

**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.

**Product name:**  
GROUPAMA AVENIR EUROPE

**Legal entity identifier:**  
222100R9RTGZS6TP1L35

## Environmental characteristics and/or social

**Does this financial product have a sustainable investment objective?**

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective**: \_\_%

in economic activities which qualify as environmentally sustainable under EU Taxonomy

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

**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 25% of sustainable investments

with an environmental objective and carried out in economic activities that are considered environmentally sustainable under the EU Taxonomy

with an environmental objective and carried out in economic activities that are not considered environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments 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 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.).

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.

**Sustainability indicators** are used to verify whether the financial product complies with the environmental or social characteristics promoted by the financial product.

● **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:

- The average percentage of growth in the number of employees of the companies invested compared to the investment universe
- Minimum sustainable investment.

● **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 sustainable investment objectives that the financial product intends to pursue include environmental or social objectives.

The investments made contribute to these objectives 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%.

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 ("DNSH") 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.

**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 were the indicators for adverse impacts 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.

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

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 establishes a “do no significant harm” principle, whereby taxonomy-aligned investments should not cause significant harm to the objectives of the EU Taxonomy, and is accompanied by specific EU criteria.

The principle of “do no significant harm” only applies to investments underlying the financial product that take into account the European Union's 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.

An assessment of the principal adverse impacts will be carried out at Sub-Fund level and will be reported annually in the Sub-Fund's 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 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 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 Sub-Fund implements an ESG strategy based on an improved approach to a social indicator, the average percentage of growth in the number of employees in investees. 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 number of employees in investees 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 inherited. 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 <https://groupama-am.com/fr/finance-durable/>

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 binding 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.
- **Constraints specific to the portfolio:**
  - Exclusion from the tobacco sector: companies with more than 5% of their turnover from the production, distribution of tobacco or tobacco-containing products are excluded.
  - Exclusion of companies in violation of the principles of the United Nations Global Compact.

- Sustainability indicators:
  - The average score of the growth indicator of the number of employees of invested companies must be at least 20% better than that of its investment universe. The selection of securities in the portfolio should result in a minimum employee growth indicator screening rate of 90% of the portfolio, excluding money market funds, cash and derivatives.
  - Minimum sustainable investment content of 25%, in line with the definition of sustainable investment given above.

● **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 growth in the number of employees in investees indicator is at least 20% better than its investment universe.

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

● **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.

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



**What is the asset allocation planned for this financial product?**

Within the portfolio:

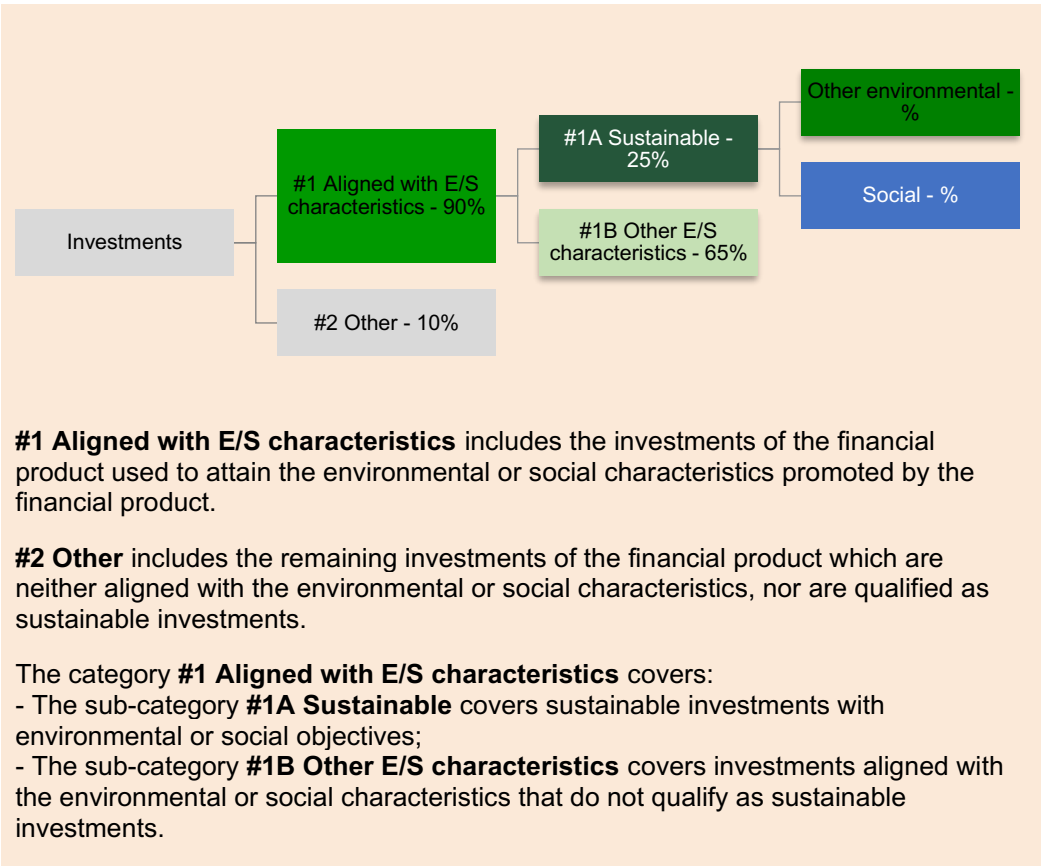
- The minimum proportion of investments contributing to the environmental and social characteristics promoted by the financial product is 90% (#1 below), excluding money market funds, derivatives and cash.
- The minimum proportion of sustainable investments is 25% (#1A below).
- The minimum proportion 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 %:

- **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.



● **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 social characteristics and is committed to a minimum of 25% 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.

To comply with the EU taxonomy, the criteria for **fossil gas** include emission limits and a switch to renewable electricity or low-carbon fuels by the end of 2035. As far as **nuclear energy** is concerned, the criteria include comprehensive rules on nuclear safety and waste management.

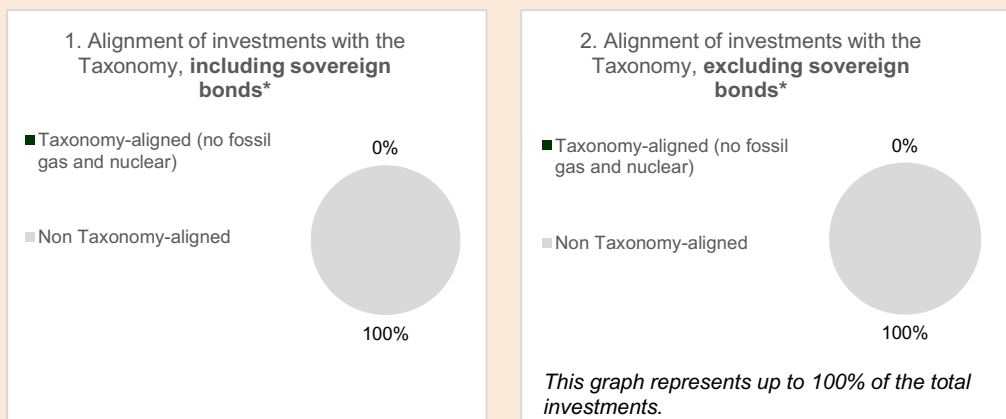
● **Does the financial product invest in fossil gas and/or nuclear energy activities in accordance with the EU taxonomy<sup>1</sup>?**

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.

 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 25% 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.

<sup>1</sup> Fossil gas and/or nuclear activities will only comply with the EU taxonomy if they contribute to limiting climate change ("climate change mitigation") and do not cause significant harm to any objective of the EU taxonomy – see explanatory note in the left margin. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.



### **What is the minimum share of socially sustainable investments?**

The financial product promotes environmental and social characteristics and is committed to a minimum of 25% 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 benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The financial product 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.



### **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/lu0675297237>

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