

**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 FEEDER

**Legal entity identifier:**  
549300KIQ513U2CA1E66

## 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**: \_\_\_%

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**: \_\_\_%

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 % 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 via a managerial approach that values 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 UCITS implements a best-in-universe approach and also excludes certain securities.

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

The Fund promotes the following ESG characteristics:

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

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

● **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 attainment of each of the sustainability characteristics promoted by this Fund:

- Average ESG rating of the Fund compared with the investment universe.

● **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?**

This Fund does not undertake to invest a minimum proportion in sustainable investments as defined in the SFDR 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 undertake to invest a minimum proportion in sustainable investments as defined in the SFDR or the Taxonomy Regulation.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

This Fund does not undertake to invest a minimum proportion in sustainable investments as defined in the SFDR or the Taxonomy Regulation.

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

This Fund does not undertake to invest a minimum proportion in sustainable investments as defined in the SFDR 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 takes into account the 16 mandatory indicators set out in Table 1 of Annex I to the European Commission Delegated Regulation (EU) 2022/1288. It also includes two additional indicators: Number of days lost to injuries, accidents, fatalities or illness, and Water usage and recycling.

The principal adverse impact indicators are taken into account qualitatively at several levels of our sustainable investment approach: the exclusion policy, the analysis of controversies, the engagement policy and the internal ESG analysis methodology. The indicators for adverse impacts 1 to 14 and the two additional indicators are qualitatively taken into account during the monitoring of controversies.

The indicators for adverse impacts 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13 are integrated into the proprietary ESG analysis methodology and are quantitatively incorporated into the calculation of the ESG rating.

PAIs 10 and 11, on violations of the principles of the Global Compact and the OECD Guidelines and the lack of a process for monitoring compliance with these principles and



guidelines, are taken into account through a Global Compact score. This score is based on an analysis of the controversies of companies in relation to respect for human rights, labour rights, business ethics and respect for the environment.

PAI 7, on activities negatively impacting biodiversity, is evaluated using a proxy of the biodiversity indicator of our supplier Iceberg Data Lab, in order to be consistent with the impact measures featured in our report under Article 29 of the French Energy and Climate Law. PAI 4 is taken into account in the exclusion and engagement policies. PAI 14 is only taken into account in the exclusion policy.

An assessment of the principal adverse impacts is carried out at UCITS level and reported annually as part of the ESG annex to the periodic report.

No.



### What investment strategy does this financial product follow?

The management process uses a best-in-universe ESG approach. The analysis of these ESG criteria results in an ESG rating from 0 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 UCITS will focus on investing in securities belonging to Quintiles 1 to 4. The selection should result in an average ESG score for the portfolio that is higher than that of its investment universe. The ESG approach developed by Groupama Asset Management is centred around 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 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.

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:

- **Exclusions at the Management Company level:**
  - Application of sectoral exclusions on controversial weapons and fossil fuels in accordance with Groupama Asset Management's exclusion policy, which is available on the Groupama AM website.
  - Exclusion of issuers on the Major ESG Risks list: these are issuers identified as having poor governance or presenting major sustainability risks that could call into question their economic and financial viability, or which could have a significant impact on the company's value, thus resulting in a significant fall in market value or a significant downgrade by rating agencies.
  - Application of the normative exclusions regarding tax non-cooperation, corruption and money laundering in accordance with Groupama AM's AML-CFT policy.

- **Specific portfolio constraints:**

- Exclusion of companies involved in conventional or unconventional natural gas production or exploration.
- Exclusion of companies involved in the production of nuclear energy.
- The average ESG score for the portfolio must be higher than that of its investment universe.

The portfolio's securities selection process must result in a minimum screening and monitoring rate for ESG ratings, excluding money market UCIs and cash. This is 90% for the Investment Grade securities and 75% for the High Yield securities in the portfolio.

- **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 reduce the UCITS' investment universe.

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

To ensure that the companies in which the Fund invests have introduced good governance practices, the UCITS uses an internal analysis methodology that takes into account good governance criteria as defined in its ESG approach.

The criteria taken into account include:

- The percentage of independent members of the board of directors
- The integration of ESG criteria within executive compensation
- The 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:

- The minimum proportion of investments contributing to the environmental and social characteristics promoted by the UCITS is 75% (#1 below), excluding money market UCIs and cash.
- The minimum proportion of sustainable investments is 0%.
- The minimum proportion of Taxonomy-aligned investments is 0%.

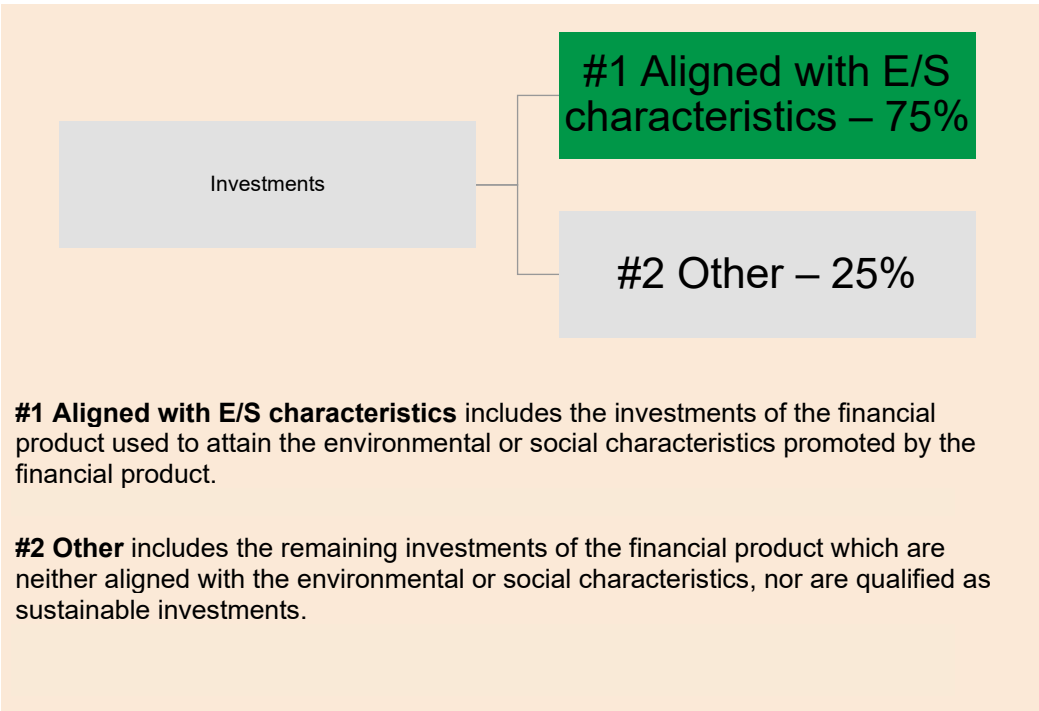
The total net assets are used as the basis for calculating the share of sustainable investments.

**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.



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

The Fund does not use derivatives to attain the environmental or social characteristics that it promotes.



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

At present, none of the investments made are deemed Taxonomy-aligned given the lack of information from banks and insurers. The alignment percentage will be reassessed in 2024, once the banks publish their Green Asset Ratio and insurers publish their Taxonomy alignment.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>31</sup>?**

- Yes,
  - In fossil gas
  - In nuclear energy
- No

<sup>31</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

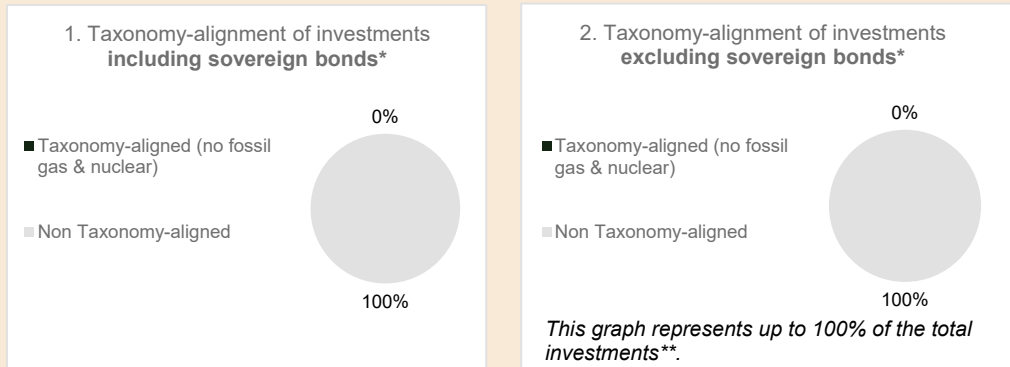
### Enabling activities

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.



#### ● What is the minimum share of investments in transitional and enabling activities?

The UCITS 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.

are 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 UCITS promotes environmental and social characteristics, but it is not committed to making a minimum of sustainable investments with an environmental objective not aligned with the EU Taxonomy.



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

The UCITS promotes environmental and social characteristics; however, it is not committed to making a minimum 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 consists of issuers or securities without a score due to a lack of sufficient ESG data but for which the fund exclusion policies apply.

These investments are part of a portfolio diversification strategy.

This category also includes money market UCIs and cash held as ancillary liquidity. With the exception of SRI money market UCIs managed directly by Groupama Asset Management, no minimum environmental or social safeguards are 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?**

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.



**Where can I find more product-specific information online?**

More product-specific information can be found on the website:

<https://www.groupama-am.com/oth/en/institutional/products/fr0013259181>

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