

**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 established by Regulation (EU) 2020/852, which lists **environmentally sustainable economic activities**. Such regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be aligned with the Taxonomy.

Product name:  
 GROUPAMA GLOBAL INFLATION SHORT DURATION

Legal entity identifier:  
 5493007R7HQ07QMCRM91

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?
 

☒ ☒ ☐ Yes
 

☒ ☐ ☒ No

<input type="checkbox"/> It will make a minimum number of <b>sustainable investments with an environmental objective</b> : ____% <div> <input type="checkbox"/> in economic activities which qualify as environmentally sustainable under the EU Taxonomy                         <input type="checkbox"/> in economic activities which do not qualify as environmentally sustainable under the EU Taxonomy                     </div>	<input type="checkbox"/> It <b>promotes environmental and social (E/S) characteristics</b> and, while it does not have sustainable investment as its objective, it will have a minimum % share of sustainable investments <div> <input type="checkbox"/> with an environmental objective and carried out in economic activities which qualify as environmentally sustainable under the EU Taxonomy                         <input type="checkbox"/> with an environmental objective and carried out in economic activities which do not qualify as environmentally sustainable under the EU Taxonomy                         <input type="checkbox"/> with a social objective                     </div>
<input type="checkbox"/> It will make a minimum number of <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Sub-Fund promotes environmental and social characteristics through management that emphasises 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 Sub-Fund implements a "Best-in-Universe" approach and also excludes certain securities. Additionally, the Sub-Fund has not designated a reference benchmark aligned with ESG characteristics for the purposes of the SFDR.

The **sustainability indicators** are used to verify whether the financial product meets 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 Sub-Fund will report on the following sustainability indicators to measure the attainment of each of the environmental or social characteristics it promotes:

- ESG score for the Sub-Fund compared to the Sub-Fund's investment universe

● **What are the objectives of the sustainable investments that the financial product intends to make and how do the sustainable investments made contribute to such objectives?**

Not applicable.

● **How do the sustainable investments that the financial product intends to make not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

**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 have the indicators for adverse impacts been taken into account?*

The mandatory principal adverse impacts (hereinafter referred to as "**PAIs**") are taken into account at several levels of our sustainable investment approach: the exclusion policy, the commitment policy and the internal ESG analysis methodology. Adverse impact indicators 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13[1] are integrated into our proprietary ESG analysis methodology. 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 and Climate Law Report. This ESG reporting document is available on our website:

<https://www.grouppama-am.com/fr/finance-durable/>.

PAI 4 is taken into account in our exclusion policy and our commitment policy. PAI 14 is only taken into account in our exclusion policies. An assessment of the principal adverse impacts is carried out at Sub-Fund level and reported annually in the ESG appendix to the periodic report.

[1] Further details on PAIs can be found in the definition in Annex I to Commission Delegated Regulation (EU) 2022/1288 (Tables I, II and III).

— *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*

The proprietary ESG analysis methodology incorporates the mandatory PAIs, including 10 and 11, which relate to violations of Global Compact principles and OECD guidelines, and the absence of a mechanism for monitoring compliance with these principles. These principal adverse impacts are addressed using 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 “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.

Adverse impact indicators 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 13 are integrated into our proprietary ESG analysis methodology. PAIs 10 and 11, which relate to violations of Global Compact principles and OECD guidelines, and the absence of a mechanism for monitoring compliance with these principles, are taken into account through 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 and Climate Law Report. This ESG reporting document is available on our website:

<https://www.groupama-am.com/fr/finance-durable/>.

PAI 4 is taken into account in our exclusion policy and our commitment policy. PAI 14 is only taken into account in our exclusion policies. An assessment of the principal adverse impacts is carried out at Sub-Fund level and reported annually in the Sub-Fund’s periodic report.

☐ No.



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

The analysis of these ESG criteria is based on various indicators, including:

- Environment: Carbon intensity corresponds to total national emissions plus emissions from the production of all goods and services imported into the country, expressed as a percentage of GDP;
- Social: Long-term unemployment rate: Percentage of the working population aged 15 to 74 who have been unemployed for 12 months or more;
- Human rights: Freedom of expression and citizenship: Perception of democracy (people's ability to choose their government), freedom of expression, freedom of association and freedom of the media.

The ESG analysis results in a score from 1 to 100 for all of the countries in this investment universe (the best-rated security has a score of 100). The ESG investment universe is defined within a universe of sovereign issuers rated from an ESG point of view.

ESG analysis is integrated into the selection of securities in the portfolio and is part of Groupama Asset Management's Responsible Investment philosophy.

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 evaluates.

For more detailed information on the rating methodology used in the Sub-Fund and its limitations, investors are invited to 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?**

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

- **List of Major ESG Risks:** 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 rating agencies. These values are excluded.
- **Fossil fuel policy:** The aim of this policy is to reduce the Sub-Fund's exposure to climate risks, both physical and transitional. To limit these risks, a list of securities is defined according to precise and regularly reviewed criteria. These securities are subject to exclusion or non-reinvestment as detailed in our fossil fuel policy.
- **Controversial weapons exclusion policy:** This concerns companies involved in the production, marketing or distribution of controversial weapons. These securities cannot be invested in.
- The Sub-Fund will have an average ESG score above 40.

The selection of securities in the portfolio should 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 minimum share of the financial product committed to reduce its scope of investment prior to the application of that investment strategy?**

Not applicable.

**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 investee States comply with good governance practices, the Sub-Fund applies an internal analysis methodology, which takes good governance criteria into account through its ESG approach. The criteria analysed include government efficiency, regulatory quality, rule of law, control of corruption, freedom of expression and gender equality.



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

Within the portfolio:

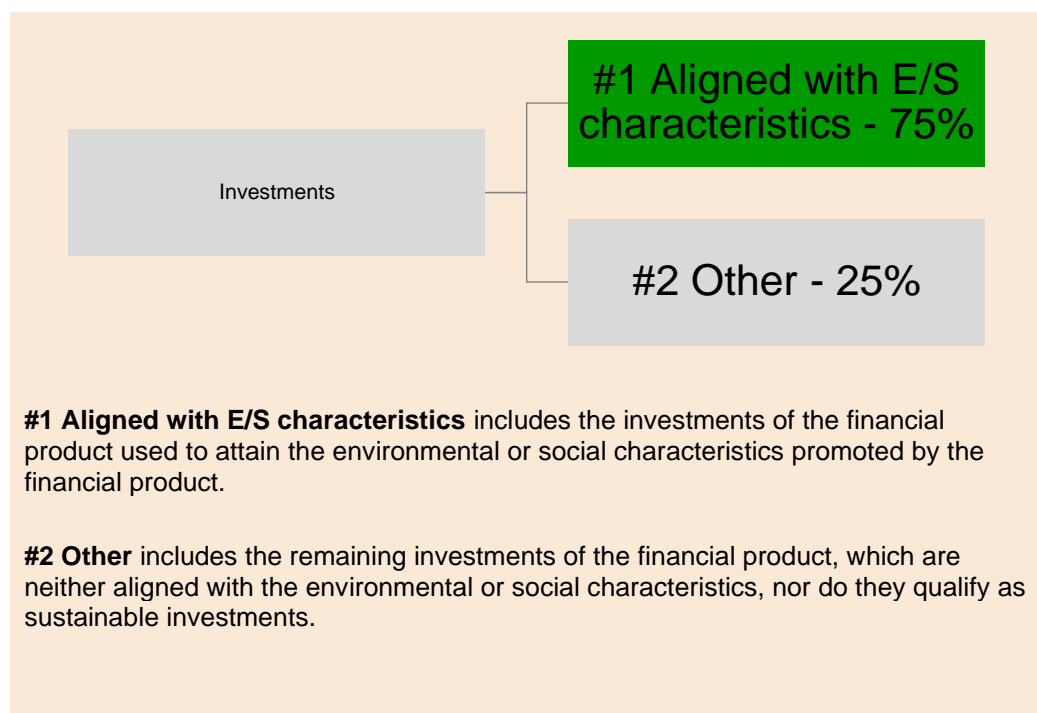
- The minimum share of investments contributing to the environmental and social characteristics promoted by the Sub-Fund is 75% (#1 below), excluding money market funds and liquidity.

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

The calculation base for the share of sustainable investment is the total net assets.

Taxonomy-aligned activities are expressed as a %:

- of **turnover** reflecting the share of revenue derived from green activities of the companies in which the financial product invests;
- of **capital expenditure** (CapEx) showing the green investments made by the companies in which the financial product invests, e.g. for the transition to a green economy;
- of **operating expenditure** (OpEx) reflecting the green operational activities of companies in which the financial product invests.



● **How does the use of derivatives allow the environmental or social characteristics promoted by the financial product to be attained?**

Not applicable



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

The Sub-Fund promotes environmental and social characteristics, but is not committed to achieving sustainable investments in any way. As a result, the Sub-Fund is not committed to making a minimum number of sustainable investments with an environmental objective aligned 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-related activities that comply with the EU Taxonomy<sup>1</sup>?**

☐ Yes,

☐ In fossil gas

In ☐ clear energy

☒ No

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

<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 of 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.

information at this time. Groupama AM does its best to collect the data needed to respond to activities aligned with the Taxonomy.

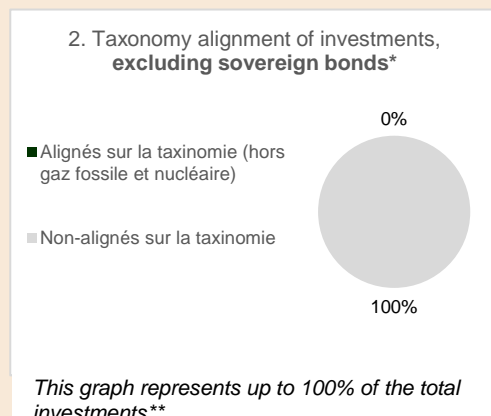
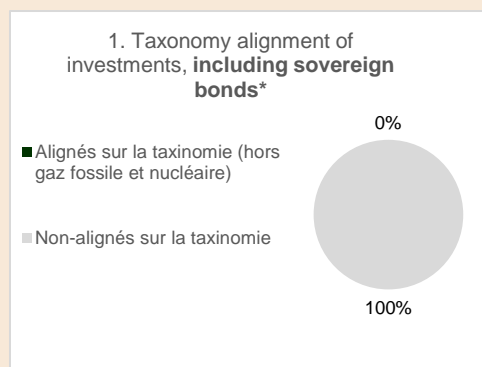
### Enabling activities

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 other things, 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 Taxonomy alignment in relation to all of the investments of the financial product, including sovereign bonds, while the second graph shows Taxonomy alignment solely in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, "sovereign bonds" comprise all sovereign exposures

\*\*As the Sub-Fund does not make sustainable investments aligned with the EU Taxonomy, the share of sovereign bonds in the Sub-Fund's portfolio will have no impact on the share of sustainable investments aligned with the EU Taxonomy included in the graph.

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

The Sub-Fund promotes environmental and social characteristics, but is not committed to achieving sustainable investments in any way. As a result, the Sub-Fund is neither committed to achieving a minimum number of sustainable investments with an environmental objective aligned with the EU Taxonomy, nor to a minimum share of investments 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 Sub-Fund promotes environmental and social characteristics, but is not committed to achieving sustainable investments in any way. As a result, the Sub-Fund is not committed to making a minimum number of sustainable investments with an environmental objective aligned with the EU Taxonomy.



### 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 "#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.

These investments are part of a portfolio diversification strategy.

This category also includes money market funds and liquidity held as ancillary liquid assets.

With the exception of SRI-labelled money market funds managed by Groupama Asset Management directly, no minimum environmental or social safeguard is implemented for investments included in category "#2 Other".





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

**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 Sub-Fund has not designated a reference benchmark to determine whether it is aligned with the environmental or social characteristics it promotes.

- **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 index methodology 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/lu1717592262>