

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** N/A

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:** N/A

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 45.0% 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 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 and scoring of States is based on sustainable development indicators published for the most part by the World Bank and Eurostat and grouped around the three main pillars E - Environment, S - Social and G - Governance.

In this regard, the UCITS 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 financial product will report on the following sustainability indicators to measure the achievement of each of the environmental or social attributes it promotes:

- Carbon intensity*: the financial product incorporates carbon intensity, calculated on the basis of a country's national emissions plus indirect emissions related to the production of energy purchased and consumed by the country, and expressed relative to GDP (Scopes 1 and 2), into its management objective and the implementation of its investment strategy.

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

- Average score* in terms of freedom of expression: this indicator assesses perceptions of the extent to which a country's citizens are able to participate in the selection of their government, as well as freedom of expression, freedom of association and freedom of the press.
- ESG rating of eligible assets* of the financial product compared to the initial investment universe;
- Minimum sustainable investment percentage.

*Calculated only for the share of sovereign and quasi-sovereign issuers (supranationals, local authorities, government agencies, etc.) eligible for the SRI label. Apart from green bonds, debt and debt securities issued by governments are not eligible.

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 Bond Principles, Social Bond Principles and Sustainable Bond Principles.
 - For green bonds, the nomenclature of activities eligible under the Greenfin Label.

The internal analysis methodology ensures that these obligations comply with our internal requirements in this area. Using this methodology, we systematically analyse four interdependent and complementary pillars:

- The characteristics of the issue;
- The ESG performance of the issuer;
- The environmental and/or social quality of the projects financed;
- The expected transparency.

If one of the following three criteria is analysed negatively: the ESG performance of the issuer, the environmental and/or social quality of the projects financed, or the expected transparency, 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 sustainable investment portion of the fund.

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>.

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 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 EFNC), 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, the absence of harm is verified through the systematic analysis of the ESG performance of the issuer.

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, fatalities or illnesses, and water usage and recycling.

Adverse impact indicators 1 to 14 and the two additional indicators are qualitatively monitored through controversy tracking. Negative impact indicators 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13 are incorporated quantitatively into the proprietary ESG analysis methodology.

PAI 10 relating to 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.

PAI 15 and 16 are taken into account qualitatively in the monitoring of controversies and integrated quantitatively 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 Global Compact principles, the OECD guidelines and the absence of a monitoring mechanism are taken into account in the sustainable investment analysis. 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.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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.

Negative impact indicators 15 and 16 are taken into account qualitatively in the monitoring of controversies. They are integrated into the proprietary ESG analysis methodology on a quantitative basis.

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 AM is based on a quantitative and qualitative analysis of the environmental, social, and governance practices of the securities in which it invests.

It is based on the following elements:

- For sovereign issuers, Groupama AM has developed a proprietary methodology for rating states based on sustainable development indicators published for the majority by the World Bank and Eurostat. These ESG criteria are analysed using a range of indicators, including:
 - o Environment: Carbon intensity corresponds to total national emissions plus emissions from the production of all goods and services imported into the country, relative to GDP.
 - o Social: Long-term unemployment rate: Percentage of the working population aged 15-74 who have been unemployed for 12 months or more;
 - o Human rights: Freedom of expression and citizenship: Perception of democracy (people’s ability to choose their government), freedom of expression, freedom of association and freedom of the media.

This internal analysis takes stock of a country's performance in terms of sustainable development. It involves ranking and rating the ability of countries to achieve long-term sustainable growth. The ESG analysis results in a score of 1 to 100 for all the states belonging to this investment universe (the best rated stock has a score of 100).

- For corporate issuers, 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 is invested.

The analysis of these ESG criteria results in a score ranging from 0 to 100, based on various indicators, including:

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

The selection must result in an average ESG score of the portfolio significantly exceeding that of its investment universe. The weighted average ESG rating of the portfolio will be higher than the average ESG rating of its initial investment universe after eliminating the 25% (30% from 1 January 2026) of the lowest-rated securities in the latter.

The fund's investment universe is composed of private, sovereign and quasi-sovereign issuers from OECD countries. Apart from green bonds, debt and debt securities issued by governments are considered ineligible for the SRI label but nevertheless benefit from an ESG rating. Quantitative ratings are also taken into account in the analysis of Green Bonds.

At least 30% of the fund's net assets will be invested in Green Bonds.

An internal analysis validates the environmental benefit of the projects financed from the invested green bonds. Groupama AM's internal analysis methodology is based on 4 pillars:

- Issue characteristics,
- Issuer characteristics,
- Environmental quality of projects,
- Transparency.

Our analysis is based on standards considered as market standards (currently the nomenclature and criteria of the Greenfin label).

The main limitation of this analysis is the quality of the information available. 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.

At portfolio level, the identified limitation stems from the fact that issuers are selected using different approaches: internal qualitative analysis for Green Bonds, and quantitative analysis using separate methodologies for governments and companies. However, the overall consistency of the portfolio is ensured by the fact that the selection of issuers in the portfolio is systematically based on their positioning with regard to environmental issues.

For more detailed information on the rating methodology implemented in the UCITS and its limits, the investor is invited to refer to the methodological document available on the website www.groupama-am.com.

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

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:

- Application of sector exclusions on controversial weapons and fossil fuels in accordance with Groupama AM's exclusion policies, available on the Groupama AM website.
- Exclusions of issuers from the List of Major ESG Risks: issuers identified as presenting poor governance or significant sustainability risks that could jeopardise their economic and financial viability or could have a significant impact on the value of the company and therefore lead to a significant loss of market value or a significant downgrade by the rating agencies.
- Application of normative exclusions on tax non-cooperation, corruption and money laundering in accordance with Groupama AM's AML/CFT policy.

o Application of normative exclusions on tax non-cooperation, corruption and money laundering in accordance with Regulation V3 of the SRI Label.

o The portfolio applies the SRI Label (V3) exclusions relating to tobacco, fossil fuels (thermal coal, new developers, electricity producers), issuers suspected of serious and/or repeated violations of one or more principles of the UN Global Compact. For further information, please refer to Article 10 SFDR of the portfolio available on the Groupama Asset Management website.

Portfolio sustainability indicators:

- The average ESG rating of eligible assets* in the portfolio must be significantly higher than that of its initial investment universe: the weighted average ESG rating of eligible assets* in the portfolio will be higher than the average ESG rating of its initial investment universe after eliminating 25% (30% from 1 January 2026) the lowest-rated securities based on the ESG rating and all exclusions applied by the fund. The securities in the portfolio have a minimum ESG rating coverage and monitoring rate of 90% of the portfolio excluding cash, sovereign bonds (excluding green bonds), derivatives and money market UCIs.
- Minimum sustainable investment content of 45%, in line with the definition of sustainable investment given above.

- Minimum investment of 30% of assets in Green Bonds. These are bonds that finance the energy transition through, in particular, projects related to alternative energies, green buildings, energy efficiency, the circular economy, sustainable transport, agriculture and forests or adaptation.
- The proportion of sovereign and quasi-sovereign issuers eligible for the SRI label must score higher than its initial investment universe on the following two ESG indicators:
 - o Carbon intensity*: The financial product incorporates carbon intensity into its management objective and investment strategy deployment. Carbon intensity is calculated based on a country's national emissions plus indirect emissions linked to the production of energy purchased and consumed by the country, relative to GDP (scopes 1 and 2).
 - . The financial product aims to achieve a lower carbon footprint than its initial investment universe. The result of the selection of securities in the portfolio should give rise to a coverage rate, excluding cash, derivatives and money market funds, of at least 80% of the portfolio by the end of 2025, then 90% by the end of 2026 for the sovereign and quasi-sovereign portion eligible for the SRI label.
 - o Average score* for freedom of expression: this indicator assesses the perception of the extent to which citizens of a country can participate in the selection of their government, as well as freedom of expression, freedom of association and freedom of the press. The fund integrates, in its management objective and the deployment of its investment strategy, the financing of issuers with an average score in terms of freedom of expression better than that of the initial investment universe. The result of the selection of securities in the portfolio should give rise to a coverage rate, excluding cash, derivatives and money market funds, of at least 55% of the portfolio by the end of 2025, then 60% by the end of 2026 for the sovereign and quasi-sovereign portion eligible for the SRI label.

*Calculated only for the share of sovereign and quasi-sovereign issuers (supranationals, local authorities, government agencies, etc.) eligible for the SRI label. Apart from green bonds, debt and debt securities issued by governments are not eligible.

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 financial product's investment strategy consists of ensuring that it obtains a better average ESG rating for the portfolio than that of its initial investment universe after removing the 25% (30% from 01/01/26) of the lowest-rated securities based on the ESG rating and all exclusions applied by the fund.

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

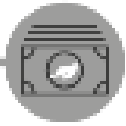
In order to ensure that the States invested in comply with good governance practices, the financial product uses an internal country analysis methodology that takes into account the good governance criteria defined in its ESG approach. The criteria analysed include government efficiency, regulatory quality, rule of law, control of corruption, freedom of expression and gender equality.

In order to ensure that the companies in which it invests comply with good governance practices, the financial product uses an internal analysis methodology that takes into account good governance criteria via 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;
- The 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 cash, money market funds, sovereign bonds (excluding green bonds) and derivatives.
- The minimum proportion of sustainable investments is 45% (#1A below)
- The minimum proportion of Taxonomy-aligned investments is 0%.

The basis for calculating the sustainable investment share is total net assets

Asset allocation

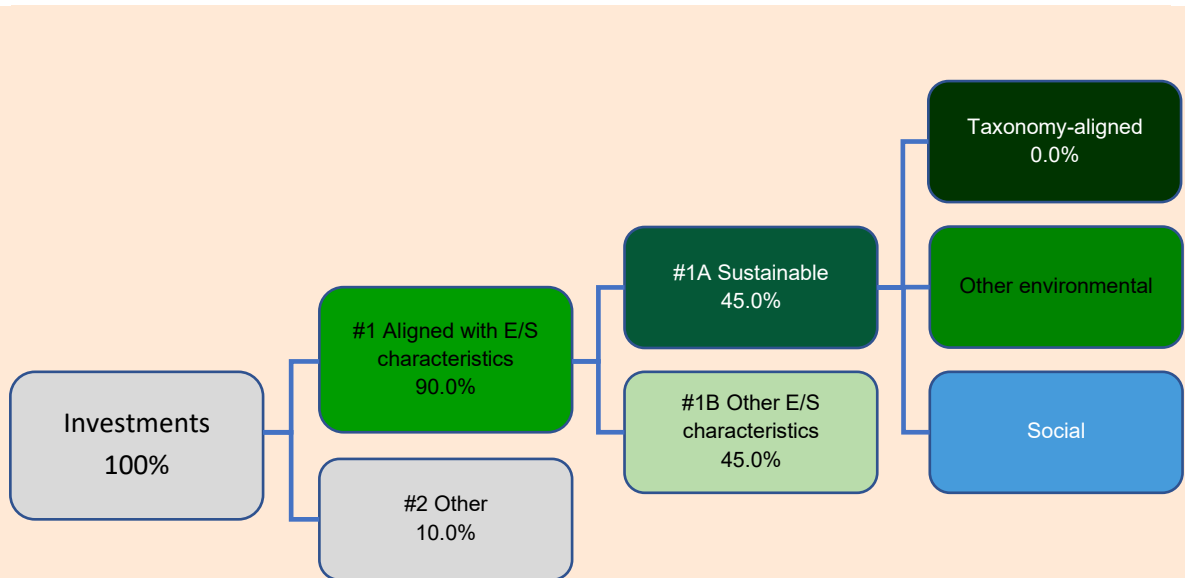
describes the share of investments in specific assets.

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 in 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 achieving a minimum of 45% sustainable investments. However, the UCITS does not undertake to make a minimum of sustainable investments with an environmental objective aligned with the EU taxonomy.

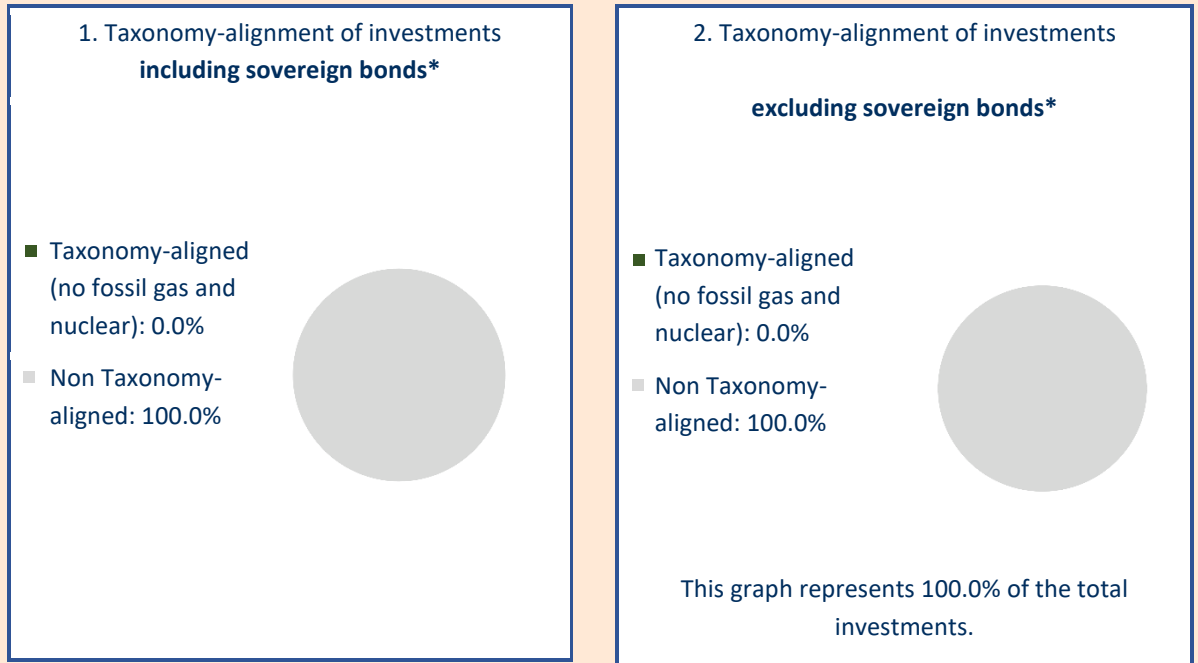
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

- Yes
- In fossil gas In nuclear energy
- No

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

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.



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 undertakes to make a minimum of 45% 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 undertakes to make a minimum of 45% 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.

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



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 UCITS has not designated a benchmark adapted to ESG characteristics for the purposes of the SFDR Regulation

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?

<https://www.groupama-am.com/fra/fr/particulier/products/fr0012726511>