

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to either of these objectives and that the companies in which the financial product has invested apply 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 socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

- | | |
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| <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: N/A</p> <ul style="list-style-type: none"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> it will make a minimum of sustainable investments with a social objective: N/A</p> | <p><input checked="" type="checkbox"/> It promotes environmental and social (E/S) characteristics and while it does not have as its objective sustainable investment, it will have a minimum proportion of 30.0% of sustainable investments</p> <ul style="list-style-type: none"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p> |
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What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics through management that emphasizes the sustainability of issuers by analysing the Environmental, Social and Governance ("ESG") criteria of the securities held in the portfolio. The analysis of these criteria results in an ESG score ranging from 0 to 100, based on various indicators, including:

- Environment: biodiversity, waste management, etc.;
- Social: employee training, supplier relations, etc.;
- Governance (board independence, executive remuneration policies, etc.)

In this regard, the financial product implements a "Best-in-Universe" approach and also excludes certain securities. Additionally, the financial product has not designated a benchmark aligned with ESG characteristics for the purposes of the SFDR.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

As part of its investment policy, the UCITS will report on the following sustainability indicators to measure the achievement of each of the environmental or social attributes it promotes:

- Carbon intensity of the portfolio compared to the investment universe. This indicator corresponds to the quantity of greenhouse gas emissions produced by the companies benefiting from the investments (scope 1, 2 and 3 upstream). It is expressed in tonnes of CO2 equivalent per million euros of turnover.
- Minimum sustainable investment percentage.

Sustainability indicators assess the extent to which the environmental or social characteristics promoted by the financial product are achieved.

What are the objectives of the sustainable investments that the financial product partially intends to achieve, and how does the sustainable investment contribute to these objectives?

The sustainable investment objectives that the financial product intends to pursue include environmental or social objectives. The investments made contribute to these objectives:

1) by selecting companies whose activities contribute positively or very positively to at least one of the 16 Sustainable Development Goals as defined by the UN ("SDGs") according to the proprietary approach developed by Groupama AM.

This approach is based on data from our provider MSCI. Companies are analysed on the basis of the positive contribution of their activities to 16 of the 17 UN SDGs (the SDG on peace, justice and effective institutions not being applicable to companies):

- The company's contribution to an SDG is "NEUTRAL" if the turnover of the sustainable activities identified is zero;
- The company's contribution to an SDG is "POSITIVE" if the turnover of the sustainable activities identified is between 1% and 5%;
- The company's contribution to an SDG is "VERY POSITIVE" if the turnover of the sustainable activities identified is strictly greater than 5%.

Investments with a very positive, positive or neutral score are considered sustainable investments.

2) By holding green bonds, social bonds or sustainable bonds, validated by an internal methodology based on two recognised benchmarks:

- The transparency requirements of the Green Bonds Principles, Social Bonds Principles and Sustainable Bonds Principles.
- The nomenclature of activities eligible for the Greenfin Label for green bonds.

For more information on our internal methodology, please consult our ESG methodology via the following link: <https://www.groupama-am.com/fra/fr/particulier/finance-durable>.

How do the sustainable investments that the financial product partially intends to make not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments made in the portfolio ensure that they do not cause significant harm to a sustainable investment objective, through:

- Application of Groupama AM's ESG and exclusion policies: the list of major ESG risks, the Fossil Energy policy (Coal and NCFE), the policy of excluding controversial weapons. Any company appearing on one of these lists is therefore considered not in compliance with the DNSH requirement.
- The application of sector exclusions: companies operating in the alcohol, gambling, tobacco or pornography sectors are considered not to comply with the DNSH requirement if they generate more than 5% of their turnover in these sectors.
- The inclusion of negative impact indicators in the calculation of the issuer's ESG rating.

For green, social and sustainable bonds, this absence of harm is verified through 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 in Table 1 of Annex I of the European Commission Delegated Regulation (EU) 2022/1288. It also includes two additional indicators: number of days lost due to injuries, accidents, deaths or illnesses and water use and recycling. Adverse impact indicators are considered qualitatively or quantitatively at various levels of our sustainable investment approach: exclusion policy, controversy analysis, engagement policy and internal ESG analysis methodology. Adverse impact indicators 1 to 14 and the two additional indicators are qualitatively monitored through controversy tracking. Adverse impact indicators 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13 are integrated into our proprietary ESG analysis methodology in a quantitative manner. PAI 10 on violations of the United Nations Global Compact or the OECD Guidelines is taken into account through the normative exclusion policy applied to the financial product.

PAI 4 is addressed in the sectoral exclusion policy and engagement policy. PAI 14 is taken into account in our exclusion policies.

PAIs 15 and 16 are taken into account qualitatively in controversy monitoring and quantitatively integrated into the proprietary ESG analysis methodology.

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

Violations of the principles of the Global Compact, the OECD Guidelines and the absence of a monitoring mechanism are taken into account in the analysis of sustainable investments. They are tracked via the Global Compact score calculated by our ESG data provider. This score is based on an analysis of companies' controversies relating to respect for human rights, labour rights, business ethics and respect for the environment.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.



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

Yes,

In accordance with the double materiality principle, the principal adverse impacts (hereinafter referred to as PAIs) are taken into account at several levels of the sustainable investment process: the exclusion policy, controversy monitoring, the engagement policy and the internal ESG analysis methodology. This helps to limit the environmental and social impacts of investment decisions and to monitor the sustainability risks to which the portfolio may be exposed.

No



What investment strategy does this financial product follow?

The ESG approach used in the management process is a “Best-In-Universe” approach. The ESG approach developed by Groupama Asset Management is based on a quantitative and qualitative analysis of the environmental, social, and governance practices of the securities in which it invests.

The analysis of these ESG criteria results in a score ranging from 1 to 100, based on various indicators, including:

- Environment: biodiversity, waste management, etc.;
- Social: employee training, supplier relations, etc.;
- Governance (board independence, executive remuneration policies, etc.)

The investment universe is divided into five quintiles, each representing 20% of the investment universe in terms of the number of securities. Securities rated Quintile 1 represent the best ESG scores within the investment universe, while securities rated Quintile 5 represent the worst ESG scores. The financial product will predominantly invest in securities within Quintiles 1 to 4.

The selection must result in an average score of the portfolio's carbon intensity indicator at least 20% better than the investment universe.

The main limitation of this analysis lies in the quality of the available information. ESG data is not yet standardised, and Groupama Asset Management's analysis ultimately relies on qualitative and quantitative data provided by companies themselves, some of which may still be incomplete or heterogeneous.

To address this limitation, Groupama Asset Management focuses its analysis on the most material aspects of the sectors and companies it reviews. For more detailed information on the rating methodology used in the financial product and its limitations, investors can refer to the methodology document available on the website www.groupama-am.com.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

To achieve the promoted environmental and social characteristics, the investment strategy relies on the following elements:

- Exclusions at the level of the Management Company:
 - Exclusion of companies listed as “Major ESG Risks”: Groupama Asset Management follows a list of entities identified as particularly high ESG risks (“Major ESG Risks” list). These are companies where ESG risks could jeopardise their economic and financial viability or significantly impact their value, leading to substantial market value loss or significant downgrades by agencies.
 - Application of sectoral exclusion policies by Groupama AM concerning controversial weapons and fossil fuels. Securities involved in controversial weapons and the coal sector are excluded based on the criteria outlined in our policy. Securities involved in the production of unconventional fossil fuels are not eligible for reinvestment under the criteria outlined in our policy.
 - Application of regulatory exclusions in relation to non-cooperation for tax purposes, corruption and money laundering in accordance with Groupama AM's AML/CFT policy.
- Sustainability indicators:
 - The average score of the portfolio's carbon intensity indicator must be at least 20% better than its investment universe.
 - Minimum sustainable investment content of 30%, in line with the definition of sustainable investment given above.

The financial product must also outperform its investment universe or benchmark on the following indicator:

- Carbon intensity

The securities in the portfolio have a minimum ESG rating coverage and monitoring rate of 90% of the portfolio, excluding cash, derivatives and money-market funds.

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

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The investment strategy does not aim to ensure a reduction in the investment universe of the financial product. The investment strategy of the financial product consists in ensuring that the average score of the portfolio's carbon intensity indicator is at least 20% better than its investment universe.

What policy is implemented to evaluate the good governance practices of the companies in which the financial product invests?

In order to ensure that the companies invested in comply with good governance practices, the financial product uses an internal analysis methodology that takes into account good governance criteria defined in its ESG approach, as described in the section on its investment strategy. The criteria considered are:

- Percentage of independent board members;
- Integration of ESG criteria in executives' remuneration;
- Existence of a CSR committee within the board of directors
- Anti-corruption policies and the existence of controversies;
- Responsible lobbying practices and the existence of controversies

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



What is the asset allocation planned for this financial product?

Within the portfolio:

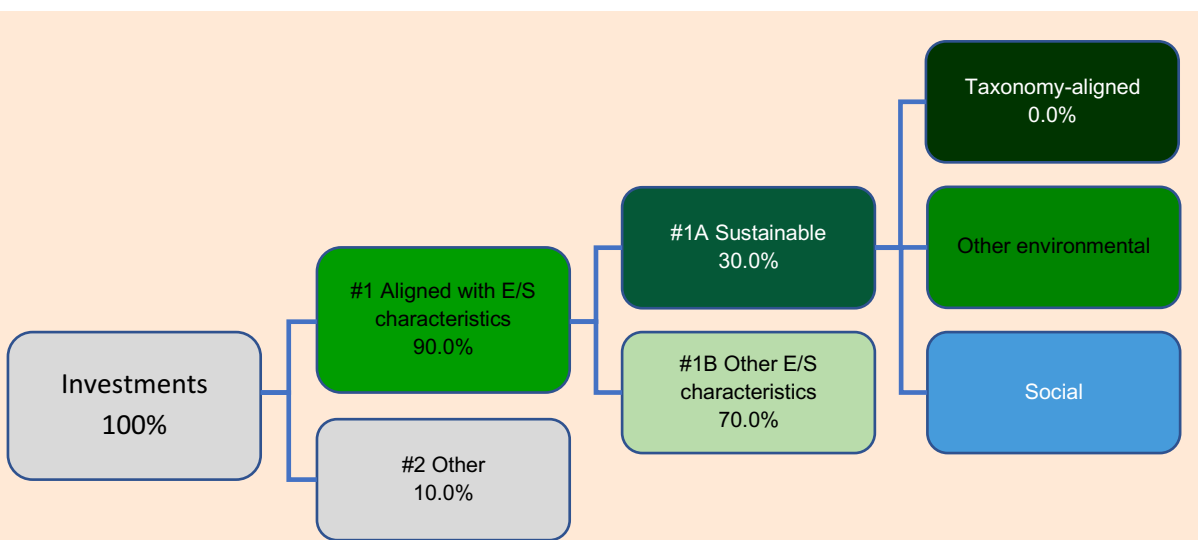
- The minimum proportion of investments contributing to the environmental and social characteristics promoted by the financial product is 90% (#1 below), excluding money market funds, derivatives and cash.
- The minimum proportion of sustainable investments is 30% (#1A below)
- The minimum proportion of Taxonomy-aligned investments is 0%.

The calculation base for the share of sustainable investment is the total net assets.

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 derived from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made investee companies, e.g. For a transition to a green economy.
- **operating expenditure** (OpEx) reflecting the green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- the sub-category **#1A Sustainable** covering sustainable investments with environmental or social;
- the sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivative products 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 a minimum of 30% sustainable investments. However, the financial product does not undertake to make a minimum number of sustainable investments with an environmental objective in line with the EU Taxonomy.

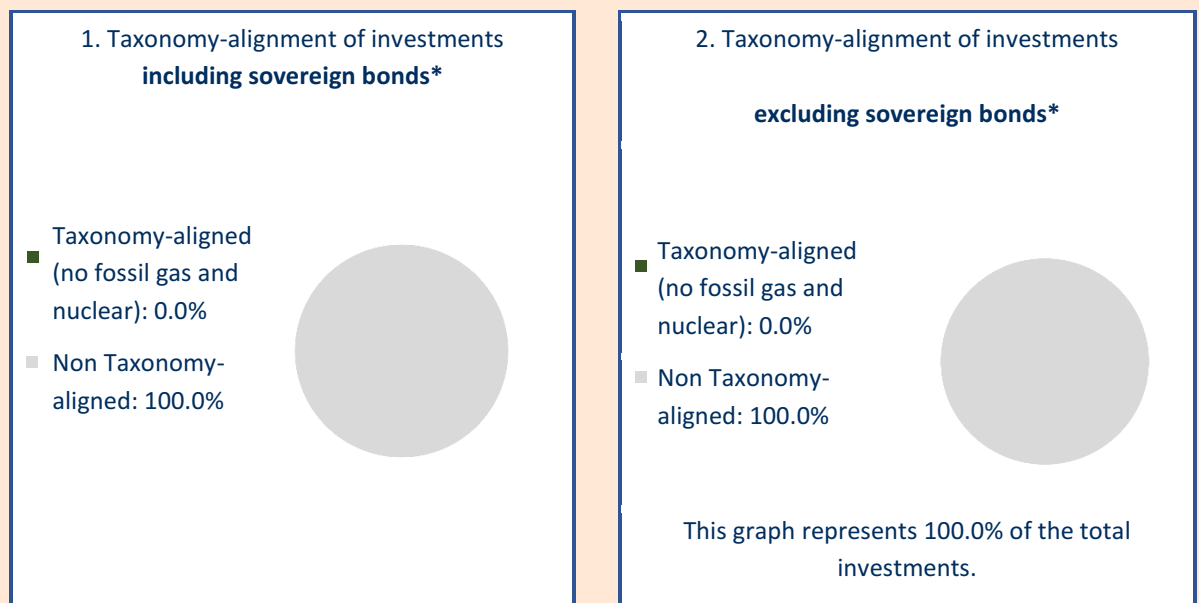
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

- Yes
 In fossil gas In nuclear energy
 No

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.

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.



* 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?

The financial product does not commit to a minimum investment in transitional and enabling activities.



The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

The financial product promotes environmental and social characteristics and is committed to a minimum of 30% sustainable investments.

At this stage, it is difficult to identify the distribution of the portfolio specifically responding to an environmental objective, insofar as some of the SDGs, such as SDG 11 - Sustainable cities and communities, identify activities that contribute to environmental and social issues without distinction.



What is the minimum share of socially sustainable investments?

The financial product promotes environmental and social characteristics and is committed to a minimum of 30% sustainable investments.

At this stage, it is difficult to identify the distribution of the portfolio specifically responding to a social objective, insofar as some of the SDGs, such as SDG 11 - Sustainable cities and communities, identify activities that contribute to environmental and social issues without distinction.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Other" category is made up of issuers or securities that are not rated due to the 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 funds and cash held as ancillary liquid assets. With the exception of SRI-labelled money market funds managed directly by Groupama Asset Management, no minimum environmental or social guarantee is implemented for investments included in the "#2 Other" category.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The SICAV has not designated a benchmark aligned with ESG characteristics for the purposes of the SFDR.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

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

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product-specific information online?

More product-specific information can be found on the website: <https://www.groupama-am.com/fr/finance-durable>