

**Annex level 2** — Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

**Product name:**  
GROUPAMA AVENIR EURO

**Legal entity identifier:**  
969500FDC0QNO3GYII51

## Environmental and/or social characteristics

**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.

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

**Yes**

**X 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 25% 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 promotes the sustainability of issuers through an analysis of the environmental, social and governance (ESG) criteria of the securities held in the portfolio.

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.).

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 Regulation.

- ***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 UCITS will report on the following sustainability indicators in order to measure the attainment of each of the environmental or social characteristics it promotes:

- ESG rating of the UCITS compared with the UCITS' investment universe
- Number of jobs created per year by all companies in the portfolio
- Number of companies invested in with a human rights policy
- Minimum share of sustainable investments

- ***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 UCITS' share of sustainable investments is the percentage of companies that contribute positively to an environmental or social objective, without harming another environmental or social objective, while respecting good governance practices.

Our sustainable investment approach is based on:

1. The positive contribution of companies to the UN Sustainable Development Goals (SDGs). Companies are analysed for their positive contribution to 16 of the 17 SDGs, as SDG 17 (global partnerships) is not applicable to business activities.

Our ESG data provider, Moody's, calculates the contribution to SDGs based on two analyses: Analysis of turnover from business activities (revenue from the supply of sustainable goods/services divided by the company's total revenue). This analysis produces an overall contribution score between 0 and 100%, allowing companies to be categorised into four levels: None/Minor (0–20%) / Significant (20–50%) / Major (50–100%).

This score is supplemented by a controversy score based on analysis of the company's involvement in controversial activities. The level of involvement is calculated using the turnover generated from controversial activities or the stage of involvement (production, sale, distribution). The sale and distribution of products and services that account for less than 10% of the company's revenue is considered a minor involvement. If this is above 10%, the involvement is considered major.

The level of involvement penalises the score obtained by the company to varying degrees: Major (-3)/Minor (-2)/None (0).

These two analyses provide an overall contribution that is categorised into five levels: Very positive, positive, neutral, negative, very negative.

Sustainable investments are considered to be investments with a very positive, positive or neutral score.

For more information on our internal methodology, please see our ESG methodology here: [https://produits.groupama-am.com/fre/lu1150711494/\(tab\)/publication](https://produits.groupama-am.com/fre/lu1150711494/(tab)/publication)

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

- ***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?***

**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.

Sustainable investments that the financial product partially intends to make do not cause significant harm to any other sustainable investment objective because any company that contributes negatively to at least one SDG is not considered to meet the sustainable investment objective.

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

The mandatory principle adverse impacts (hereinafter “**PAIs**”) are taken into account at several levels of our sustainable investment approach: the exclusion policy, the engagement policy and the internal ESG analysis methodology.

The indicators for adverse impacts 1, 2, 3, 5, 6, 7, 8, 9, 10 and 11<sup>1</sup> are integrated into our proprietary ESG analysis methodology. 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 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. This ESG report is available on our website: <https://www.groupama-am.com/en/sustainable-finance/>.

PAI 4 is taken into account in our exclusion and engagement policies. PAI 14 is only 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:*

The proprietary ESG analysis methodology incorporates the mandatory PAIs, including impacts 10 and 11 which relate to 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. These Principal Adverse Impacts are addressed by the Global Compact score calculated by our ESG data provider. This score is based on an analysis of the controversies of companies in relation to respect for human rights, labour rights, business ethics and 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. It 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.

<sup>1</sup> The PAIs are detailed and defined in Annex I to Commission Delegated Regulation (EU) 2022/1288 (Tables I, II and III).



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

Yes,

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 UCITS. Potential investments will therefore be examined through the analysis of quantitative and qualitative data, in accordance with the investment strategy of the UCITS as described in the relevant section.

An assessment of the principal adverse impacts will be carried out for the UCITS and will be reported annually as part of the UCITS' periodic report.

No



## What investment strategy does this financial product follow?

### The investment strategy guides

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

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 invest in securities belonging to Quintiles 1 to 4.

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.

### ● **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:

- Major ESG Risks list: this list comprises companies whose ESG risks could jeopardise their economic and financial viability, or could have a significant impact on the company's, or brand's, value, thus resulting in a significant loss of stock market value or a significant downgrade by rating agencies. These securities are excluded.

Fossil fuel policy: the objective of this policy is to reduce the Mandate's exposure to climate risks, including both physical risks and transition risks. In order to limit these risks, a list of securities has been defined according to specific, regularly reviewed criteria. These securities are subject to exclusion or non-reinvestment as detailed in our Fossil fuel policy.

### Good governance

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

- Controversial weapons exclusion policy: this policy applies to companies involved in the production, marketing or distribution of controversial weapons. These stocks cannot be invested in.
- The UCITS will invest in securities belonging to Quintiles 1 to 4 of the investment universe (representing 80% of the top-rated companies).
- Minimum sustainable investment share of 25%, in accordance with the aforementioned definition of sustainable investment.

The process of selecting securities in the portfolio must result in a minimum screening and monitoring rate of 90% of the portfolio's ESG ratings, excluding money market UCIs and cash.

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

The committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy is 20%. Securities corresponding to 20% of the lowest-rated companies in the investment universe will thus be excluded from the UCITS.

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

To ensure that companies invested in comply with good governance practices, the UCITS 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:

- 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
- Corruption prevention policy and existence of controversies
- Responsible lobbying practices and 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 90% (#1 below), excluding money market UCIs and cash.
- The share of investments not aligned with the environmental or social characteristics (#2 below) is 10%.
- The minimum proportion of sustainable investments is 25% (#1A below), excluding money market UCIs and cash.
- The minimum proportion of investments aligned with the non-sustainable environmental or social characteristics (#1B below) is 65%.
- 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.

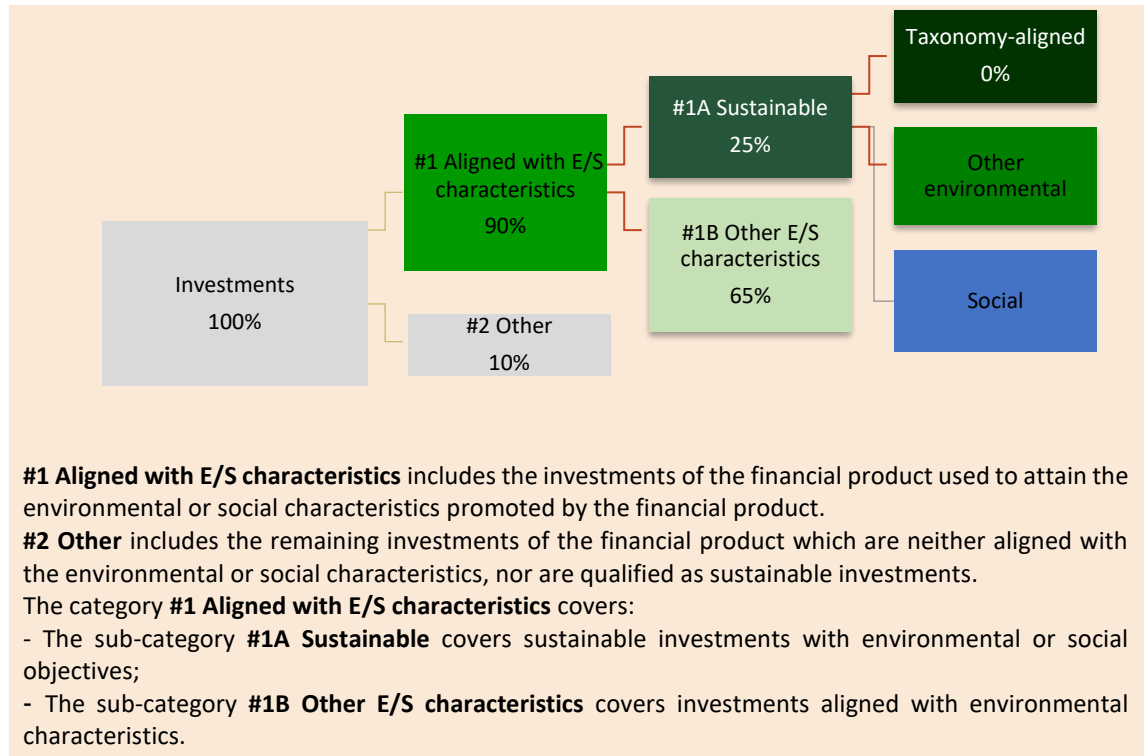
**Asset allocation**  
describes the share of  
investments in specific  
assets.

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?**

Not applicable



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

The UCITS promotes social characteristics and is committed to making a minimum of 25% sustainable investments. However, the UCITS 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<sup>2</sup>?**

Yes:

In fossil gas       In nuclear energy

No

Due to the complexity of data collection and the lack of data from companies in target markets for Taxonomy-aligned activities, we are currently unable to communicate this

<sup>2</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.

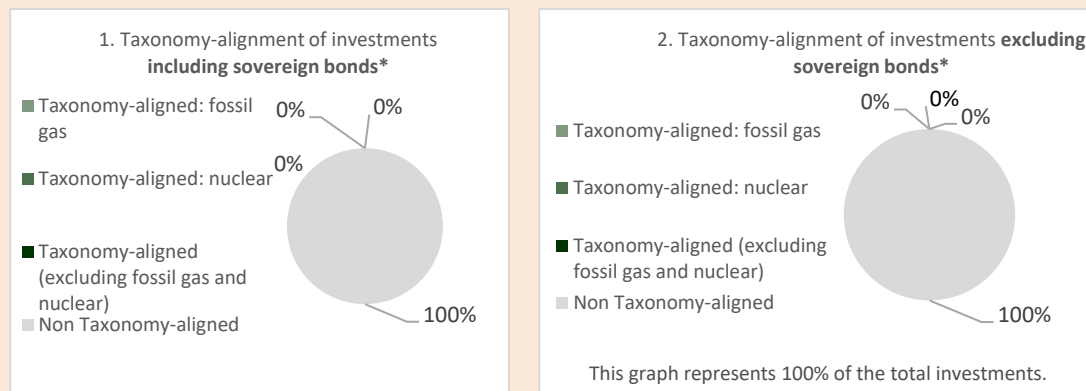
information. Groupama AM does its best to collect the data needed to respond regarding Taxonomy-aligned activities.

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.

**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.

This graph represents x% of the total investments.

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

The UCITS promotes environmental and social characteristics and is committed to making a minimum of 25% sustainable investments. However, the UCITS 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 UCITS promotes environmental and social characteristics and is committed to making a minimum of 25% sustainable investments. At this stage, the portfolio allocation specifically addressing an environmental objective is difficult to determine, as part of the SDGs, such as SDG 11 (Sustainable Cities and Communities), identifies activities that contribute to environmental and social issues without distinction.



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

The UCITS promotes environmental and social characteristics and is committed to making a minimum of 25% sustainable investments. At this stage, the portfolio allocation specifically addressing a social objective is difficult to determine, as part of the SDGs, such as SDG 11 (Sustainable Cities and Communities), identifies activities that contribute to environmental and social issues without distinction.

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 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 rating due to a lack of sufficient ESG data but for which the UCITS’ 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?

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?

More product-specific information can be found on the website:  
[https://produits.groupama-am.com/fre/content/download/280063/4587507/version/1/file/981005\\_G+Fund+-+Avenir+Euro.pdf](https://produits.groupama-am.com/fre/content/download/280063/4587507/version/1/file/981005_G+Fund+-+Avenir+Euro.pdf)