

**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.

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

The subfund promotes environmental and social characteristics via a managerial approach that promotes the sustainability of issuers through an analysis of the environmental, social and governance (ESG) criteria of the securities held in the portfolio. With this in mind, the subfund implements a best-in-universe approach and also excludes certain securities.

Furthermore, the subfund does not have a designated reference benchmark tailored to ESG characteristics under the SFDR Regulation.

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

Under its investment policy, at least 90% of the subfund's net assets will always be invested in UCITS classed under Article 8 or Article 9 of the SFDR.

#### **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund is not committed to making sustainable investments.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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 Fund is not committed to making sustainable investments.

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

The Fund is not committed to making sustainable investments.

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

The Fund is not committed to making sustainable investments.

*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.

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



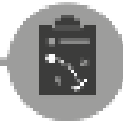
## Does this financial product consider principal adverse impacts on sustainability factors?

Yes, for UCIs managed by Groupama Asset Management:

Certain indicators relating to principal adverse impacts are considered throughout the investment process and form an integral part of the ESG methodology adopted by the subfund. Potential investments will therefore be examined through the analysis of quantitative and qualitative data, in accordance with the investment strategy of the subfund as described in the relevant section.

An assessment of the principal adverse impacts will be carried out at the subfund level and will be reported annually as part of the subfund’s periodic report.

No



## What investment strategy does this financial product follow?

The selection of the UCIs invested in within the eligible ESG investment universe is specified upstream, according to the following criteria:

- At least 90% of the subfund’s net assets will always be invested in UCITS classed under Article 8 or Article 9 of the SFDR. The selection of these UCITS is based on the inclusion of ESG (environmental, social and governance) criteria, in addition to the traditional financial criteria of analysis and stock-picking. The UCITS may be based on differing ESG approaches, which constitutes a limit on this ESG strategy;
- When selecting a UCI, the Management Company’s sustainability risk policy will be analysed. The following elements will be checked: existence of a policy, publicity and consistency with Groupama AM’s policy on this matter.

The subfund may be invested in underlying funds managed by Groupama AM and in external UCIs managed by other management companies, based on differing investment strategies. Therefore, the investment strategies applied in the subfund are multiple. However, the majority of the assets of the subfund are invested in the underlying funds managed by Groupama AM.

The management process uses a best-in-universe ESG approach for the funds managed by Groupama AM. The ESG approach is centred around a quantitative and qualitative analysis of the environmental, social and governance practices of the companies in which it invests.

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

- Environmental (biodiversity, waste management etc.);
- Social (employee training, supplier relations etc.);
- Governance (board independence, executive compensation policy etc.).

The investment universe is then divided into five quintiles, with each quintile representing 20% of the investment universe in terms of number of securities. The securities rated as Quintile 1 represent the best ESG ratings within the investment universe, while those rated Quintile 5 represent the worst ratings.

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

To overcome this limitation, Groupama Asset Management focuses its analysis on the most important aspects of the sectors and companies analysed.

For more detailed information on the rating methodology implemented in the UCITS and its limitations, investors are invited to read the methodology document available on the website [www.groupama-am.com](http://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?***

In order to attain the environmental and social characteristics promoted, the investment strategy is based on the following:

At least 90% of the subfund's net assets will always be invested in UCITS classed under Article 8 or Article 9 of the SFDR. The selection of these UCITS is based on the inclusion of ESG (environmental, social and governance) criteria, in addition to the traditional financial criteria of analysis and stock-picking.

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

Not applicable.

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

For UCIs managed by Groupama Asset Management:

To ensure that investee companies comply with good governance practices, the subfund uses an internal analysis methodology that takes into account good governance criteria through its ESG approach, as described in the section on its investment strategy.

The criteria taken into account include:

- The 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;
- A corruption prevention policy and the existence of controversies;
- Responsible lobbying practices and 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:

- At least 90% of the subfund's net assets will always be invested in UCITS classed under Article 8 or Article 9 of the SFDR.
- The minimum proportion of sustainable investments is 0% (#1A below).
- The minimum proportion of Taxonomy-aligned investments is 0%.

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

### Asset allocation

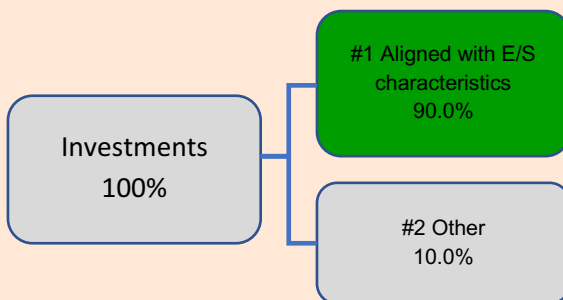
describes the share of investments in specific assets.

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.



**#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?

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



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

The subfund promotes environmental and social characteristics, but it 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

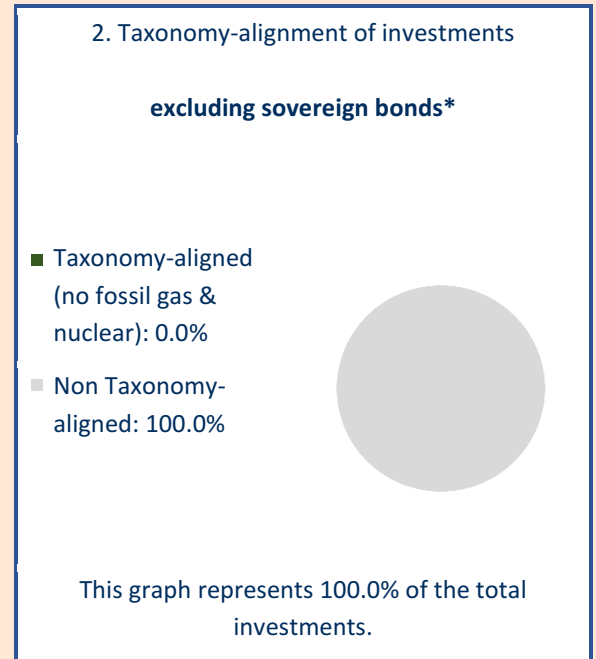
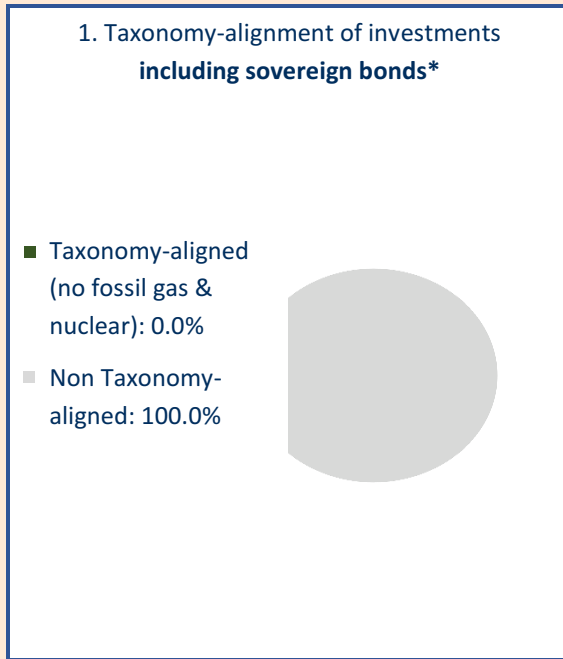
In nuclear energy

No

**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 subfund promotes environmental and social characteristics, but it is not committed to making a minimum of sustainable investments with an environmental objective aligned with the EU Taxonomy, nor is it committed to making 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 subfund promotes environmental and social characteristics, but it is not committed to making a minimum of sustainable investments with an environmental objective aligned with the EU Taxonomy, nor is it committed to making a minimum share of investments in transitional and enabling activities.



What is the minimum share of socially sustainable investments?

Not applicable.



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

The category “#2 Other” is made up of UCIs that are not classed under Article 8 or Article 9 of the SFDR.

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

## 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 subfund does not have a designated reference benchmark tailored to ESG characteristics under the SFDR.

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

***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?***

The subfund does not have a designated reference benchmark which would make it possible to determine whether it is aligned with the environmental or social characteristics that it promotes



## Where can I find more product specific information online?

<https://www.groupama-am.com/fra/fr/particulier/products/fr0000029902>