suspected of serious and/or repeated violations of one or more principles of the UN Global Compact.

- Application of normative exclusions with regard to non-cooperation in tax matters, corruption and money laundering in accordance with SRI Label V3 requirements.

- Exclusions for EU Climate Transition Benchmarks (CTB) pursuant to ESMA's guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657). Issuers operating in the tobacco or controversial weapons sector and issuers suspected of serious and/or repeated violations of one or more UN Global Compact principles are excluded.

- The portfolio also applies the sectoral exclusions defined in the internal methodology relating to sustainable investments (Article 2 (17) of the SFDR): tobacco, alcohol, gambling and pornography.

For more information, please see the portfolio's SFDR Article 10 disclosure, which is available on the Groupama Asset Management website.

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

• The initial investment universe is reduced by at least 30%, within both the global equity universe and global bond universe, by excluding securities that do not make a positive contribution to any of the four SDGs targeted by the portfolio, applying the portfolio's exclusions (as detailed above) and applying Groupama AM's ESG

policies. For more information, please see the portfolio's SFDR Article 10 disclosure, which is available on the Groupama Asset Management website.

- The portfolio's securities selection process must result in a minimum screening and monitoring rate of 90% of the portfolio's ESG ratings, excluding money market UCIs, derivatives and cash.
- The portfolio meets the required minimum ESG analysis threshold, in line with ESMA's guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657).
- The subfund must obtain a better score than its investment universe for the following two ESG indicators:
 - Carbon intensity: The subfund incorporates carbon intensity into its management objective and how it implements its investment strategy. The subfund aims to achieve a carbon intensity that is lower than that of its investment universe. The process of selecting securities in the portfolio must result in a minimum screening rate of 80% of the portfolio before the end of 2025 and then of 90% before the end of 2026. The screening rate is calculated on the basis of the portfolio's total assets excluding money market UCIs, cash and derivatives.
 - Board gender diversity: The subfund incorporates the gender diversity of the board of directors into its management objective and how it implements its investment strategy. The financial product aims to achieve an indicator that is higher than that of its investment universe. The process of selecting securities in the portfolio must result in a minimum screening rate of 55% of the portfolio before the end of 2025 and then of 60% before the end of 2026. The screening rate is calculated on the basis of the portfolio's total assets excluding money market UCIs, cash and derivatives.
- At least 90.0% of investments made by the subfund are sustainable investments within the meaning of the SFDR. The companies are analysed according to their positive contribution to the SDGs. The methodology used is detailed in response to the question "What is the sustainable investment objective of this financial product?".

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

To ensure that the companies in which the financial product invests have introduced good governance practices, the financial product uses an internal analysis methodology that takes into account good governance criteria as defined in its ESG approach. The criteria taken into account include:

- Percentage of independent members of the board of directors
- Integration of ESG criteria within executive compensation
- Existence of a CSR committee within the board of directors
- Corruption prevention policy and existence of controversies
- Responsible lobbying practices and existence of controversies

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



Within the portfolio:

- The minimum proportion of sustainable investments is 90.0% (#1A below).
- The minimum proportion of Taxonomy-aligned investments is 0.0%.
- The minimum proportion of sustainable investment meeting an environmental objective is estimated at 30.0%.
- The minimum proportion of sustainable investment meeting a social objective is estimated at 10.0%.

The total net assets are used as the basis for calculating the share of sustainable investments.

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

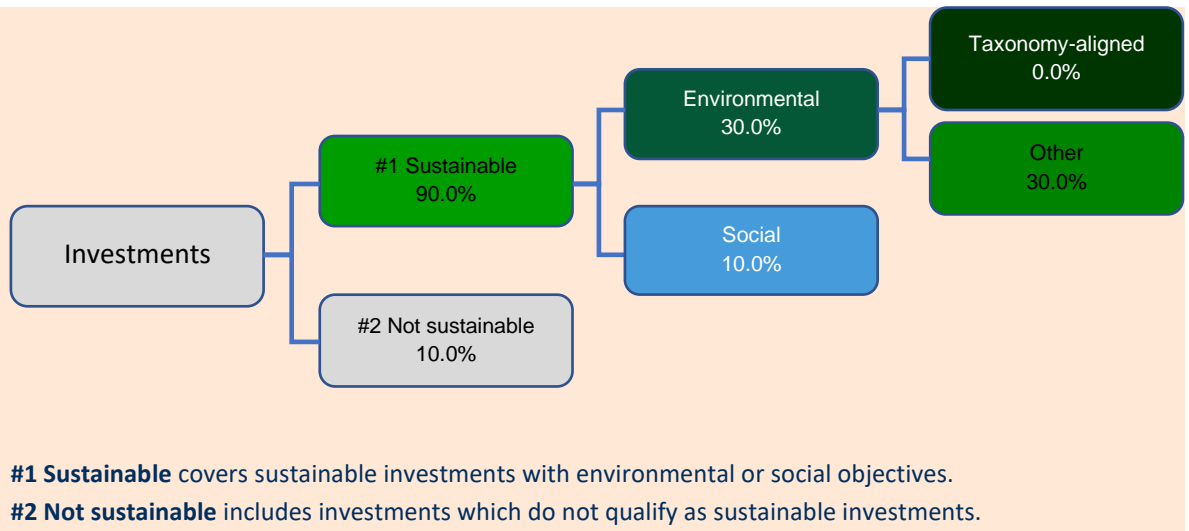
Asset allocation
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

Derivatives are not intended to contribute to the environmental or social characteristics promoted by the financial product.



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

The financial product promotes environmental and social characteristics and is committed to making a minimum of 90.0% sustainable investments. However, the financial product is not committed to making a minimum of sustainable investments with an environmental objective aligned with the EU Taxonomy.

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

Yes

In fossil gas

In nuclear energy

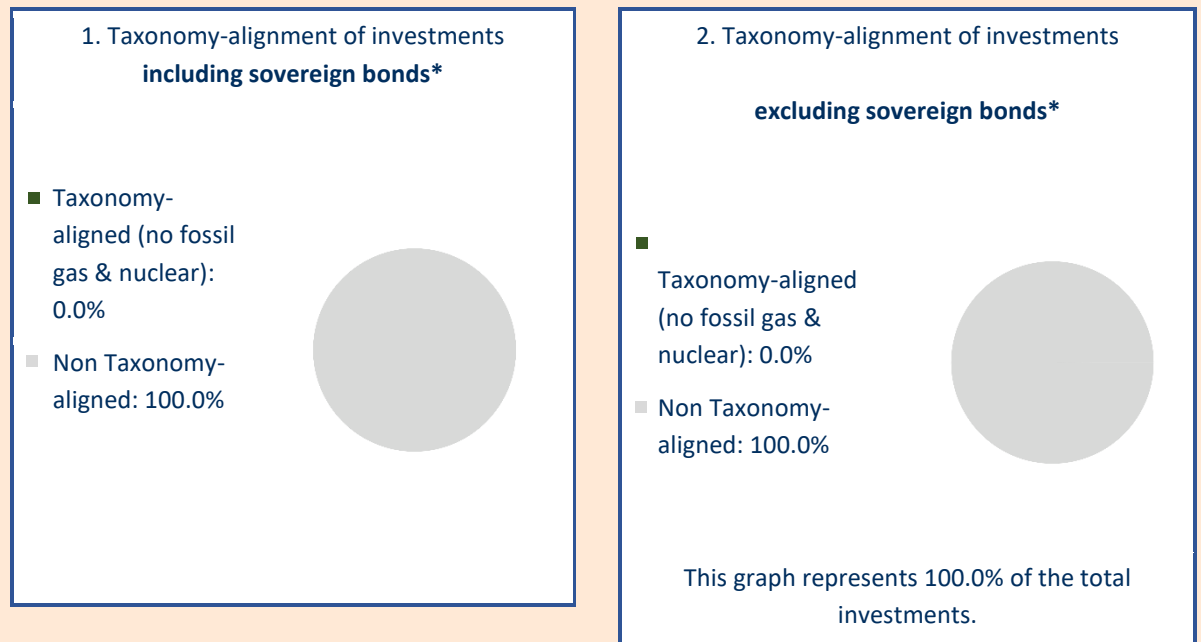
No

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 levels corresponding to the best performance.

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.

Regulation (EU) 2019/2088 (the "European Taxonomy" or the "Taxonomy Regulation") aims to classify environmentally sustainable economic activities. It identifies these activities based on their contribution to six main environmental objectives:

- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy (waste, reduction and recycling),
- pollution prevention and control,
- the protection and restoration of biodiversity and ecosystems.

To be considered as sustainable, an economic activity must demonstrate that it makes a substantial contribution to achieving one of the six objectives, without prejudice to any of the other five (the "do no significant harm" principle, hereinafter the "DNSH" principle). The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. For an activity to be considered as aligned with the EU Taxonomy, it must respect both human and social rights under international law.

In its investment decisions, the management team shall endeavour to take into account the European Union's criteria for economic activities considered to be environmentally sustainable under the Taxonomy Regulation (EU) 2020/852. Based on the issuer data currently available, the minimum proportion of investments aligned with the EU Taxonomy is 0%. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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

The financial product is not committed to making a minimum share of investments in transitional and enabling activities.

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What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product is committed to making a minimum of 90.0% of sustainable investments, of which at least 30.0% have an environmental objective not aligned with the EU Taxonomy.



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

The financial product is committed to making a minimum of 90.0% sustainable investments, of which at least 10.0% have a social objective.



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

The “#2 Other” category consists of issuers or securities without a rating due to a lack of sufficient ESG data but for which the financial product’s exclusion policies apply. These investments are part of a portfolio diversification strategy. This category also includes money market UCIs and cash held as ancillary liquidity. With the exception of SRI money market UCIs managed directly by Groupama Asset Management, no minimum environmental or social safeguards are implemented for investments included in the “#2 Other” category.

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



The financial product does not have a designated reference benchmark tailored to ESG characteristics under the SFDR

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

Not applicable

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable

How does the designated index differ from a relevant broad market index?

Not applicable

Where can the methodology used for the calculation of the designated index be found?

Not applicable

Where can I find more product specific information online?



More product-specific information can be found on the website: <https://www.groupama-am.com/fra/fr/institutionnel/products/fr0010289660#product-sustainability-section>

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