

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, **establishing a list of environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: GROUPAMA EURO FINANCIAL
DEBT

Legal entity identifier:
969500DP8W3RXJ0YQZ75

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 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 environmental and/or social characteristics are promoted by this financial product?



The UCITS 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.

In this regard, the UCITS implements a "Best-in-Universe" approach and also excludes certain securities.

Additionally, the UCITS has not designated a benchmark aligned with ESG characteristics for the purposes of the SFDR Regulation.

The fund promotes the following ESG characteristics:

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

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

Subject to data availability, the following sustainability indicators are used to measure the achievement of each sustainability characteristic promoted by this fund:

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

- The average ESG score of the fund compared to the investment universe.

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?

This fund does not commit to investing a minimum proportion in sustainable investments under the SFDR Regulation or the Taxonomy Regulation.

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?

This fund does not commit to investing a minimum proportion in sustainable investments under the SFDR Regulation or the Taxonomy Regulation.

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

Not applicable

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:

This fund does not commit to investing a minimum proportion in sustainable investments under the SFDR Regulation or the Taxonomy Regulation.

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 EU criteria for environmentally sustainable economic activities.



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

☒ Yes, this financial product considers the 16 mandatory indicators from Table 1 of Annex I of the 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 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.

Negative impact indicators 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13 are integrated into the proprietary ESG analysis methodology and are quantitatively considered in the calculation of the ESG score.

PAIs 10 and 11, which relate to violations of UN Global Compact principles and OECD guidelines and the absence of a mechanism for monitoring compliance with these principles, are taken into account through a score, the Global Compact. 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.

PAI 7 - activities negatively affecting biodiversity sensitive areas - is assessed using a proxy for the biodiversity indicator provided by our supplier Iceberg Data Lab, to ensure consistency with the impact measures reported in our Article 29 of the Energy-Climate Law Report. PAI 4 is addressed in the exclusion policy and engagement policy. PAI 14 is taken into account in the exclusion policy.

An evaluation of the principal adverse impacts is conducted at the UCITS level and reported annually in the ESG annex of the periodic report.

☐ No



What investment strategy does this financial product follow?

The ESG approach used in the management process is a "Best-In-Universe" approach. The analysis of these ESG 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.).

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 UCITS will predominantly invest in securities within Quintiles 1 to 4. The selection must result in an average ESG score of the portfolio exceeding that of its investment universe. 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 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.

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 policy, available on the Groupama AM website.
 - Exclusion 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 regulatory exclusions in relation to non-cooperation for tax purposes, corruption and money laundering in accordance with Groupama AM's AML/CFT policy.
- **Constraints specific to the portfolio:**
 - Exclusion of companies involved in the production and/or exploration of conventional and unconventional natural gas.
 - Exclusion of companies involved in nuclear energy production.
 - The average ESG score of the portfolio must be higher than that of its investment universe.

The outcome of the portfolio's securities selection must result in an ESG rating coverage and monitoring rate of at least 90% for "Investment Grade" securities and at least 75% for "High Yield" securities, excluding money market funds and liquidity.

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 UCITS.

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

To ensure that companies in which the fund invests have established good governance practices, the UCITS applies an internal analysis methodology based on good governance criteria defined in its ESG approach.

The criteria considered are:

- The 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



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 UCITS is 75% (#1 below), excluding money market funds and liquidity.
- The minimum proportion of sustainable investments is 0%.
- 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

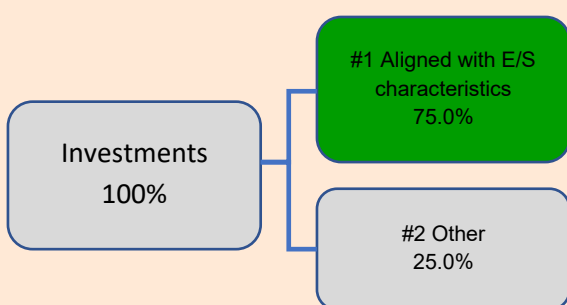
describes the share of investments in specific assets.

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 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.

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

The fund does not use derivatives to achieve the environmental or social characteristics it promotes.



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

Currently, none of the investments are considered Taxonomy-aligned due to a lack of information from banks and insurers. The alignment percentage will be reassessed in 2024, once banks publish their green asset ratios and insurers disclose their taxonomy alignment.

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.

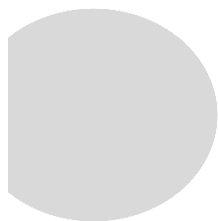
Transitional activities

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.

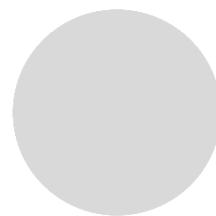
1. Taxonomy-alignment of investments including sovereign bonds*

- Taxonomy-aligned (no fossil gas and nuclear): 0.0%
- Non Taxonomy-aligned: 100.0%



2. Taxonomy-alignment of investments excluding sovereign bonds*

- Taxonomy-aligned (no fossil gas and nuclear): 0.0%
- Non Taxonomy-aligned: 100.0%



This graph represents 100.0% of the total investments.

* 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 UCITS promotes environmental and social characteristics; it does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy, nor to a minimum share of investments in transitional and enabling activities.



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

The UCITS promotes environmental and social characteristics; it does not commit to a minimum share of sustainable investments with an environmental objective not aligned with the EU Taxonomy.



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 socially sustainable investments?

The UCITS promotes environmental and social characteristics; it does not commit to a minimum share of socially sustainable investments.



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 fund's exclusion policies apply.



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?

No ESG reference benchmark is used.

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

No ESG reference benchmark is used.

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

No ESG reference benchmark is used.

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

No ESG reference benchmark is used.

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

No ESG reference benchmark is used.

Reference benchmarks
are indexes used to measure whether the financial product attains the environmental or social characteristics that it promotes.



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/particulier/products/fr0013259181>