



2024 ESG ANNUAL REPORT ART 29

A report on how Groupama Asset Management's investment policy integrates ESG considerations.



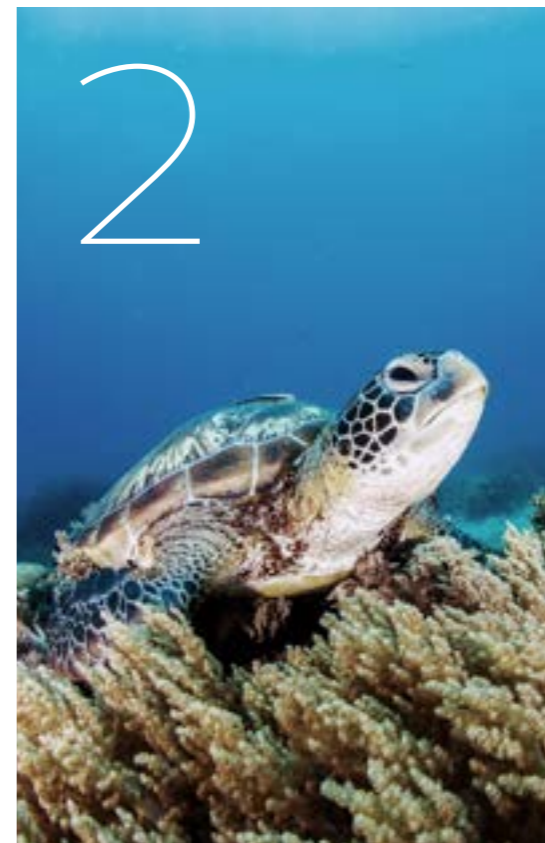
Groupama
ASSET MANAGEMENT

Investing for the future



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1

INTRODUCTION



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A YEAR OF CONSOLIDATION AND PROGRESS



Groupama AM has long been committed to a responsible approach to its investment model, enabling its clients to invest in companies that are helping to shape the world of tomorrow.

Over the last two years, we have focused on transforming our teams, dedicating significant human and financial resources to develop our organisation and our product offering and to comply with the new transparency requirements coming into force. In 2023, we intend to consolidate our strengths and work on the areas identified for improvement, in particular the quality of ESG data.

Groupama AM's teams and funds are now organised around a shared ESG foundation, consisting of proprietary ESG analysis, a shareholder engagement policy, exclusion policies and close monitoring of sustainability risks.

Identifying the companies that generate growth and have a positive impact on environmental and social issues requires reliable information in a context where data lacks standardisation and is extremely fragmented. Against this backdrop, Groupama AM has focused on strengthening checks on the data used and on involving analysts, data specialists and information systems in the collection process. Ultimately, the establishment of the European Single Access Point (ESAP) from 2027 should provide centralised access to financial and sustainability data, representing a significant step forward in improving data quality.

The consolidation of Groupama AM's responsible approach has also led to better integration and consideration of ESG indicators in the investment management and monitoring processes. With investment tools enhanced by better quality ESG data, managers have

been able to improve the ESG performance of their portfolios.

In addition, in 2023, Groupama AM ran a major ESG training programme focusing on the specific needs of each business. The overriding objective was to deepen and develop dedicated ESG expertise for each function within the organisation.

2023 also saw Groupama AM mark its desire to contribute to civil society with the creation of the Groupama Asset Management Foundation, thereby making a lasting commitment to serving causes of general interest.

Mirela Agache Durand
Chief Executive Officer
Groupama Asset Management

II / GROUPAMA ASSET MANAGEMENT, A COMMITTED INVESTOR

Active, fundamental investment guided by a responsible vision of finance.

Groupama Asset Management (Groupama AM), a subsidiary of Groupama, has established itself as one of France's leading asset management companies. **With its long-standing commitment to responsible investment**, Groupama AM is affirming its belief that issuer performance is **enhanced when investment strategies fully integrate Environmental, Social and Governance (ESG) considerations**.

Our corporate purpose is investing for the future, as Groupama AM is convinced that finance can play a part in changing the world and shaping the world of tomorrow.

This is why, day after day, its committed, driven and expert employees use their expertise to invest in companies whose performance is part of a sustainable journey. Groupama AM's mission is to enable clients to make this choice for the future and to shine a light on responsible, high-performance investment.



III / 2023 HIGHLIGHTS: STRENGTHENING GROUPAMA AM'S POLICIES AND COMMITMENTS



GROUPAMA AM HAS STRENGTHENED ITS OPERATING MODEL THROUGHOUT 2023 TO ALIGN RESOURCES WITH COMMITMENTS.

1. Improving the quality of ESG data and sharing it across the Group

As an asset manager, Groupama AM is facing growing demand for transparency on the ESG performance of its investments under the combined effect of two factors:

- Increasingly high expectations from investors on sustainable finance issues;
- European regulations that require all players to be more transparent through the publication of ESG reports.

While ESG reporting requirements have long been integrated at Groupama AM, the requirements of the European regulatory framework have considerably increased the level of complexity, creating numerous operational challenges. This complexity is present throughout the entire process, from the collection of raw, non-standardised data from multiple providers to the calculation of ESG indicators and their inclusion in manager and reporting tools, in addition to setting, monitoring and controlling portfolio thresholds.

This complex process required the implementation of cross-functional governance within the company, as it involved many different professions and skills.

To meet the scale of the challenges ahead, the Groupama Group and Groupama AM have pooled the investments required for data acquisition and the implementation of quality controls via a specific governance structure. This pooling is part of the ESG Centre of Expertise set up in 2022, dedicated to the implementation of ESG considerations across the Group.

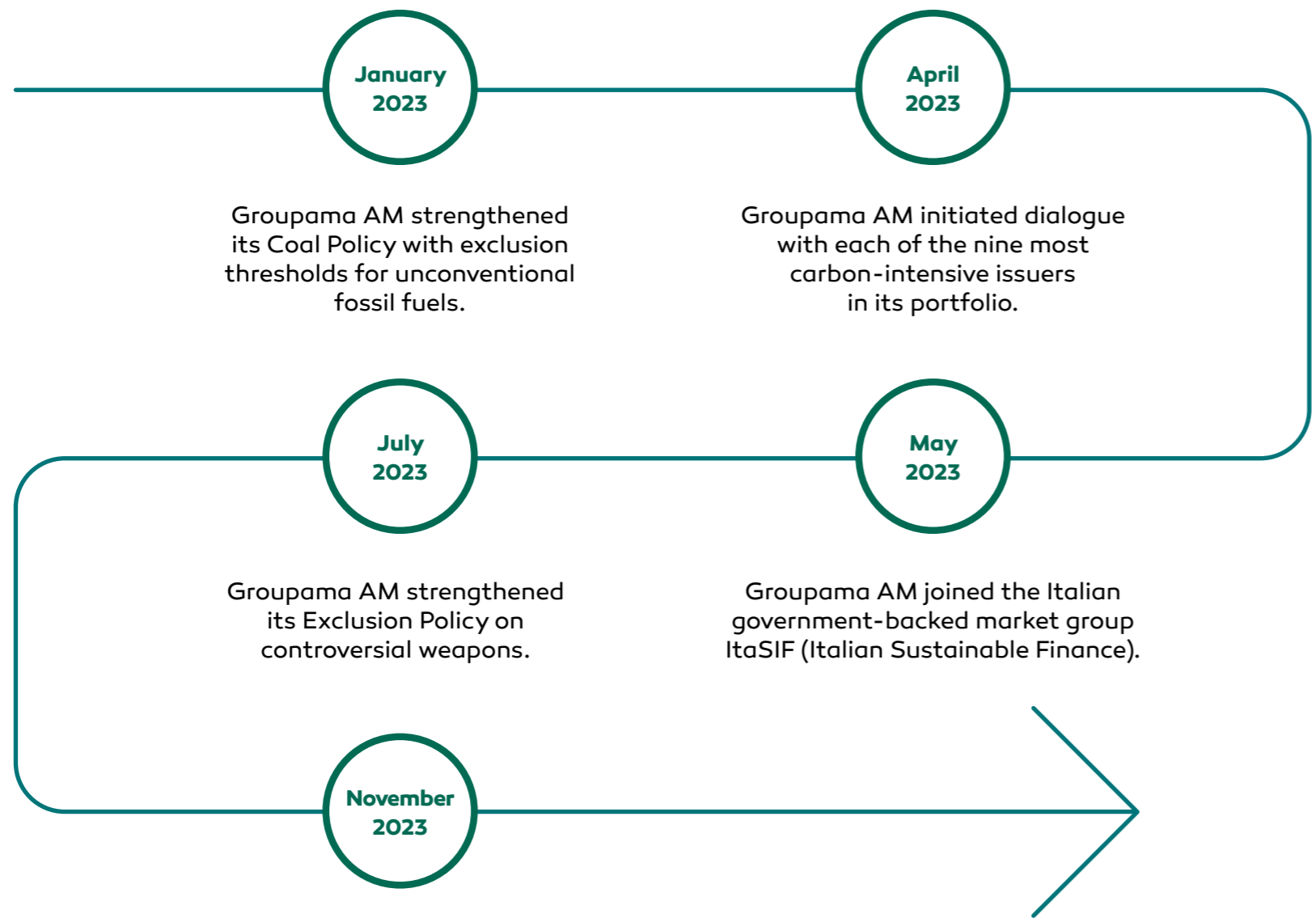
Among the actions implemented, Groupama AM launched a call for tenders with four environmental data providers, which led to the selection of two new service providers. This work was carried out as part of ESG data sharing across the Group's various entities.

2. Strengthening team ESG expertise

A second area of focus has been to **continue training employees** on sustainability issues.

3. Strengthening commitments

Groupama AM has also strengthened various commitments:



4. Creation of the Groupama AM Foundation

The Groupama Asset Management Foundation was created in 2023. Its aim is to support a world in transition through actions designed to facilitate the inclusion of people made vulnerable by demographic, digital and environmental change.





2

A NATURAL CAPITAL FILTER INTEGRATING THE CLIMATE AND BIODIVERSITY

I / A PARIS AGREEMENT ALIGNED CLIMATE STRATEGY

OBJECTIVE: 50% REDUCTION IN GREENHOUSE GAS EMISSIONS

Groupama AM's strategy of alignment with the objectives of the Paris Agreement covers insurance investment management carried out for the Groupama Group. At the end of 2023, the assets covered will represent €44.7 billion, or 44% of its assets under management. Groupama AM's insurance investment management is characterised by a long-term investment horizon and a coherent approach with a goal of alignment by 2030.

In concrete terms, this objective requires Groupama AM to halve the Scope 1 and 2 carbon emissions of its insurance portfolios by 2030, compared to 2021.

PORTFOLIO DECARBONISATION

With this in mind, Groupama AM is analysing all issuers in carbon-intensive sectors. The aim is to identify the companies whose business models are most at risk from the energy transition, and then to select the companies with the best ESG performance. This analysis is an integral part of the portfolio asset allocation process.

As a result, by the end of 2023, emissions from the insurance investment management portfolio (equities and corporate bonds) will have fallen by 53% compared with the end of 2021, from 170.8 tCO₂e/€M of turnover to 80 tCO₂e/€M of turnover.



CONTINUOUS IMPROVEMENT PLAN

The current strategy focuses on insurance investment management and Scopes 1 and 2.

Groupama AM is seeking to gradually extend its Paris Agreement alignment to other portfolios despite poor data availability for certain asset classes and geographical areas.

At this stage, the measurement of carbon intensity excludes Scope 3 due to the low transparency of data providers' models and the many changes they undergo, as well as the low number of companies covered in this scope. A presentation of Groupama AM initiatives to improve the quality of the ESG data it uses is available on the website.



II / ALIGNING LONG-TERM BIODIVERSITY OBJECTIVES

Aware of its responsibility to preserve biodiversity, Groupama AM has decided to adjust its strategy to align its long-term objectives with those of the Kunming-Montreal Global Biodiversity Framework. *Adopted in 2022 during the Conference of the Parties (COP15) at the Convention on Biological Diversity (CBD), the Kunming-Montreal Global Diversity Framework (GBF) aims to strengthen the preservation of biodiversity. It sets ambitious targets for 2030 and encourages signatory countries to take concrete action.*

As part of this agreement, 23 targets have been set for 2030, including protecting 30% of the land and 30% of the sea by 2030.

Among the 23 targets of the Kunming-Montreal agreement, Groupama AM is focusing its biodiversity strategy on the following three targets:

- **Target 8:** Minimising the impacts of climate change;
- **Target 15:** Assessing and disclosing the impact of economic players on nature;
- **Target 16:** Enabling sustainable consumption choices.

INTEGRATING IMPACTS AND DEPENDENCIES INTO INVESTMENT DECISIONS

Groupama AM measures its impacts and dependencies on all investments held directly in equities and corporate bonds as of 31/12/2023.

Measuring impact

The Corporate Biodiversity Footprint (CBF) indicator, developed by Iceberg Data Lab, is used to assess the impact of investments on biodiversity. This indicator assesses the annual impact of companies' activities on global and local biodiversity, taking into account the impact of products bought and sold by companies throughout their value chain.

The CBF indicator incorporates four main pressures on biodiversity:

- Climate change;
- Atmospheric pollution resulting from nitrogen and sulphur emissions;
- Freshwater pollution caused by the discharge of toxic compounds;
- Change of land use.

The CBF methodology is regularly updated in line with scientific knowledge. To date, several limitations have been identified:

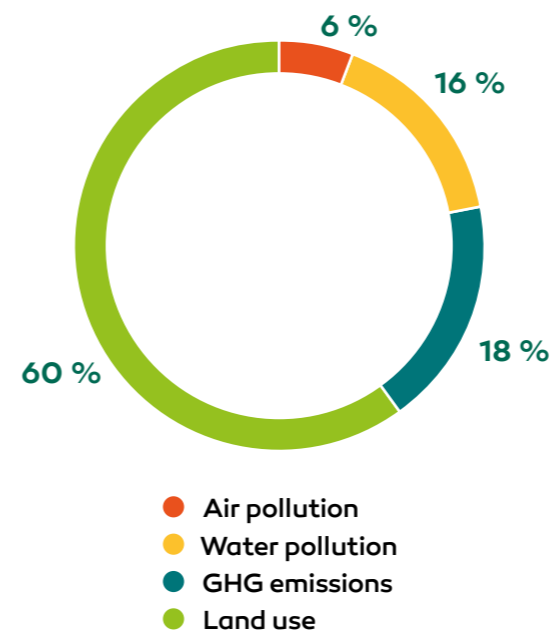
- The indicator does not cover the pressure linked to invasive species and mainly covers the impacts linked to freshwater pollution, but not marine pollution;
- It does not include the positive impacts of companies that take action to reduce, offset or avoid certain impacts.

- The Corporate Biodiversity Footprint tool is limited by the availability of data published by companies, which means that modelling has to be used frequently to measure the biodiversity footprint.

In 2023, Groupama AM's biodiversity footprint was -4.1 million km².MSA (-2.6 million km².MSA in 2022). The portfolio's greatest impact is on land use, followed by greenhouse gas emissions.

The deterioration in the footprint is explained by a sharp increase in the coverage of issuers between 2022 and 2023, which rose from 1,200 issuers to more than 2,000. The portfolio's biodiversity intensity, measured in km².MSA per million euros of capital employed, remained stable at -0.24 (-0.23 in 2022).

CORPORATE BIODIVERSITY FOOTPRINT BREAKDOWN



Source: Groupama AM based on Iceberg Data Lab

Measuring portfolio dependency on ecosystem resources

Measuring portfolio dependencies on ecosystem resources reveals how a company's activities depend on natural resources and, conversely, how these dependencies may represent a risk for the company.

Groupama AM uses the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database, developed in collaboration with the Natural Capital Finance Alliance and the World Conservation Monitoring Centre (UNEP-WCMC).

Groupama AM measures the sectoral exposure of its portfolio and, using the ENCORE database, identifies the strong and very strong dependence of the economic activities in its portfolio on natural resources and quantifies the financial impact of this dependence.

At the end of 2023, Groupama AM was mainly invested in financial services, consumer goods (cyclical and non-cyclical), energy and industry. As the service sector does not produce physical goods, it has a low dependence on

natural resources compared to other sectors which can depend heavily on them to sustain production. The main dependencies observed concern surface water, flora and fauna, and protection against floods and storms. However, it is important to note that this method has weaknesses, particularly in terms of data accuracy and adaptation to rapidly changing environmental and economic conditions.

Controlling the impact and dependence of portfolios on biodiversity

Groupama AM is implementing actions to reduce the impacts and dependencies identified in its portfolio by including biodiversity in the ESG rating, which makes it possible to analyse assets that are highly dependent on ecosystem services and have a significant impact on biodiversity. In 2024, Groupama AM is working on quantifying climate risks in collaboration with the Groupama Group. An in-depth analysis of the water dependency of its insurance portfolios was also carried out, revealing high dependency on surface water. The "Water Score" is used to assess the impact of companies on water and to guide efforts to reduce this impact.



III / GROUPAMA AM'S NATURAL CAPITAL FILTER IS BASED ON FOUR LEVERS

Climate and biodiversity conservation strategies are intrinsically linked, as biodiversity plays a crucial role in climate regulation and the resilience of ecosystems to climate change. At Groupama AM, these two strategies are integrated into a global approach, called the Natural Capital Filter, recognising the vital importance of biodiversity in managing environmental risks and promoting sustainability.

This filter is based on four levers of action aimed at mitigating the environmental impacts and risks associated with investment decisions. Groupama AM seeks to invest in issuers that offer solutions to environmental problems and make a positive contribution to reducing the pressures on the environment.

1. Measuring environmental impact
2. Reducing the environmental impact of portfolios
3. Financing companies that are best positioned to meet environmental challenges
4. Raising awareness among clients and employees through educational initiatives

1. MEASURING ENVIRONMENTAL IMPACT

Understanding environmental impacts and incorporating them into investment decisions leads to more responsible investment aligned with biodiversity conservation objectives and capable of generating sustainable returns:



a. Measuring the environmental and climate performance of portfolios:

		NEC (In %)	Implicit temperature (Celsius degree)	Carbon intensity (Tco2 per M EUR) scope 1+2+3 upstream	Physical risk score	Transition risk score
On the scope of stocks and corporate bonds						
Performance	2023	0%	2,5	246	17,5	37,1
	2022	4%	2,4	321	28,4	35,5
Coverage rate		62%	95,9%	96,1%	57%	57%
On the scope of stocks						
Performance	2023	-1%	2,8	291	19,2	38
	2022	1%	2,8	351	29,7	36,3
Coverage rate		89,1%	89,1%	90%	84,5%	84,5%
On the scope of corporate bonds						
Performance	2023	0%	2,8	252	17,1	36,9
	2022	5%	2,7	394	28	35,2
Coverage rate		89,6%	89,6%	89,8%	81,8%	81,8%

Source: Groupama AM: based on Iceberg Datalab

For government bonds (the missing indicators are not relevant for this type of instrument):

		Implicit temperature (Celsius degree)	Carbon intensity (Tco2 per M EUR) scope 1+2+3 upstream
Performance	2023	1,9	223
	2022	1,93	220
Coverage rate		87,20%	87,20%

Source: Iceberg DataLab – calculs: Groupama AM



Groupama AM has observed a positive trend in the performance of its environmental indicators, materialised by a fall in indicators such as carbon intensity or the physical risk score, as well as a very strong improvement in the data coverage rate compared to 2022. This demonstrates the efforts made by Groupama AM to improve the availability and coverage of the data it uses.

b. Measuring exposure to fossil fuels

Groupama AM uses data from the NGO Urgewald's Global Coal Exit List (GCEL) and Global Oil and Gas Exit List (GOGEL) to measure its exposure to coal and unconventional fossil fuels, as well as GICS (Global Industry Classification Standard) sectors for exposure to oil and gas:

	In 2023	In 2022
Exposure to coal	430 M€ (0,4% of Asset under management (AUM))	2918 M€ (3,1% of Asset under management (AUM))
Exposure to oil and natural gas	1029 M€ (1,0% of Asset under management (AUM))	1038 M€ (1,1% of Asset under management (AUM))
Exposure to unconventional oil and gas	655 M€ (0,6% of Asset under management (AUM))	887 M€ (0,9% of Asset under management (AUM))

Calculs: Groupama AM

Groupama AM reduced its exposure to fossil fuels in 2023. This fall is explained by the reinforcement of the policy to exclude coal and not reinvest in unconventional fossil fuels.

TABLE 1: MEASURING TAXONOMY ELIGIBILITY

Exposure to taxonomy-eligible economic activities as a percentage of total assets (%)	63.6%
Exposure to taxonomy non-eligible economic activities as a percentage of total assets (%)	34.8%
Exposure to central governments, central banks or supranational issuers as a percentage of total assets (%)	29.1%
Exposure to derivatives as a percentage of total assets (%)	-2.7%
Are derivatives calculated at market value or exposure (underlying equivalent)?	Market value

TABLE 2: MEASURING TAXONOMY ALIGNMENT

Weighted average value of all investments that are intended to finance or are associated with taxonomy aligned economic activities, relative to the total value of assets covered by the ICP, for investments in companies:	Percentage
Based on turnover	2.8%
Based on capital expenditure	5.5%
Percentage of assets covered by the ICP in relation to total assets under management (excluding investments in sovereign states)	89.2%
Weighted average value of all investments that are intended to finance or are associated with taxonomy aligned economic activities for investments in companies:	Monetary amount
Based on turnover	€2,260 million
Based on capital expenditure	€4,439 million
Monetary value of assets covered by the ICP (excluding investments in sovereign states)	€70,843 million

Source: Groupama AM, based on Clarity AI

*The EU taxonomy, published in 2020, is a framework for classifying sustainable economic activities. To be eligible, an activity must make a substantial contribution to at least one of the six environmental objectives and not cause significant harm to any of the other objectives. Eligible activities are defined by the European Commission (EC). Alignment requires compliance with specific technical criteria established by the taxonomy and is measured on the basis of turnover, capital expenditure (CAPEX) and operating expenditure (OPEX). Alignment figures are often low due to the complexity of the criteria and the need for a gradual transition of economic activities towards more sustainable practices.

c. Measuring the level of eligibility and alignment with the taxonomy*:

For 2023, Groupama AM has calculated the share of its investments aligned with the taxonomy for the first two objectives: climate change mitigation and adaptation.

d. Measuring portfolio impact and dependence on biodiversity:

Groupama AM's ecosystem impact and dependencies are described in the "Aligning long-term biodiversity objectives" section of this report. In summary, Groupama AM's biodiversity footprint is -4.1 million km².MSA with an intensity of -0.24 km².MSA per million euros of capital employed. The assets held by Groupama AM are highly or very highly dependent on surface water, flora and fauna, as well as protection against floods and storms.

2. REDUCING THE ENVIRONMENTAL IMPACT OF INVESTMENT DECISIONS

Reducing the environmental impact of investments ensures the sustainability of companies and portfolios, paving the way for new economic opportunities while helping to achieve Groupama AM's environmental objectives:

a. Integrating climate and biodiversity issues into Groupama AM's proprietary rating model:

- i.** At company level, Groupama AM uses the EU green taxonomy, the NEC, carbon intensity, an implicit temperature indicator, the biodiversity footprint and the PAI to analyse its level of contribution to the ecological transition.
- ii.** At national level, Groupama AM uses climate and biodiversity indicators.
- iii.** Groupama AM has developed natural capital categories, which classify issuers that are at risk with regard to the ecological transition in terms of its insurance investment management.

b. Limiting the impact of global warming and reducing pressure on biodiversity:

- i.** Since 2019, Groupama AM has applied a demanding Coal Policy to all its investments.
- ii.** In 2023, Groupama AM implemented a general policy of non-reinvestment in unconventional fossil fuels due to the high environmental impact of these fuels and/or their extraction techniques on water, the climate, biodiversity and local communities.
- iii.** Groupama AM limits its exposure to issuers with significant environmental impacts through its sustainability risk monitoring policy.
- iv.** Groupama AM sets environmental performance targets (carbon intensity) for most of the SRI-labelled funds in its range.
- v.** Groupama AM applies a voting and shareholder engagement policy to engage with companies that carry sustainability risks or to encourage them to transform their production methods towards more sustainable processes.

3. FINANCING COMPANIES THAT ARE BEST POSITIONED TO MEET ENVIRONMENTAL CHALLENGES

Financing these companies is part of an investment strategy focused on long-term growth, as they are well placed to respond effectively to the challenges of environmental transition:

a. Identifying companies that represent investment opportunities through the forward-looking "business model evolution" pillar in the environmental analysis of the rating methodology.

b. Identifying the companies best positioned for the energy transition using the Natural Capital filters:

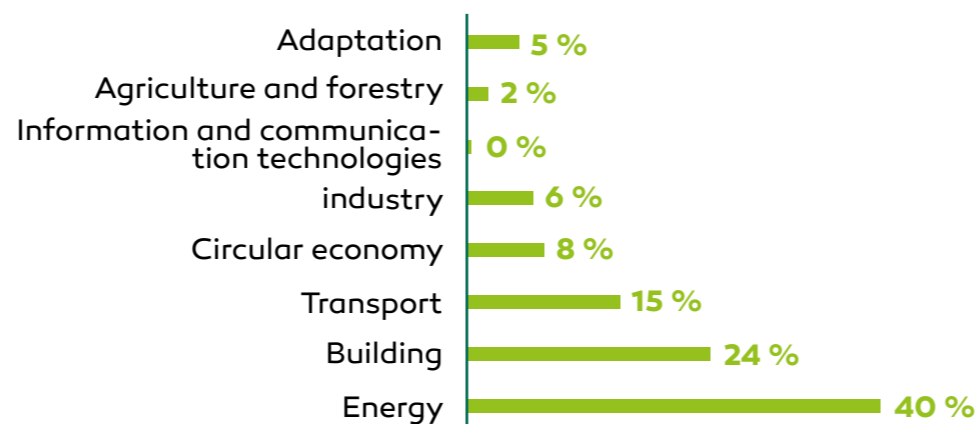
Groupama AM has developed a methodology for analysing risks and opportunities related to natural capital in order to identify issuers whose business models are most exposed to environmental risks in the most carbon-intensive sectors, as well as companies that represent an opportunity in terms of environmental transition. The categorisation of issuers implies an investment rule for each category. Investment in the issuer may be maintained and reinforced, maintained without the possibility of reinforcement, or eventually withdrawn. This policy applies to insurance investment management.

c. Investing in green bonds

In 2023, Groupama AM invested €1.9 billion in green bonds, which represents 2% of assets under management:

- These bonds mainly finance clean energy, buildings and transport projects.

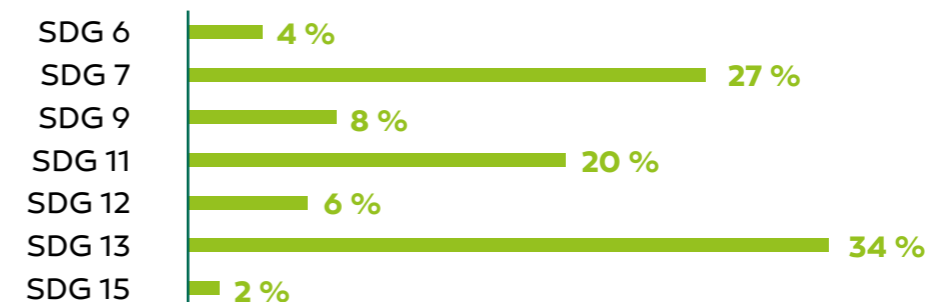
BREAKDOWN OF GREEN BONDS PER SECTOR



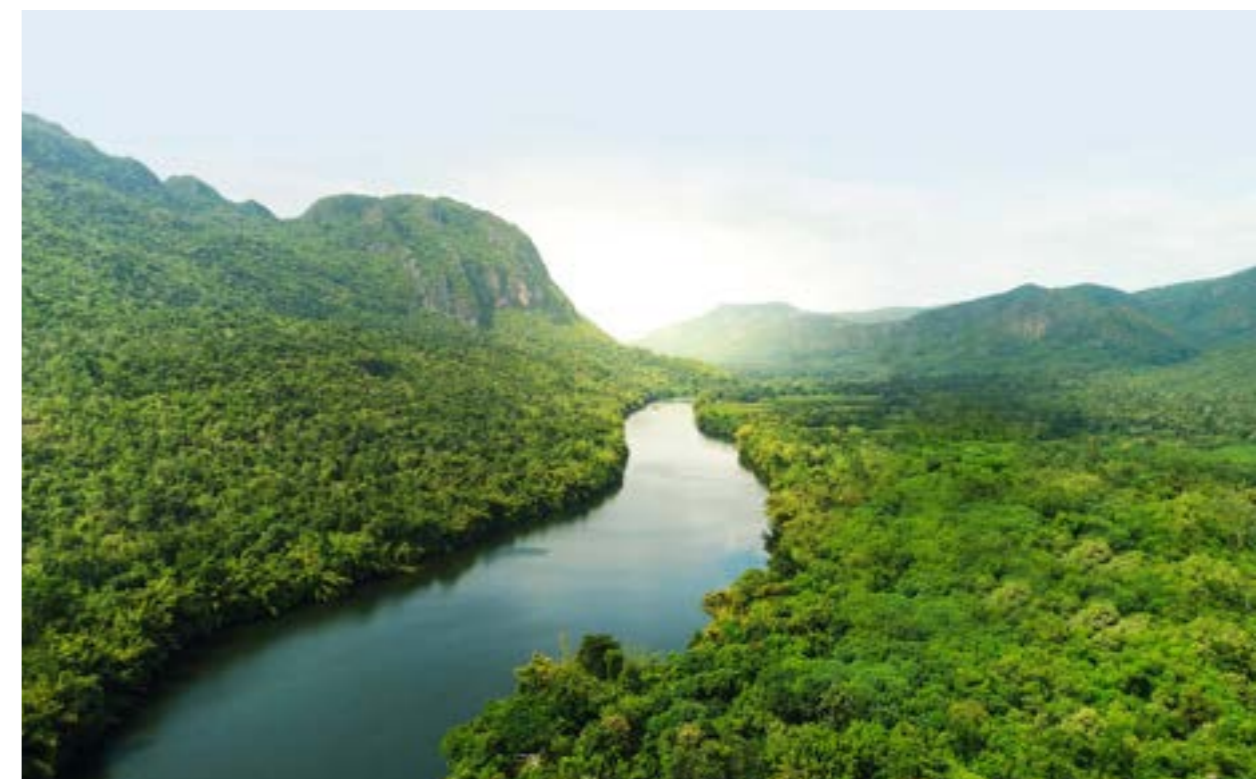
Source: Groupama AM according to Moody's ESG

They mainly contribute to SDG 13 "Combating climate change", SDG 7 "Clean energy" and SDG 11 "Sustainable cities".

DISTRIBUTION OF GREEN BONDS BY CONTRIBUTION TO THE SDGs



Source: Groupama AM according to Moody's ESG



d. Using the SDGs to identify contributions to environmental issues:

Groupama AM uses a framework based on the United Nations Sustainable Development Goals (SDGs) to identify companies' contributions to environmental issues in its definition of sustainable investment, in accordance with Article 2 (17) of the SFDR regulation. Among the SDGs taken into account in defining and measuring sustainable investment, SDGs 12, 13, 14 and 15 meet the objectives of the Kunming-Montreal agreement targeted by Groupama AM's biodiversity strategy.

Groupama AM's Article 8 funds, which are committed to achieving a minimum level of sustainable investment, apply a general ESG approach and contribute to one or more of the 17 SDGs relevant to companies, including SDGs 12, 13, 14 and 15.

The Article 9 Groupama Future for Generations fund applies a thematic approach, contributing to at least one of the following four SDGs: SDGs 3, 8, 12 and 13.

The definition of Article 8 and 9 funds is presented on page 23 of this document.

Target	Objective of the target	UN Sustainable Development Goals (SDG)	Portfolios committing to a minimum share of sustainable investment or to a sustainable investment target, potentially contributing to SDGs 12, 13, 14 and 15
Target 8	Minimising the impacts of climate change		AuM: €22 bn Number of funds: 32*
Target 15	Assess and disclose impacts on nature by economic stakeholders	 	AuM: €21.9 bn Number of funds: 31*
Target 16	Encouraging sustainable consumption choices		AuM: €22 bn Number of funds: 32*

* Excluding feeder funds



4. RAISING AWARENESS AMONG GROUPAMA AM EMPLOYEES AND CLIENTS

Raising employee awareness of the environment introduces them to ESG issues, reinforcing their commitment to sustainability. Training sessions provide them with the knowledge required to achieve the company's environmental objectives. In addition, raising awareness and educating clients about environmental issues and Groupama AM's ESG offering encourages them to select funds aligned with their sustainability preferences.

- a. Training employees on environmental issues and methodologies, and supporting them in obtaining certification (such as the CESGA).
- b. Educating clients by producing content on sustainable finance, offering them a range of products in line with their sustainability preferences and providing them with regular ESG reports.

IMPROVEMENT PLAN: ESG DATA QUALITY

Groupama AM has set up several initiatives to improve the quality of the ESG data it uses. They can be consulted with the link below.





3

INTEGRATION OF SUSTAINABILITY RISKS IN INVESTMENTS

I / GROUPAMA AM ESG APPROACH

As a committed and responsible investor, Groupama AM's mission is to achieve long-term sustainable performance for its clients. This mission is guided by the belief that integrating ESG criteria into issuer analysis enables sustainable performance to be generated, in particular by taking account of the sustainability opportunities and risks identified in the investment process.

For this reason, all the portfolios managed by the investment teams apply the ESG policies and methodology developed by the ESG Research and Strategy teams, as detailed in the diagram on page 26 "Investments that limit sustainability risks".

This entire system: integrated ESG analysis, ESG policies and commitment to companies constitutes the Groupama AM ESG foundation.

More than 90% of assets under management fully incorporate Groupama AM's ESG policies. This forms the basis of the ESG integration process at Groupama AM.

1 / ESG ANALYSIS

The integration of ESG risks and opportunities issuer analysis and in the investment process is based on Groupama AM's proprietary ESG rating methodology. It is built on four pillars: Governance, Environment, Social and Societal, and calculates an ESG score based on 63 ESG indicators.

The weightings assigned to each criterion and sub-criterion of the Environmental, Social and Societal pillars vary according to:

- the importance of the criterion and its relevance to the sector in question;
- its level of materiality (i.e. its financial and operational impact);
- the quality of the information available.

The ESG ratings obtained reflect the ESG risks and opportunities of issuers and are a structuring element in the portfolio investment process. They are used as a selection criterion at two levels of the investment process:

A minimum ESG analysis threshold set for all SFDR Article 8 and 9 open-ended and dedicated portfolios:

- 90% for open-ended and dedicated funds invested in major asset classes;
- 75% for open-ended and dedicated funds invested in small and mid-cap stocks, emerging-market debt and high-yield bonds;

- Work is in progress for mandates: formalisation in legal and regulatory documentation of minimum ESG analysis thresholds to be applied by the investment managers.

An ESG performance target set for SFDR Article 8 and 9 open-ended portfolios. The objective is based on the ESG rating of issuers in relation to a given investment universe and consists of either:

- Improving the portfolio ESG rating: the portfolio aims for an ESG rating exceeding that of its benchmark or its ESG investment universe. To achieve this, it invests primarily in issuers with the best ESG scores;
- Excluding the issuers with the lowest ratings. The portfolio aims to exclude issuers with the lowest ESG ratings in its ESG investment universe or benchmark (20%). It only invests in issuers with the best ESG scores (80%).



2 / APPLICATION OF GROUPAMA AM ESG POLICIES

More than 90% of assets under management apply Groupama AM's ESG policies. These policies are monitored and approved by the Sustainability Risks Committee. Groupama AM has defined several watch lists of companies that are not compatible with its ESG policy, which apply to all portfolios according to defined procedures and depend on several criteria such as asset class, portfolio type, and client preferences.

- Major ESG risks watch list: these are issuers identified as having weak governance or high sustainability risks, which could harm their economic and financial viability or have a significant impact on the company's valuation, leading to a substantial loss of stock market value or a significant downgrade by rating agencies;
- Fossil fuel policy (Coal and unconventional fossil fuel): exclusion of companies whose thermal coal production exceeds defined thresholds and non-reinvestment in companies whose annual unconventional fossil fuel production exceeds defined thresholds. The Fossil fuel policy is available on the website;



- Controversial weapons policy: exclusion of companies involved in the production, marketing or distribution of these weapons. The Controversial Weapons policy is available on the website.



Groupama AM's ESG policies do not apply to underlying funds not managed by Groupama AM in funds of funds managed by Groupama AM, to funds whose management is delegated to a third-party company and to feeder funds of funds of third-party asset management companies. As part of the selection process for these portfolios, the investment teams carry out due diligence to check that the asset management companies and third-party underlying funds analysed comply with the principles of Groupama AM's ESG policy.



3 / DIALOGUE WITH COMPANIES

Engaging with companies through dialogue is part of ESG analysis and integrating ESG criteria into investment decisions.

Groupama AM's strategy, anchored by its strong ESG presence in Paris since 2002, is structured **around individual and collaborative engagement**.

Groupama AM's shareholder engagement approach involved dialogue and voting based on three topics:

- Sustainability risk;
- Energy and environmental transition;
- Pay gaps.

Groupama AM selects the topics to be addressed with the constant aim of being both ambitious in the objectives to be achieved and efficient in the work carried out.

II / DEFINITION OF SUSTAINABLE INVESTMENT

In accordance with Article 2(17) of the SFDR regulation, which defines sustainable investment as "an investment in an economic activity that contributes to an environmental or social objective, provided that these investments do not cause significant harm to either of these objectives and that the companies held adopt good governance practices", Groupama AM has implemented its own definition and in-house methodology in order to measure the share of sustainable investments in its portfolios.

This definition applies transparently to all portfolios managed by Groupama AM (excluding funds whose management is delegated to a third-party company and feeder funds of third-party funds). As part of this approach, Groupama AM uses in-house and external methodological frameworks, including the United Nations Sustainable Development Goals, to identify the positive externalities of companies. This globally recognised framework provides a clear roadmap that is shared by all stakeholders.

1. CONTRIBUTION TO AN ENVIRONMENTAL OR SOCIAL SUSTAINABILITY OBJECTIVE

a. Investment in corporate securities

Companies are analysed on the basis of their positive contribution to the SDGs. Contribution to SDGs is measured using data provided by Moody's. Two indicators are measured:

- **Turnover from the company's activities:** identification of income from the supply of sustainable goods and services divided by the company's total income. This analysis results in an overall contribution score ranging from 0 to 100%, enabling companies to be categorised according to four levels: None (0 to 20%), Minor (20 to 50%), Significant (20 to 50%), Major (50 to 100%);
- **Controversy score:** analysis of the company's involvement in controversial activities. The level of involvement is calculated on the basis of turnover from the controversial activity or the nature of the involvement (production, sale, distribution).

These two indicators can be used to define an overall contribution categorised into five levels: very positive, positive, neutral, negative and very negative. This analysis is used to calculate the share of sustainable investments in portfolios.

b. Investment in sustainable bonds

Groupama AM believes that green bonds are an important investment lever to support companies in their energy and environmental transition. Investments in green bonds, social bonds or sustainable bonds, analysed using a stringent in-house methodology, are considered to be sustainable investments. The in-house analysis is based on two recognised standards:

- The transparency requirements of **Green Bonds Principles, Social Bonds Principles and Sustainable Bonds Principles;**
- The activities eligible for the **Greenfin Label** (Green bonds).

2. CONTROL OF SIGNIFICANT DAMAGES TO SUSTAINABLE ENVIRONMENTAL AND SOCIAL INVESTMENT OBJECTIVES (DNSH)

To ensure that an investment that makes a positive contribution to the SDGs does no significant harm to any environmentally or socially sustainable investment objectives, it must not make a negative contribution to any of the 16 SDGs targeted.

This approach applies to Article 8 funds that apply a generalist ESG approach. Article 9 funds take a thematic approach and only contribute to the relevant SDGs.

3. APPLICATION OF PRINCIPLES OF GOOD GOVERNANCE

To ensure that invested companies comply with good governance practices, this is subject to a detailed analysis in the Governance pillar of the proprietary analysis methodology. Among the criteria taken into account:

- Percentage of independent members of the board of directors;

- Integration of ESG criteria in executive remuneration;
- Existence of a CSR committee within the board of directors;
- Corruption prevention policy and existence of controversies;
- Responsible lobbying practices and existence of controversies.

APPLICATION IN FUNDS

Article 9 funds undertake to hold a minimum of 95% sustainable investments. They adopt a thematic approach and contribute to the relevant SDGs on the targeted theme(s).

Article 8 funds, which promote environmental and/or social characteristics, commit to a minimum sustainable investment share set in line with the investment strategy implemented according to the fund's strategy.

IMPROVEMENTS TO THE SUSTAINABLE INVESTMENT DEFINITION

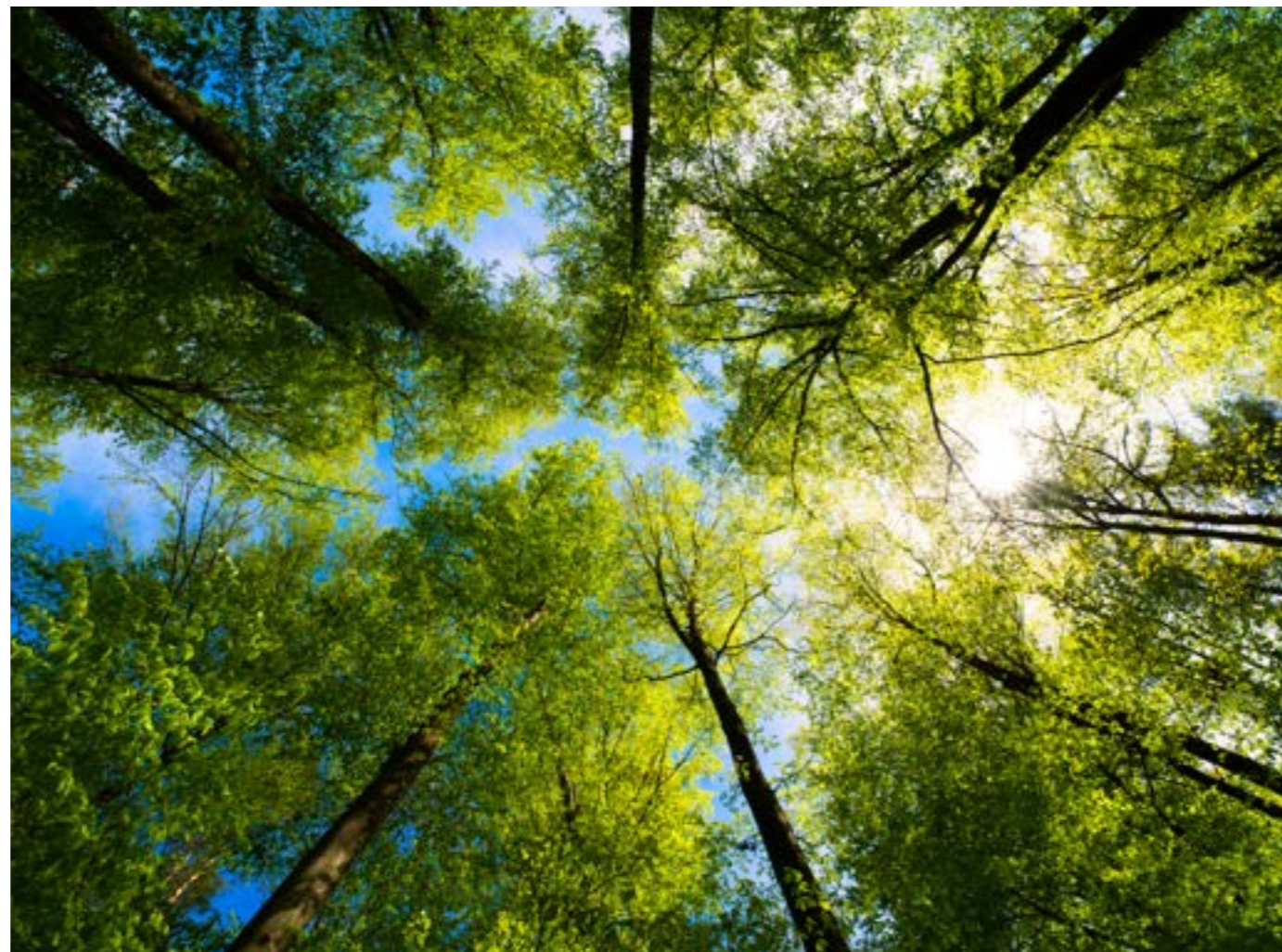
Groupama AM's definition of sustainable investment has been refined in line with a constant search for improvement and control of the ESG indicators that underpin the portfolio investment process.

The improved knowledge acquired on subjects relating to the impact of companies on the Sustainable Development Goals has enabled the Research teams to refine the current approach by starting from raw data. A number of improvements have been made:

- The watch list of excluded activities is aligned with Groupama AM's ESG policies and fund manager convictions;
- Out-of-date and erroneous data from data providers is corrected;
- Company coverage is wider as we initiate in-house coverage using published data for those issuers not covered by data providers.

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a set of 17 global objectives adopted by the United Nations in 2015. These goals are intended to guide the actions of governments, busi-



nesses and civil society in tackling the planet's most pressing challenges while building a more sustainable and equitable future for all.

The pursuit of the SDGs is essential if we are to meet the challenges of the transition:

Demographic transition



Environmental transition



Digital transition



III / SFDR CLASSIFICATION OF GROUPAMA AM FUNDS

The Sustainable Finance Disclosure Reporting (SFDR) regulation aims to improve the transparency of financial products on sustainability issues and the inclusion of the environmental and social impact of investments made by funds. This regulation requires asset management companies to classify their funds according to their level of sustainability:

- Article 6: the product does not have a sustainability objective;
- Article 8: the product promotes environmental or social characteristics, or a combination of these characteristics;
- Article 9: the product has a sustainable investment objective.

Groupama AM has specified a framework of rules and characteristics that funds must comply with in order to be classified as Article 8 or Article 9 under the SFDR regulations. The framework defined, detailed below, is based in particular on the recommendations of AMF Doctrine 2020-03.

The development of a sustainable offering is a strategic priority for meeting client needs, and one to which many of our teams are contributing. 93% of Groupama AM's open-ended funds were classified as SFDR Article 8 or 9 as of 31/12/2023.

	ARTICLE 8	ARTICLE 9 THEMATIC APPROACH	ARTICLE 9 IMPACT
ESG PERFORMANCE	<p>PROMOTING ENVIRONMENTAL AND SOCIAL CONSIDERATIONS</p> <p>Measurable objectives for integrating ESG considerations</p>	<p>SUSTAINABLE INVESTMENT OBJECTIVE</p> <p>Contribution to the SDGs selected in relation to the investment theme</p> <p>Measurable objectives for integrating ESG considerations</p>	<p>SUSTAINABLE INVESTMENT OBJECTIVE</p> <p>Measurable SDG-linked company transformation objective</p>
COVERAGE	<ul style="list-style-type: none"> • 90% minimum for major asset classes • 75% minimum for the small/mid-cap and high yield asset classes 	95%–100%	
DNSH	<p>Coal Policy</p> <p>Controversial weapons policy</p> <p>Major ESG risks</p> <p>PAI</p>	<p>Normative exclusions</p> <p>Controversy monitoring</p> <p>ESG due diligence</p> <p>PAI</p>	
GOVERNANCE	In-house ESG analysis and rating methodology: Governance pillar		
SUSTAINABILITY INDICATORS	<p>ESG ratings</p> <p>Share of sustainable investment (for funds with a minimum threshold target)</p> <p>ESG indicators (for SRI-labelled funds)</p>	<p>ESG ratings</p> <p>Share of sustainable investment</p> <p>ESG indicators (for SRI-labelled funds)</p>	<p>Indicators demonstrating a positive impact on Society</p> <p>Share of sustainable investment</p>

IV / GROUPAMA AM'S SUSTAINABLE FUND RANGE

A RANGE BUILT ON A ROBUST ESG FOUNDATION AND TAILORED TO DIVERSE CLIENT NEEDS

The development of a sustainable and innovative product range is a strategic challenge steered by the ESG Strategy Committee. It is based on several strategic levers.

Transforming the product offering

In 2023, Groupama AM pursued its work to strengthen the sustainability of its portfolios and build an increasingly sustainable fund range that meets the needs of Groupama's clients and distribution networks.

As a result, the portfolios managed on behalf of Groupama Group and its subsidiaries comply with SFDR Article 8 requirements. This classification reflects Groupama Group's ambitious sustainability policy, which is applied in the investment process by Groupama AM's investment teams.

Work will continue in 2024 with the legal teams to ensure compliance of the pre-contractual documentation and with the Reporting and IT teams to set up periodic reporting in line with the requirements of the SFDR regulation.

Launching innovative and sustainable investment strategies

Groupama AM continues to develop its fund range, in particular a private debt strategy dedicated to financing the agricultural and food and beverage transition. The aim of this investment strategy is to finance companies that meet the challenges of transforming environmental practices in the agricultural and food and beverage sector in France and Europe.

On a global scale, the sector is responsible for 26%* of greenhouse gas emissions and 70%* of the world's freshwater abstraction. The sector is faced with a lack of funding to ensure its environmental transition.

This topic is particularly relevant for Groupama AM, a sustainable asset manager and subsidiary of France's leading agricultural insurer.

Groupama AM's expertise in environmental issues, combined with its regional presence, are major assets, providing a territorial base and proximity to the local economic fabric to reconcile the economy with ecology.

The companies financed will be of two types:

- Companies that commit to improving their environmental practices by implementing actions or policies aimed at reducing their negative impact on the climate and ecosystems;
- Companies whose services or products enable sectors to provide solutions to environmental challenges.

The fund, aimed exclusively at institutional investors, aims to promote environmental considerations and will therefore be classified under Article 8 of the SFDR regulations.

In private debt, the availability of ESG data can be even more of a challenge than for listed assets. The European regulation on transparency with company reporting (CSRD) and the future ESAP (European Single Access Point) present an opportunity to overcome the challenge of insufficient data.

* Source: Reducing food's environmental impacts through producers and consumers, 2018.



LIST OF SFDR ARTICLE 8 AND 9 OPEN-ENDED FUNDS

	Outstanding open funds, dedicated funds and mandates	List of opened funds		
Funds and mandates promoting ESG characteristics	83 957 M€ (82,0%)	<ul style="list-style-type: none"> Groupama Monétaire Groupama Entreprises Groupama Trésorerie Groupama Ultra Short Term Groupama Epargne & Retraite Monétaire Groupama Epargne & Retraite Perspective Trésorerie Tesorus Monétaire Groupama Alpha Fixed Income Groupama Alpha Fixed Income plus Groupama Euro High Yield Groupama Europe High Yield 2028 Groupama Corporate Hybrid Groupama Axiom Legacy Groupama Euro Convertible Groupama Europe Convertible Groupama Global Convertible Groupama État Euro ISR Groupama État Monde 	<ul style="list-style-type: none"> Groupama Global Inflation Short Duration Groupama Index Inflation Monde Groupama Euro Crédit Short Duration Groupama Euro Crédit Groupama Oblig Euro Groupama Global Bond Groupama Oblig Monde Groupama Dynamic Bond Groupama Global Disruption Groupama Europe Actions Immobilier Groupama Opportunities Europe Groupama Actions Retraite Groupama Avenir Euro Groupama Avenir Euro Feeder Groupama Avenir Europe Groupama Avenir PME Europe Groupama Epargne Perspective Sélection PME ETI Groupama Epargne Perspective Sélection PME-ETI 	<ul style="list-style-type: none"> Groupama France Active Equity Groupama Actions France Groupama Euro Active Equity Groupama Europe Active Equity Groupama Europe Equities Groupama América Active Equity Groupama América Active Equity Hedged Groupama US Equities Groupama Global Active Equity Finama Actions Internationales Groupama Actions Monde Groupama Tikehau Diversified Debt Fund Groupama New Deal Europe Groupama Euro Diversifié Groupama Evolution Equilibre Groupama Evolution Tranquillité
Funds and mandates aimed at a sustainable investment objective (article 9)	336 M€ (0,3%)	<ul style="list-style-type: none"> Groupama Health and Wellness Groupama Social Impact Debt* Groupama Future For Generations 		
Other funds and other mandates (article 6)	18 142 M€ (17,7%)	<ul style="list-style-type: none"> Finama Epargne Court Terme Groupama FP Dette Emergente Groupama Horizon Obligations Monde Oblifonds Groupama FP Dette Emergente Gan Eurostratégie 	<ul style="list-style-type: none"> Groupama Asie Groupama Horizon Actions Europe Groupama Horizon Actions Monde Groupama Japon Stock Groupama FP Actions Emergentes Groupama Horizon Actions Emergentes 	
Total	102 435 M€ (100,0%)	By 2023, labeled funds represented €27,390 million, or 26.7% of total assets.		

* This private debt fund is reserved exclusively for institutional clients.



DECLINATION OF SUSTAINABILITY RISKS IN GROUPAMA AM'S MANAGEMENT

SFDR CLASSIFICATION	CONTROVERSIAL WEAPONS	FOSSIL ENERGY POLICY	MAJOR ESG RISKS	NATURAL CAPITAL CATEGORY
Open funds covered by articles 8 and 9 SFDR (excluding monetary funds)	Exclusion	Coal exclusion and non-reinvestment EFNC	Exclusion	
Art 8 SFDR Insurance Mandates		Non-reinvestment coal and EFNC	Non reinvestment	Category 3: sale if possible, disengagement in the long term / Category 2: no reinvestment
Dedicated funds		Coal exclusion and non-reinvestment EFNC (except other client request)	Depending on client request	Depending on client request
ISR labeled monetary* management		Coal exclusion and non-reinvestment EFNC	Exclusion of securities whose maturity is greater than 1 year	
Low tracking error funds		Coal exclusion and non-reinvestment EFNC	Possible investment with clear justification from management	
Other management		Coal exclusion and non-reinvestment EFNC	Possible investment with clear justification from management	

* For all of our money market funds, whether or not they have an ISR label, the exclusion from the list of Major ESG risks does not apply to securities authorized by the Monetary Committee whose maturity is less than one year. Indeed, the universe of monetary securities is a small one and a strict exclusion would lead to consequences contrary to the interests of holders



4

A DOUBLE MATERIALITY APPROACH TO ESG

The European regulator's approach to ESG analysis and reporting is based on the principle of double materiality. Investor reporting must distinguish between:

How they identify and manage the risks associated with external ESG events that may affect the value of an investment - i.e. sustainability risks (**financial materiality**).

How they identify and limit principal adverse impacts (PAI) - i.e. how the company being financed affects Society and the Environment: carbon emissions, pollution, gender pay gaps (**impact materiality**).

This double approach is implemented at Groupama AM through:

1. Identifying Groupama AM's main sustainability risks
2. A proprietary ESG equity analysis and scoring methodology designed to measure financial materiality through the selection of ESG indicators and to account for impact materiality through adverse impact indicators (PAI)
3. Integrating the main adverse impacts, as defined by the SFDR regulation
4. Implementing the Engagement Policy

MONITORING SUSTAINABILITY RISKS

Pursuant to the SFDR Regulation, a sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative impact on the value of the investment.

To better understand the implications of sustainability risks, it is useful to break them down into three transmission channels: physical risks, transition risks and liability risks.

Physical risks are a direct result of the effects of climate change, leading to an increase in natural disasters. Companies with business models highly exposed to these events can suffer higher operating and depreciation costs, as well as interruptions to their supply chains, with

significant financial repercussions. These risks are included in issuer analysis.

Transition risks relate to exposure to issuers potentially adversely affected by the transition to a low-carbon, sustainable economy. They include changes in environmental or social policies and standards, technological advances that make polluting technologies obsolete, and shifts in consumer behaviour towards more responsible products and services. They involve massive investment in business transformation and are integrated into the ESG analysis of equities.

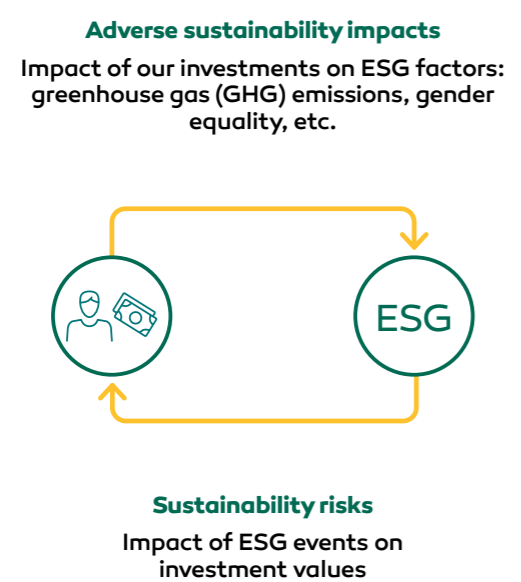
Liability risks relate to exposure to issuers that may be held liable for the negative impact of their activities on the environment, society and governance factors. The financial impacts can be directly correlated to the financial repercussions of lawsuits linked to non-compliance with ESG standards or to the deterioration in the reputation and credibility of the company facing controversy.

To respond to this challenge, Groupama AM created a watch list of Major ESG Risks in 2013, to manage controversies that represent a risk for asset managers. The definition of controversial companies includes two categories:

- Companies faced with a major scandal affecting their business or expertise and facing major legal risks (fines), the loss of part of their business and reputational risks;
- Companies covered by analysts and whose governance is deemed to be problematic, implying a risk of instability, loss of investor confidence or loss of value.

To limit its exposure to these different types of risk, Groupama AM has chosen to systematically monitor subsets of sustainability risks and to set up a quarterly monitoring committee (Sustainability Risk Committee), the purpose of which is to analyse the companies identified as carrying sustainability risks.

The in-house Research team analyses the information provided by the various data providers and makes a proposal to the committee in advance. This proposal is discussed with Groupama AM's various investment teams and any differences of opinion are arbitrated by the committee, its Chairperson, Groupama AM's Chief Risk Officer and the Chief Investment Officer.



SUSTAINABILITY RISK COMMITTEE

- Chaired by the Chief Risk Officer and composed of members from the investment, Research and ESG Strategy, and Risk and Compliance/Internal Control departments
- **Objective :** validate companies identified as carrying sustainability risks.

The list of sustainability risks is available on the website.



CONTROVERSIAL WEAPONS

Companies involved in the production, marketing or distribution of:

- Anti-personnel landmines;
- Cluster bombs;
- Depleted uranium weapons;
- Chemical weapons;
- Biological weapons;
- Incendiary weapons or white phosphorus bombs;
- Nuclear weapons not covered by the 1968 Treaty on the non-proliferation of nuclear weapons.

FOSSIL FUEL

Coal exclusion

- 20% of turnover is based on coal or more than 20% of the electricity generation mix is based on coal;
- Annual coal production in excess of 10 million tons or installed coal-fired power station capacity in excess of 5 GW;
- Development of new coal capacities;
- No reinvestment in unconventional fossil fuel above 20% of annual production for each type of unconventional fossil fuel in total energy production.

MAJOR ESG RISKS

Controversial companies

Companies with a high level of controversy according to our data provider and our in-house research.

Problematic governance

Companies rated on pillar G with more than 50% negative criteria according to in-house research.

NATURAL CAPITAL* CATEGORIES

The three categories of companies in the eight sectors identified as the most carbon-intensive are as follows:

Category 1 : Companies favourably positioned with regard to the environmental transition.

Category 2 : Companies positioning their products or implementing environmental policies that lack coherence.

Category 3 : Companies whose positioning is detrimental to the environmental transition.

* Applied to Group AuM.

These categories materialise as exclusions or the absence of new investment. As a result, issuers that are risky according to the subset criteria are excluded from Groupama AM's investment universe.

In addition, Groupama AM uses Moody's analyses of issuers' physical and transitional risks. The analyses are translated into risk scores, ranging from 0 to 100.

Groupama AM measures its exposure to issuers with significant physical and transition risks, using Moody's ESG methodology, by integrating these indicators into the issuer's ESG

rating. Groupama AM uses PAI indicators to assess and mitigate its exposure to transition and liability risks.

PAI indicators are incorporated into the four subsets of sustainability risk monitoring, namely:

- **PAI 14 "Exposure to controversial weapons"** in the subset "Controversial weapons";
- **PAI 4 "Exposure to companies active in the fossil fuel sector"** in the subset "Fossil fuels";
- **PAI 10 "Violations of the UN Global Compact principles and OECD Guidelines"** in the subset "Major ESG risks";
- **PAI 3 "GHG intensity"** in the subset "Natural capital".

RISK QUANTIFICATION

Groupama AM contributes to the work of quantifying climate risks in the insurance asset portfolios it manages for Groupama Group (GGVie). The work carried out in 2024 involved:

- Reviewing the existing methodological framework for quantifying risk;
- Participating in the process and establishment of a methodology shared with the Groupama Group;
- Choosing an indicator and calculating it for portfolios;
- The analysis of quantification results has begun for H1 2024.

A transition risk indicator has been selected for portfolio companies: the impact of the carbon tax. The analysis of the parameters to be included to model the impact of the carbon tax involved:

- Identifying data sources on the level of carbon tax according to different climate scenarios;
- Choosing the parameters to be integrated, including the sectors most sensitive to the introduction of a carbon tax;
- Analysing market practices for modelling a carbon tax to quantify transition risk;
- Identifying areas for improvement for 2024–2025 in application of the requirements of LEC Article 29, particularly in relation to investment management.

Biodiversity

The analysis conducted in 2022 identified that Groupama AM's portfolios were most dependent on surface water, which represented €5.5 billion in assets in 2022.

The companies concerned were mainly linked to the production of hydroelectric power, nuclear and thermal power stations, and the production of processed food and beverages.

Groupama AM uses a "Water Score" in its ESG rating methodology. This score combines both a measurement of the level of impact of companies on water using the "emissions to water" PAI indicator and an assessment of the policies put in place by the company to reduce its negative impact.

A more detailed impact analysis (on insurance investment Portfolios) was initiated in 2024 on approximately 40 companies.

This work will continue in the years ahead and be used for risk analysis and management, taking into account the current state of data and methodologies.





A STRUCTURED ESG METHODOLOGY

Groupama AM has developed an ESG rating methodology to detect economic changes linked to digital, demographic and environmental transitions. This rating model makes it possible to meet the challenges of double materiality, i.e.:

- Identifying the negative financial impacts (risks), but also the positive impacts (opportunities) that ESG factors can have on the financial value of investments;
- Identifying the positive or negative impact of ESG factors on their investment choices.

Groupama AM uses criteria adapted to each issuer due to their fundamental differences.

ESG analysis of companies

For each of the E, S and G pillars, Groupama Asset Management has defined a structured methodology, from which analysts can identify the most material ESG criteria by sector. To do this, they base their analysis on the impact of the three transitions identified by Groupama AM, which have a profound influence on companies' business models.

Groupama AM favours the use of raw data, which provides a more accurate representation of company ESG performance than the scores provided by rating agencies. The indicators are selected on the basis of the main ESG issues and weighted using proprietary algorithms that take into account each company's sector of activity. In addition, Groupama AM includes PAI indicators in its analyses when the coverage rate is deemed sufficient.

This approach assigns separate scores for the Environmental, Social and Governance (ESG) pillars to companies or sectors, establishing a ranking of securities within the respective investment universes.

These ratings are established on a scale of 0 to 100 and calculated over several investment universes. ESG data supplied by Moody's ESG covers 5,000 companies (and aims to cover 10,000) and environmental data supplied by Iceberg Data Lab is available for 2,500 companies.

- The Environment pillar takes into account eight indicators (including PAI 15) which analyse the climate strategy and its impact on biodiversity, focusing on carbon intensity and soil quality.
- The Social pillar focuses on employment, education and access to basic services, with a total of 13 indicators (including PAI 16).
- The Governance pillar assesses political risk, respect for the rule of law and freedom through seven indicators, such as political stability and control of corruption.

Each country is rated on a scale of 1 to 100 for all 28 indicators, with a specific weighting used to obtain a final score. The weightings are 25% for the environment, 50% for social aspects with an overweight to reflect commitment to social issues, and 25% for governance.

Environmental criteria

Groupama AM analysis
These criteria measure the way in which companies adapt to the energy and ecological transition, as well as the effects of their activities on biodiversity, waste management, pollution, water management, the quality of water resources and the consumption of raw materials.

Social & societal criteria

Groupama AM analysis
These criteria include the evaluation of the company's human capital (talent management, training, corporate culture and working atmosphere) in relation to the three transitions, and the evaluation of its societal impact (relations with external stakeholders such as clients, providers and communities) as well as its contribution to the Sustainable Development Goals.

Governance criteria

Groupama AM analysis
These criteria relate to the management, administration and control of the company, as well as its interactions with its shareholders, Board of Directors and management, and the consideration given to sustainable development issues. The purpose of governance analysis is to assess whether the management team is implementing strategy effectively and acting in the overall interests of the company's shareholders and stakeholders.

ESG country analysis

Country analysis covers 58 countries (31 developed countries and 27 emerging countries). Groupama AM's analysis takes ESG risks and opportunities into account in order to understand the potential impact of environmental, social and political factors on a country's development. This methodology is based on an analysis of the E, S and G pillars:

Sustainable bond analysis

Sustainable bonds, whether green, social or sustainable, are the preferred bond instruments of investors wishing to finance environmental and/or social projects directly. They are issued by companies, supranational issuers, governments or local authorities to finance projects that will generate direct environmental or social benefits.

Groupama AM has developed an in-house methodology to ensure that these bonds comply with internally defined requirements. Four pillars are analysed based on the Green Bonds Principles, the Social Bonds Principles and the Sustainable Bonds Principles, and the Greenfin Label categories of activities eligible for green bonds.

Issue criteria

- Compliance with international principles
- Traceability and use of proceeds
- Criteria and governance for project selection and evaluation.

Issuer characteristics

- Major risk exclusion as defined by Groupama AM
- Assessment of the issuer's ESG policy.

Quality of projects funded

- Assessment of the environmental or social benefits of projects
- Preference for bonds that finance projects that deepen the issuer's existing ESG commitments.

Transparency

- Ex-ante funding
- 2nd Opinion ;
- Reporting: proceeds allocation and impact indicators
- Audits.



A detailed presentation of the methodologies presented in this section is available on the Groupama AM website.

Data sources

Groupama AM uses the following providers:

MOODY'S | ESG Solutions

Moody's ESG

social and environmental analysis of companies. Corporate governance analysis. Controversy analysis and monitoring.



ISS / PROXINVEST (GLASS LEWIS)

analysis of AGM resolutions and assistance in applying voting policy.



ISS ETHIX

monitoring companies involved in the production, marketing and distribution of controversial weapons.



ICEBERG DATA LAB

Carbon intensity, climate alignment indicator, NEC (Net Environmental Contribution), biodiversity footprint.

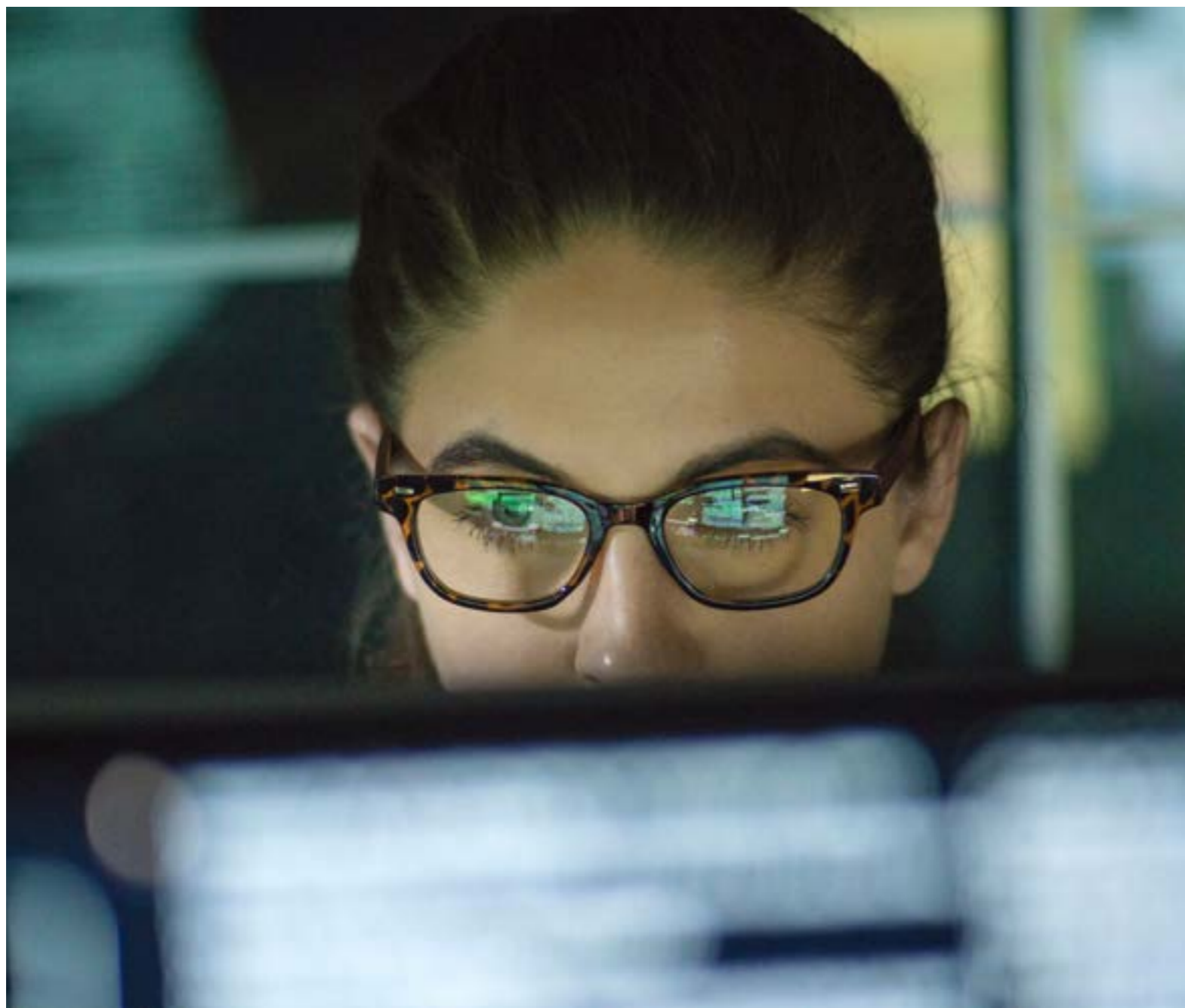
Dedicated rating tools

To ensure that its methodologies are properly applied, Groupama AM's tools have been developed in collaboration with the information system administration teams with the aim of improving access to ESG data and making it easier to use.

All ESG data is made available to all Groupama AM portfolio managers. They have access to the "AvisRecherche©" and "StarQube" tools, which offer a complete view of macroeconomic and fundamental analysis, E, S and G ratings, as well as all the underlying raw data (indicators) upon which ESG ratings are based.

The data, whether raw or calculated, is available on SimCorp Dimension, the portfolio management and risk monitoring tool.

This process ensures effective, centralised management of ESG data within Groupama AM.



CONTINUOUS IMPROVEMENT

Like all investors, Groupama AM encounters major challenges in using ESG data, mainly due to the lack of modelling, the lack of coverage, variations when providers change their models, and the associated lack of transparency. As a continuation of the work initiated in 2023, Groupama AM's teams are heavily invested in improving the quality of ESG data. This process is based on three main actions:

Systematic controls on analysis tools

Groupama AM has implemented automated controls prior to data integration into its StarQube tool. All input is examined for anomalies, significant variations are identified and changes in scope are monitored. Groupama AM checks and corrects poor quality data to make it consistent, with an audit trail. These controls enable Groupama AM to guarantee reliable and improved quality data for its analyses and investment decisions.

In-house issuer analysis

When analysing securities covered by providers, Groupama AM checks and corrects the raw data to make it consistent in StarQube. These controls enable Groupama AM to guarantee reliable and improved quality data for its analyses and investment decisions. In addition, a manual process has been configured to enable scores to be assigned to issuers not covered by data providers. Each issuer is subject to in-house ESG analysis, which is then approved by the Research Committee.

Dialogue with data providers

Groupama AM is in constant contact with its ESG data providers to report any anomalies or misunderstandings. This proactive dialogue with providers also enables Groupama AM to take greater ownership of the estimating models it uses.

SHAREHOLDER ENGAGEMENT

Engagement refers to investors influencing corporate practices by leveraging their position as shareholders. This is a major component of the investment process. It enables investors to encourage improvements in the environmental, social and societal strategies of companies, as well as in their governance.

Groupama AM's shareholder engagement approach involved dialogue and voting based on three topics:

- Sustainability risk;
- Energy and environmental transition;
- Pay gaps.

Groupama AM takes three types of initiative:

1. Dialogue with companies, which involves regular meetings and individual engagement with the executives of companies held in portfolios or in the target investment universe, and discussions on draft resolutions presented at General Assemblies
2. Participating in joint initiatives of European and international scope
3. A strict voting policy, in place since 2001.

Groupama AM has set up a twice-yearly committee, chaired by its CEO, to approve engagement and voting policies and monitor their implementation.

Groupama AM's engagement policy and a 2023 review are presented on the website.

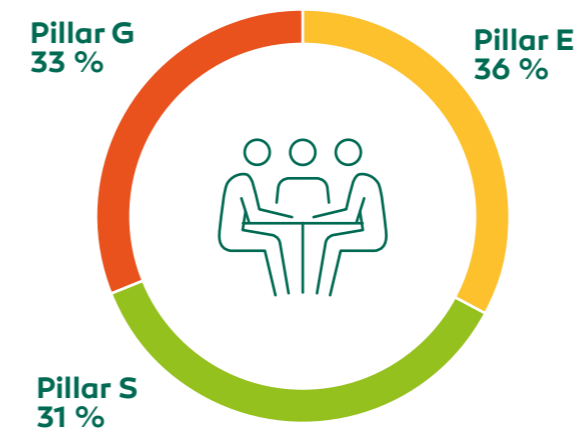


1 / DIALOGUE WITH COMPANIES

Regular meetings with executives

Analysts and managers regularly attend meetings with company executives. Discussions focus not only on companies' CSR strategies, but also on setting up and measuring precise indicators to track progress. Direct dialogue with company executives is an essential part of the investment process and ESG monitoring.

PILLAR ADDRESSED DURING THE MEETING



- 261 companies visited
- 399 meetings
- 79 % of Research and Investment meetings with companies address ESG issues



Individual engagement with target companies

Portfolio companies with significant potential for improving ESG practices are engaged with directly, particularly small and medium-sized companies that do not publish sufficient ESG data. The topics to be discussed and the precise objectives are defined in advance, before the dialogue begins. This is a long-term approach (three years minimum) which must lead to concrete progress by the companies involved, based on regular monitoring and impact measurement using selected indicators.

In 2023, Groupama AM met with each of the companies covered by individual engagement to review the progress made, see whether the set objectives had been met, and to share knowledge on the difficulties companies face and any helpful sector practices observed by Groupama AM.

If discussions with the company do not enable it to achieve its objectives, Groupama AM may decide to fully or partially divest from the company. This was the case in 2023 with the Swedish company Fortnox AB. This company made a commitment to Groupama AM to define and disclose precise ESG indicators within three years, on subjects such as employee working hours and workplace accidents or integrating ESG criteria into executive pay. Given the lack of concrete progress, Groupama AM decided to partially disinvest from the company for all open-ended portfolios in the strategy concerned (around 7% of assets). The objectives to be achieved were renewed with the company's new ESG manager at the beginning of 2024.

Draft resolutions for General Assemblies

Dedicated meetings are organised with companies during the AGM season. This dialogue is an opportunity to better understand the motivations and nature of the draft resolutions for General Assemblies and to explain Groupama AM's voting policy to the company.



17
meetings with
13 companies

- Transparency of ESG indicators
- Energy transition
- Governance
- Employee rights.



6
meetings with
five companies

- Energy transition
- Governance.

SUCCESSFUL ENGAGEMENT WITH INTERROLL

The Interroll Group is the leading global provider of material handling solutions. The company was founded in 1959 and has been listed on the SIX Swiss Exchange since 1997. Interroll has a global network of 35 companies with a turnover of 664 million Swiss francs. It employs 2,500 people. Groupama AM holds Interroll in its European small and mid-cap portfolios.

Prior to Groupama AM's involvement, Interroll did not publish any sustainability reports. Despite the integration of certain basic principles such as the Global Compact and the interest shown in ESG issues during discussions, the company lacked transparency, a framework, and precise indicators on ESG considerations.

In 2021, Groupama AM entered into a formal process with the company to encourage it to demonstrate greater transparency by publishing a sustainability report including a list of specific indicators. Groupama AM also requested that executive compensation be linked to achieving the company's ESG objectives.

As a result of this approach, the first sustainability report was published in 2023 based on data from 2022. The report materialises the progress made by the company in just two years in terms of the transparency, accuracy and completeness of the indicators published. Most of the indicators requested by Groupama AM are present.

Numerous indicators were published and cover the E, S and G pillars. Work on the Ecovadis and SBTi processes is underway, which will eventually provide even more details on the company's transition.

2 / PARTICIPATING IN JOINT INITIATIVES

To strengthen its influence with certain companies, Groupama AM can choose to join forces with other investors by participating in joint commitments such as:

- Signing a letter or article with other asset managers to question company executives or the authorities on specific topics;
- Submitting or supporting a shareholder resolution at a General Assembly;
- Participating in joint initiatives aimed at establishing best practice in a sector.

A list of joint initiatives and their objectives are set out in the 2023 Engagement Report:



3 / A STRICT VOTING POLICY

Groupama AM's firm commitment to ensuring that the principles of its voting policy are applied to as many of its investments as possible means regularly expanding the scope of AGMs (General Assemblies) covered. The commitment to vote for all SRI-labelled portfolios positions has existed for several years and preceded the new SRI label requirements.

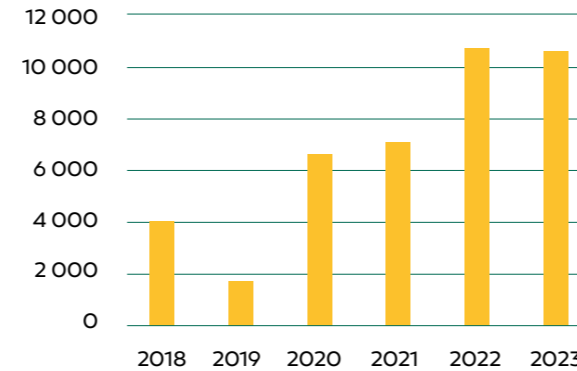
Voting at AGMs allows investors to express their approval or disapproval of the actions taken by company executives. Voting is an integral part of the investment process.

Groupama AM's voting policy is reviewed annually to integrate changing laws and regulations, codes of governance, market practices and in-house recommendations.

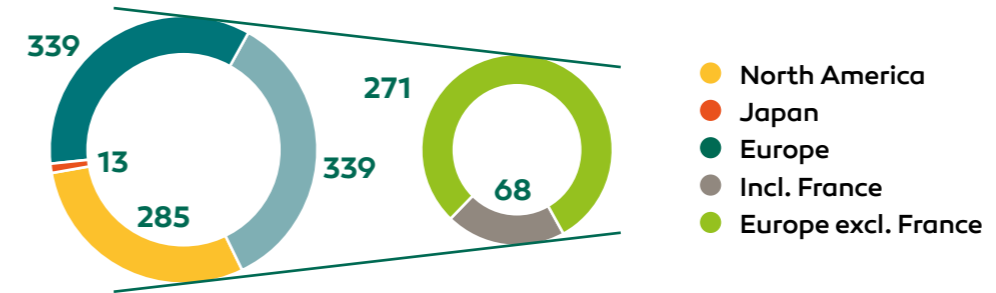
Groupama AM changed its 2023 voting policy by:

- Tightening the criteria for appointing directors to the Board of Directors to improve diversity (age and gender);
- Strengthening ESG criteria in executive remuneration policies by requiring at least one climate or environmental factor in the performance criteria for all large-cap companies;
- Applying the ISS voting approach integrating more SRI criteria (ISS/ISR) at General Assemblies of US companies;
- The Voting Report is published on the Groupama AM website.

VOTED RESOLUTIONS



GENERAL MEETING 2023 – GEOGRAPHICAL DISTRIBUTION



OPPOSITION VOTES

NATURE OF THE RESOLUTION	TOTAL RESOLUTIONS APPROVED	TOTAL RESOLUTIONS REJECTED / OTHERS	TOTAL RESOLUTIONS	% OF NEGATIVE VOTES
Employee shareholding	100	1	101	1%
Anti-takeover system and financial operations/mergers	695	235	930	25%
Formalities and other reasons	1 917	464	2 381	19%
Appointment / attendance fees of members of the Board of Directors or the Supervisory Board	4 048	1 289	5 337	24%
Remuneration of managers and employees (excl. shareholders and employees)	994	353	1 347	26%
External resolutions (proposed by shareholders)	318	126	444	28%
Total	8 072	2 468	10 540	23%

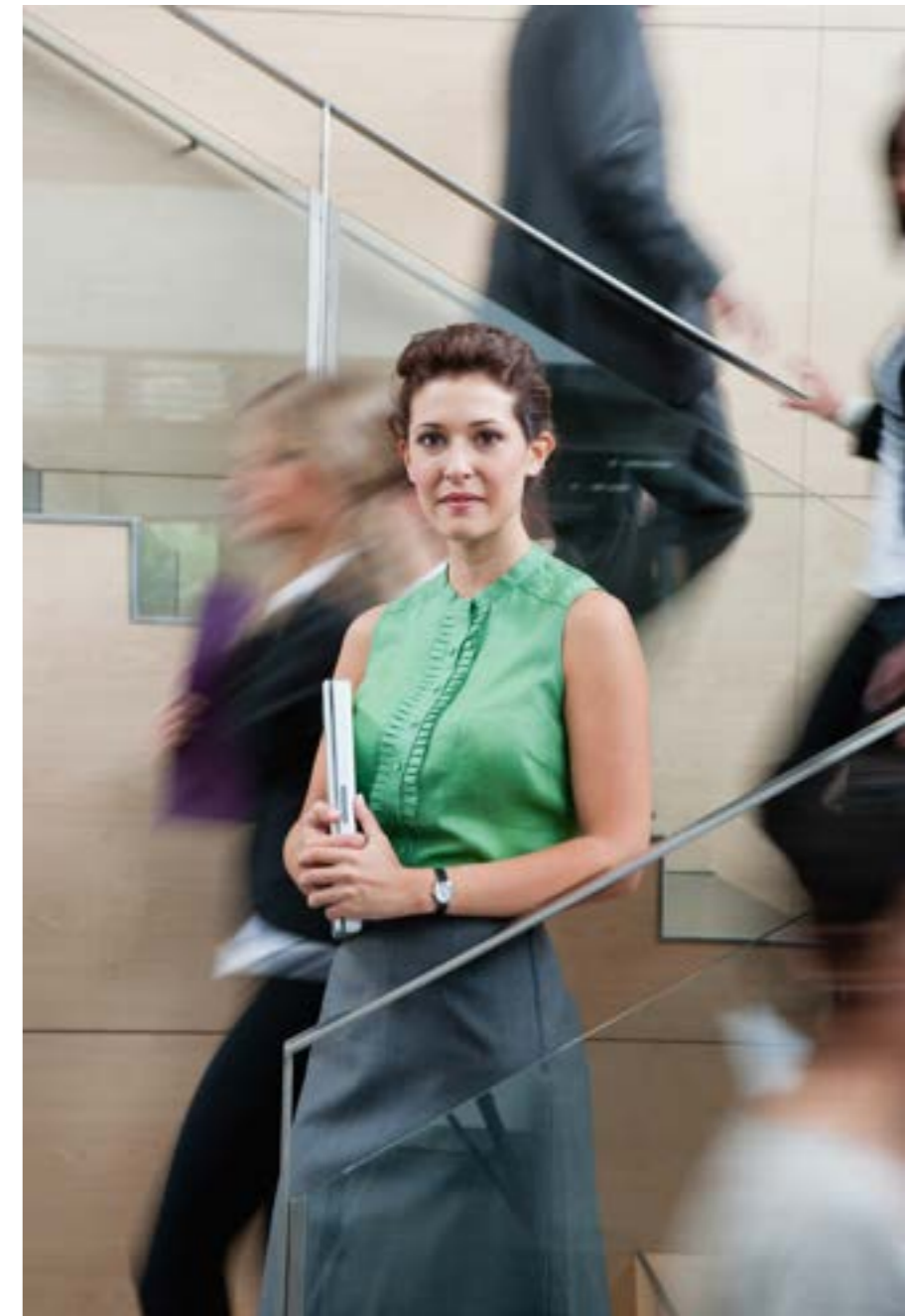
Groupama AM "Say on Climate" votes

Several types of resolution are possible:

- Voting in favour of the very principle of submitting the company's climate strategy to a regular vote at the AGM;
- Voting on the strategy itself, for example, every three years;
- Voting on the annual report regarding the implementation of the climate strategy and any adjustments (targets, objectives, deadlines);
- Groupama AM's demands regarding the climate strategy presented by companies resulted in votes against some of the "Say on Climate" resolutions.

In particular, Groupama AM examines the objectives for reducing greenhouse gas emissions in the short, medium and long term, the means used (compensation or reduction), the scope of the commitments made, the external certifications (SBTi), and the relevant investment plans.

COUNTRY	SECURITY	GROUPAMA AM VOTE
France	Total Energies	In favor
France	KLEPIERRE	In favor
France	Schneider Electric	In favor
France	VALLOUREC	In favor
Portugal	EDP ENERGIAS DE PORTUGAL	In favor
Spain	AENA	In favor
Switzerland	HOLCIM	In favor
Switzerland	UBS GROUP	In favor
United Kingdom	LEGAL & GENERAL GROUP	In favor
United Kingdom	SSE	In favor
United Kingdom	AVIVA	In favor
Canada	CANADIAN PACIFIC KANSAS CITY	Against
France	Carrefour	Against
France	Amundi	Against
United Kingdom	SHELL	Against



External resolutions by minority shareholders

Resolutions may concern various aspects of climate strategies:

- Transparency regarding corporate lobbying practices;
- Transparency regarding greenhouse gas emissions.

External resolutions submitted by minority shareholders are more frequent in the United States, as European filing procedures are much more restrictive.

COUNTRY	SECURITY	GROUPAMA AM VOTE	AG - RÉSULTAT % APPROBATION	MAIN TOPIC
United States	CHUBB	In favor	29%	Transparency on the financing of fossil fuels
United States	ALPHABET	In favor	14%	Climate change lobbying
United States	BANK OF AMERICA CORP	In favor	29%	Transparency on the financing of fossil fuels
United States	CHEVRON CORP	In favor	10%	Greenhouse gas emissions
United States	CHEVRON CORP	In favor	18%	Report on environmental policies
United States	COMCAST CORP	In favor	10%	Greenhouse gas emissions
United States	CONSTELLATION BRANDS	In favor	31%	Greenhouse gas emissions
United States	DARDEN RESTURANTS	In favor	24%	Greenhouse gas emissions
United States	GENERAL ELECTRIC	In favor	10%	Action on climate change
United States	GOLDMAN SACHS GROUP	In favor	30%	Transparency on the financing of fossil fuels
United States	JP MORGAN CHASE & CO	In favor	35%	Transparency on the financing of fossil fuels
United States	MOSAIC CO	In favor	30%	Greenhouse gas emissions
United States	RTX CORP	In favor	37%	Greenhouse gas emissions
United States	SOUTHERN CO	In favor	20%	Greenhouse gas emissions
United States	TRAVELERS COS	In favor	15%	Transparency on the financing of fossil fuels
United States	UNITED PARCEL SERVICE	In favor	20%	Greenhouse gas emissions
United States	VALERO ERNEGY	In favor	32%	Greenhouse gas emissions
France	TOTALENERGIES	In favor	30%	Greenhouse gas emissions
France	ENGIE	Againt	24%	Action on climate change
Japan	TOYOTA MOTOR	In favor	15%	Report on environmental policies
Japan	SUMITOMO UFJ FINANCIAL	Againt	21%	Transparency on the financing of fossil fuels
Japan	MITSUBISHI UFJ FINANCIAL	Againt	17%	Transparency on the financing of fossil fuels
Norway	EQUINOR	In favor	4%	Action on climate change
United Kingdom	BP	In favor	17%	Greenhouse gas emissions
United Kingdom	SHELL	In favor	20%	Greenhouse gas emissions

PAI integration in the investment process

Principal Adverse Impact (PAI) refers to significant or potentially significant adverse impacts on sustainability factors resulting from investment decisions or advice provided by the asset management company. The European SFDR regulation sets out a list of mandatory and optional indicators for monitoring these impacts.

In application of the principle of double materiality, the principal adverse impacts (hereafter referred to as PAI) are taken into account at several levels of the sustainable investment approach: the exclusion policy, controversy monitoring, the engagement policy and in-house ESG analysis. This helps to limit the environmental and social impacts of investment decisions and to monitor the sustainability risks to which portfolios may be exposed.

Groupama AM includes most PAI indicators in its ESG rating methodology. PAI 4 and 14 are not included because Groupama AM does not have sufficient data coverage on these indicators at this stage. Nevertheless, Groupama AM applies:

- An exclusion policy on coal and a policy of non-reinvestment in unconventional fossil fuels to address PAI 4;
- A weapons exclusion policy to address PAI 14.

Criteria for selecting PAI indicators:

- Compliance of the calculation methodology used by the data provider with the requirements of the SFDR;
- Stability of issuer data to reduce the volatility that can occur when certain indicators are updated;
- Broad issuer coverage;
- How often issuer data is updated.

The main adverse impacts on sustainability are prioritised according to the following criteria:

- Sector ESG materiality in relation to the PAIs.
 - Adverse impact indicators are included in the calculation of the ESG rating. The weighting of the E and S pillars in the overall ESG rating depends on the materiality of the environmental and social/societal issues for each sector.
- The availability and quality of the quantitative and qualitative information used to analyse negative impacts throughout the process:
 - Exclusion policy
 - ESG analysis
 - Engagement policy: dialogue and voting on issues such as the energy transition, sustainability risks and pay gap.
- Coverage of quantitative indicators relating to adverse impacts on sustainability factors.



Prioritisation of PAIs:

- Priority 1: PAI 1, PAI 2, PAI 3, PAI 4, PAI 10, PAI 13 and PAI 14;
- Priority 2: PAI 5, PAI 6, PAI 7, PAI 8, PAI 9, PAI 11, PAI 12.

Data providers: Iceberg Data Lab, Moody's, ISS

The table below (page 40) shows the levels of inclusion of the 16 mandatory PAI indicators and the two optional PAI indicators selected by Groupama AM.

CONTINUOUS IMPROVEMENT PLAN: ESG DATA QUALITY

Groupama AM identifies the most significant short- and long-term adverse impacts on investment portfolios. This analysis can be hampered by issues such as poor issuer coverage and volatile or poor quality PAI data. A plan to improve the quality of ESG data is being implemented at several levels across the company to address these issues available with the link below.



Level of consideration of negative impacts

PAI wording		Engagement policy	Exclusion policy	ESG analysis	Monitoring of controversies
MANDATORY PAI – Table 1					
PAI 1	1. Greenhouse gas emissions Scope 1				
	1. Greenhouse gas emissions Scope 2				
	1. Greenhouse gas emissions Scope 3				
	1. Total greenhouse gas emissions				
PAI 2	2. Total carbon footprint				
PAI 3	3. Carbon intensity				
PAI 4	4. Share of investments in companies in the fossil fuel sector				
PAI 5	5. Share of non-renewable energy consumption compared to total energy production				
	5. Share of non-renewable energy production compared to total energy production				
PAI 6	6. Average intensity of energy consumption in sectors with high climate challenges				
PAI 7	7. Biodiversity – activities negatively affecting sensitive areas				
PAI 8	8. Release of products into water				
PAI 9	9. Hazardous waste (tons)				
PAI 10	10. Violation of the principles of the UN and OECD Global Compact for multi national companies				
PAI 11	11. Lack of processes or monitoring with the principles of the UN and OECD Global Compact for multi national companies				
PAI 12	12. Average gender pay gap				
PAI 13	13. Gender diversity represented on the board of directors				
PAI 14	14. Exposure to controversial weapons				
PAI 15	Carbon intensity				
PAI 16	Countries prone to social rights violations				
ADDITIONAL PAI					
PAI 3 table 2	3. Number of days lost due to injury, accidents, death or illness				
PAI 6 table 3	6. Water use and recycling				

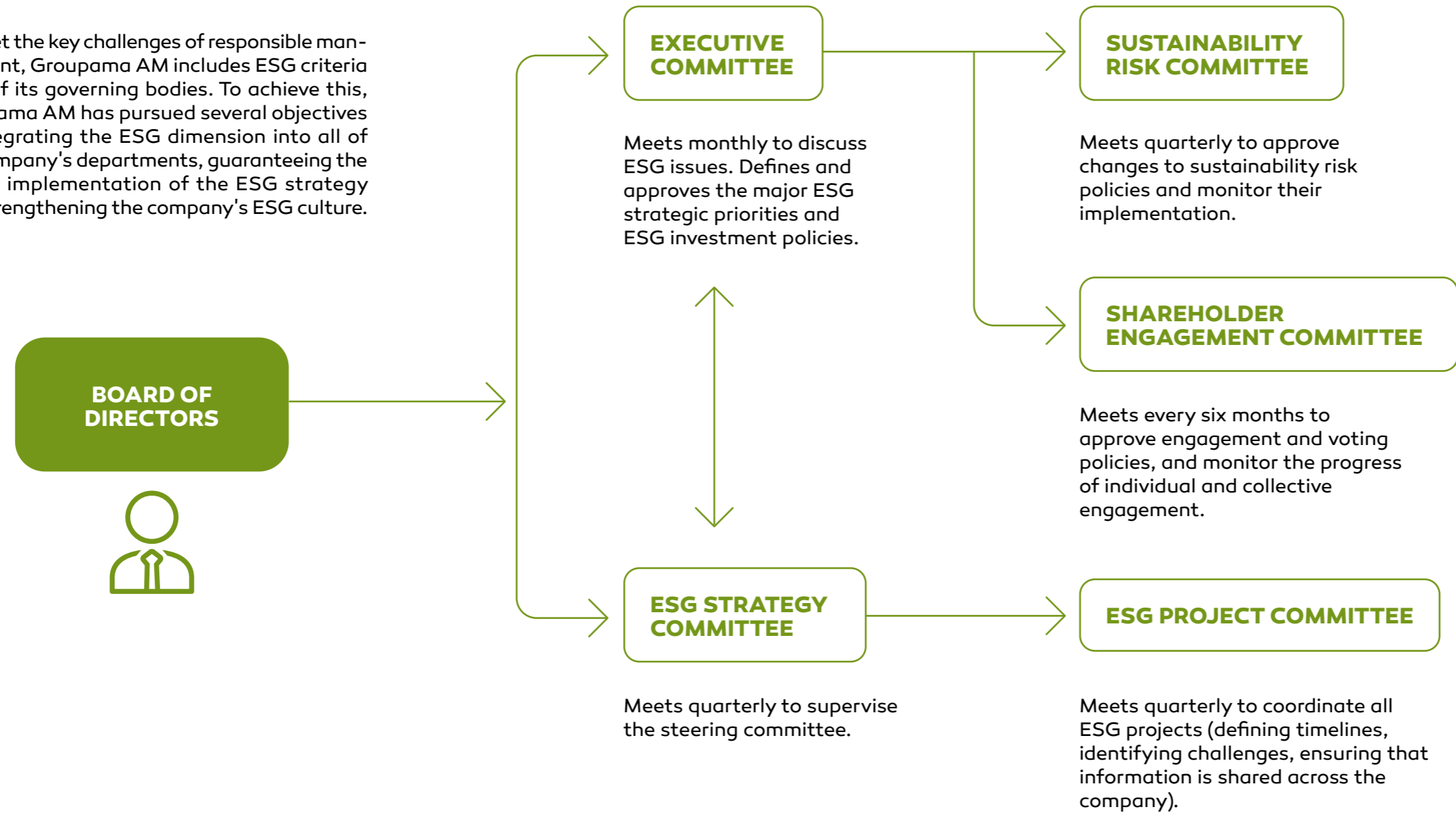


5

AN ORGANISATION AND RESOURCES ALIGNED WITH AMBITIONS

I / RESPONSIBLE GOVERNANCE

To meet the key challenges of responsible management, Groupama AM includes ESG criteria in all of its governing bodies. To achieve this, Groupama AM has pursued several objectives by integrating the ESG dimension into all of the company's departments, guaranteeing the proper implementation of the ESG strategy and strengthening the company's ESG culture.



THE BOARD OF DIRECTORS

Le Conseil d'administration

The Board of Directors plays a central role in the governance of Groupama AM: it oversees its strategy, the relationship with directors, risk management and compliance with ethical standards. ESG is one of Groupama AM's major strategic priorities, which are approved by the Board of Directors.

Its members' skills are applied both in supervising the implementation of the ESG-Climate strategy of Groupama Assurances Mutuelles, its parent company, and in monitoring its practical implementation in investments.

In this capacity, the Board of Directors approves Groupama AM's Voting Policy and Engagement Policy each year, as well as the Voting Report.

Executive Committee

The Executive Committee approves the main priorities of Groupama AM's ESG strategy defined by the ESG Strategy Committee and meets each month to ensure their effective implementation in investment decisions. As such, the Executive Committee is involved in approving ESG policies, major methodological developments, major changes to ESG criteria in portfolios, the launch of new ESG strategies and the resources allocated to implementing the ESG strategy (training, IT development and maintenance, etc.).

Several members of the Executive Committee are particularly involved in implementing the ESG

strategy, in particular the CEO, who chairs the ESG Strategy Committee and the Shareholder Engagement Committee, the Head of ESG Research and Strategy, and the Director of Investments, who is responsible for the correct application of ESG investment policies, the Head of Financial Risk, who chairs the Sustainability Risk Committee, the Head of Consulting and Control, who is responsible for applying regulatory changes, including those relating to sustainable finance, and the Chief Operating Officer, who supervises the adequacy of resources and the quality of ESG data.

ESG Strategy Committee

The ESG Strategy Committee, chaired by the CEO and made up of members of the Executive Committee, meets quarterly to define the strategic ESG priorities, which are approved by the Executive Committee, and to oversee their implementation.

ESG Steering Committee

Implementing the ESG strategy involves a number of projects to transform the organisations, processes and resources needed to achieve its objectives. Every quarter, the ESG Steering Committee oversees their progress in line with the agreed timelines.

Sustainability Risk Committee

The Sustainability Risk Committee is responsible for updating and monitoring ESG investment policies, in particular the policy of non-reinvestment in fossil fuels, the policy of excluding controversial weapons, Major ESG

Risks, Groupama's Environmental Policy and compliance with portfolio ESG thresholds.

This committee meets quarterly and is chaired by the Chief Risk Officer. Its members include the Heads of Asset Management, the Head of ESG Research and Strategy, and the Chief Compliance and Internal Control Officer.

Shareholder Engagement Committee

The Shareholder Engagement Committee has two roles: approving the Engagement Policy

and monitoring their implementation, and approving the Engagement Policy and monitoring engagement progress between Groupama AM and each of the companies concerned.

This Committee, chaired by the CEO, meets every six months. It is made up of members of the ESG Strategy team, the Equity Portfolio Team Manager, and the Overlay team responsible for implementing the Voting Policy.



ESG EXPERTISE SERVING THE ENTIRE ORGANISATION

The ESG Strategy team is responsible for the operational implementation of the ESG strategy. As such, it coordinates the implementation of the initiatives and projects to achieve their respective objectives.

Reporting to the Director of ESG Research and Strategy, the ESG Strategy team comprises two analysts: an ESG expert and an Engagement and Governance Officer.

The in-house Research team is responsible for analysing issuers for portfolio managers, as well as enhancing fundamental analysis methodologies to incorporate ESG risks and opportunities.

It is composed of 11 analysts and 3 economists.

COMPENSATION POLICY

In 2011, Groupama AM set up a Compensation Committee in accordance with the requirements of the AIFM and UCITS V Directives.

The company favours a responsible approach to asset management, combining the search for financial performance with respect for ESG criteria in its analysis and investment decisions.

Groupama AM ensures that the Compensation Policy is consistent with its economic strategy, objectives, values, as well as its interests and those of the portfolios it manages.

The policy promotes sound and effective risk management and does not encourage risk-taking that is inconsistent with the risk profiles, regulations and governing documents of the portfolios under management. It addresses the Sustainability Risks it has identified and had confirmed by the Executive Committee, which, depending on the type of investment and portfolio, materialise as a total exclusion, a conditional exclusion or an authorisation that must be duly justified and documented.








The investment teams' performance criteria take into account the requirements for compliance with the investment framework, and in particular its ESG aspects (compliance with the Coal Policy, constraints linked to the Major ESG Risks and, for certain funds, those of labels or SFDR Article 8 and 9).



The Compensation Policy can be consulted on the website.



II / JOINT INITIATIVES

Logo + Web link	Initiative	Involvement of Groupama AM	Operational impact
	PRI – Principles for Responsible Investment	Groupama AM was one of the founding signatories of the PRI in 2006 and participates via various initiatives, in particular the Climate 100+	The PRI gives investors such as Groupama AM access to reflection on the implementation of ESG criteria in their investment policy and enables them to strengthen their engagement through joint initiatives such as Climate 100+ and the declaration against biodiversity loss (SPRING)
	French Financial Management Association	Groupama AM chaired the Sustainable Finance Commission from 2015 to mid-2024 and is committed to various initiatives relating to labels, sustainable finance regulations, corporate governance and impact	Participating in the AFG's various committees enables Groupama AM to promote its demanding definition of ESG within market bodies and in its relations with the supervisory authorities, particularly when drafting joint responses to regulatory consultations or recommendations for the voting season
	Institute for Sustainable Finance	Within this association, which is supported by "Paris Europlace" to promote sustainable finance, Groupama AM participates in various projects, particularly on biodiversity and impact	Groupama AM participates in working groups on topics such as biodiversity and impact, which enables it to promote its vision of these issues and strengthen its expertise through exchanges with market players
	Sustainable Finance Observatory	Groupama AM publishes its ESG commitments annually	Each year, Groupama AM publishes a detailed list of its ESG commitments (coal policy, controversial weapons policy, etc.), enabling third parties to obtain a model for comparison between the various players in the market
	Forum for Responsible Investment	Groupama AM is a member of FIR and participates in various working groups (Engagement) in collaboration with other professional associations to promote SRI	Groupama AM took part in the "Say on Climate" initiative, calling on the 35 largest issuers in the Footsie 250 to submit Paris Agreement alignment plans to their General Assemblies. This commitment aligns with Groupama AM's engagement policy
	French Society of Financial Analysts (SFAF)	Groupama AM takes part in the extra-financial commission	Groupama AM helps define CESGA training modules
	Corporate Social Responsibility Observatory	Groupama AM has participated in the publication of several guides to promote SRI	The structure enables Groupama AM to benefit from exchanges and monitoring with stakeholders in the form of working groups/conferences to promote and support good practice in CSR and sustainable development

III / SIGNIFICANT RESOURCES DEDICATED TO THE ESG STRATEGY

HUMAN AND FINANCIAL RESOURCES



These FTEs cover:

- Managing Article 8 and 9 funds and mandates;
- Monitoring ESG investment rules;
- The ESG Strategy team;
- ESG analysis carried out by the Research team;
- Implementing ESG-linked IT projects;
- Implementing SFDR regulation;
- Preparing responses to client requests;
- Training courses.

This represents 12% of the workforce.



including **€0.65 M** in data purchases

This budget covers the following costs:

- ESG data providers;
- External research purchases;
- Participation in joint initiatives.

This represents 30% of the ESG budget



2023
1,791
hours of ESG
training, i.e.
7.4 hours
of training
per employee

CONTINUING PROFESSIONAL DEVELOPMENT

Training all of Groupama AM's departments on the various ESG topics is one of the two main priorities of the in-house ESG strategy. The inclusion of ESG criteria in investment decisions for the majority of Groupama AM's assets under management and the development of a sustainable offering are only possible by fostering a shared ESG culture. Team training is one of the keys to the successful transformation of an asset management company.

Following on from the 2022 training programme, all employees attended training courses in 2023, ranging from general sessions on key ESG concepts to courses dedicated to the specific business lines of certain teams.

Formations dispensées en 2023 :

Dates	Topic	Content	Team	Trainees	Duration
February 2023	ESG at Groupama	Fundamental concepts of sustainable finance, Groupama AM's proprietary ESG methodology, voting and engagement policy, exclusion policies	<ul style="list-style-type: none"> All employees 	250	2h
October 2023	Governance	Key definitions, ESG methodologies, essential knowledge and relevant indicators. These sessions also explore the links between governance and sustainability risks, and the importance of voting policies	<ul style="list-style-type: none"> Investment management Financial engineering 	60	2h
November 2023	ESG labels	<p>Presentation of European ESG labels focusing on the SRI Label:</p> <ul style="list-style-type: none"> current SRI Label requirements application of the investment process for labelled portfolios latest changes to SRI Label regulations. 	<ul style="list-style-type: none"> Communication Sales and after-sales service Advice and control (Marketing, legal and compliance) Support activities (Reporting, Repository and IT) Financial risk Research Investment management Financial engineering 	125	1h30
December 2023	Environment	Presentation of environmental issues, key indicators for measuring impact (NEC, CBF, temperature, etc.) and ways of reducing environmental impact	<ul style="list-style-type: none"> Investment management Financial engineering 	60	2h
2023	CESGA	Preparation for the EFFAS ESG analyst certification exam	Portfolio managers , ESG Strategy team	7	



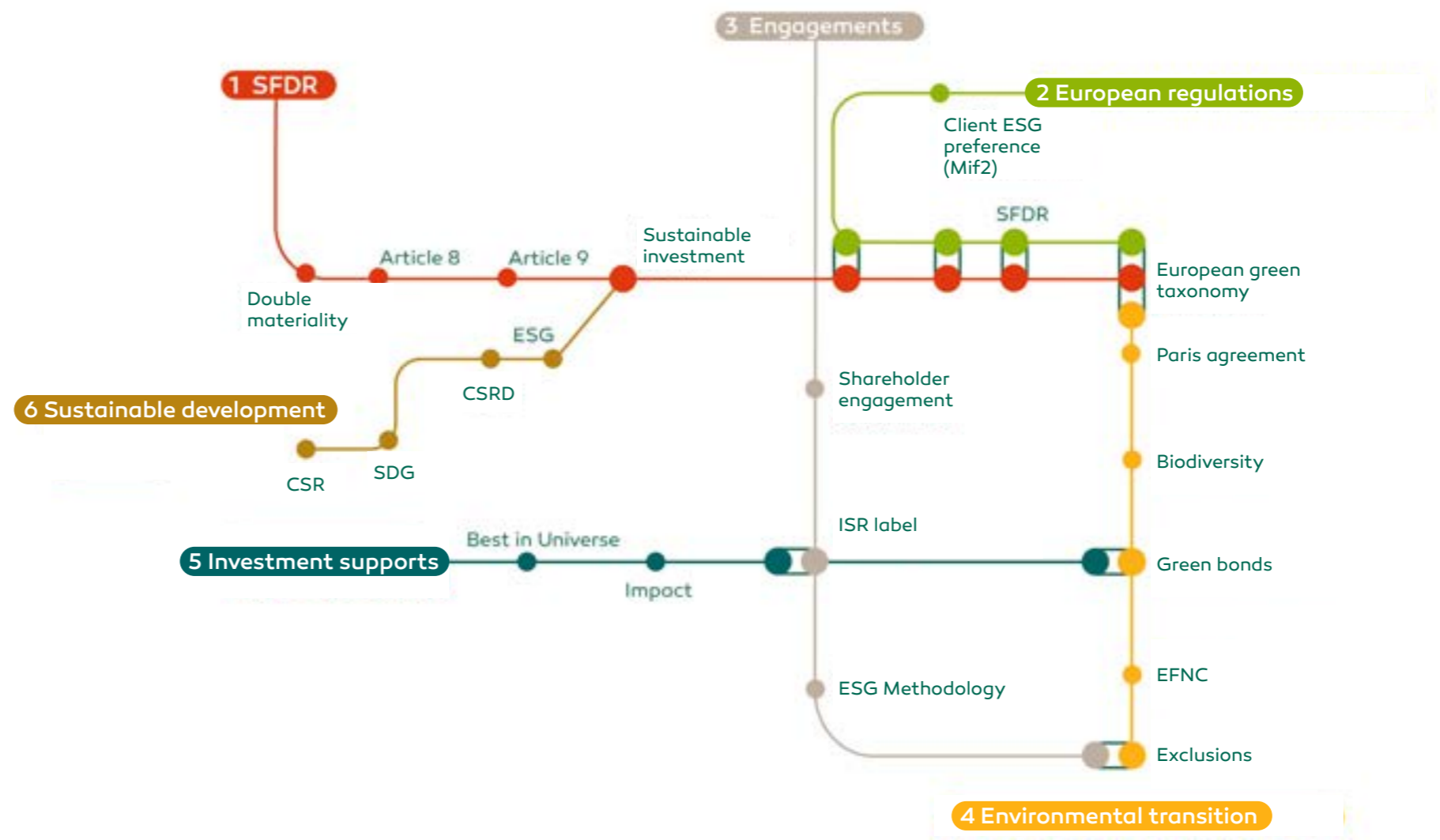
7
employees
obtained
CESGA
certification
in 2023.

IV / IMPROVING ESG TRANSPARENCY THROUGH CLIENT EDUCATION

Groupama AM communicates transparently with investors on its ESG commitments by providing pre-contractual documentation, methodology fact sheets and periodic reports on the ESG performance of its products.

Groupama AM also focuses on educational initiatives to help investors understand the challenges of sustainable finance and to ensure that they are able to make informed investment decisions. With this in mind, a fun, interactive tool in the shape of a Paris metro map has been developed. The metro lines represent a sustainable finance topic and the metro stations a key concept defined and illustrated with podcasts and short videos.

Understanding sustainable finance



Summary table of ESG documentation

GROUPAMA AM ENTITY

Nature	Frequency	Distribution methods used
Voting policy	Annual	Website
Engagement policy	Annual	Website
Fossil energy policy	With each modification	Website
Controversial weapons policy	With each modification	Website
Engagement and votes report	Annual	Website
Report on voting rights at General Meetings	Annual	Website
ESG Methodology	With each modification	Website

ARTICLE 8 AND 9 SFDR FUNDS

Nature	Frequency	Distribution methods used
Reporting	Monthly	Website
Inventory	Annual	Website
Transparency code	Annual	Website
Engagement report	Annual	Website
LEC Art.29 report	Annual	Website
ESG indicators	Annual	Website
ESG transparency document (Art.10 of the SFDR regulations)	Annual	Website
Pre-contractual SFDR annex (Annex II and III of the SFDR regulations)	With each modification	Website
Periodic SFDR annex (Annex IV and V of the SFDR regulations)	Annual	Website

COMMUNICATION

Nature	Fréquence	Moyens de diffusion utilisés
Educational guide to sustainable finance	Biennial	Website
Newsletter	Every 4 months	Website
Educational contents (podcasts, ITWs, interactives tools)	Periodic	Website

For open funds, all documents are published on the Groupama AM website. For dedicated funds and mandates, regulatory documents are made available to clients.



6

GROUPAMA AM CSR POLICY

CREATION OF THE GROUPAMA AM FOUNDATION

The Groupama Asset Management Foundation, under the auspices of the Fondation de France, aims to support a world in transition. Its mission is to take action to facilitate the inclusion of people made vulnerable by demographic, digital and environmental change.

"Demonstrate a positive impact on our business"

As a recognised player in sustainable financial management on the Paris financial center, Groupama AM has deemed it essential that the mitigation of ESG impacts sought in its investment decisions should also be a major objective of its philanthropic actions.

While the administrative creation of the Foundation dates back to the end of 2022, the Foundation was launched properly in 2023. At the end of an iterative and transparent selection process, its Executive Committee decided to support three organisations focusing on environmental or societal issues.

Environmental issues

TERRE DE LIENS



The Fondation Terre de Liens facilitates farmers' access to land and promotes farming practices that respect the soil and the environment. The mission of the Groupama Asset Management Foundation is to co-finance an ambitious programme on water in the context of climate change.

LES PLANTEURS VOLONTAIRES



Les Planteurs Volontaires organises participative reforestation projects in Hauts-de-France, one of the least wooded regions in France. The funding from the Groupama Asset Management Foundation will be used in particular to plant hedgerows.

Societal issues

OSONS ICI ET MAINTENANT



The Osons Ici et Maintenant association helps young people from all backgrounds to dare to fulfil their potential and become part of society for the long term. The funding from the Groupama Asset Management Foundation will be used to support the "Katapult" initiative operating in the Bretagne Pays de Loire region.

ENVIRONMENTAL ENGAGEMENT

Through targeted in-house actions, Groupama AM works to limit the environmental impact of its business (energy, paper, water, etc.). In particular, it focuses its environmental strategy on the following initiatives:



Using PEFC and EU Flower certified paper for all photocopiers in the company.



Generalising voluntary waste sorting, which aims to raise employee awareness and responsibility by setting up collective waste sorting bins.



Limiting waste production, recovery and recycling. Groupama AM has two partnerships that enable it to take action on a daily basis. Groupama AM works with the Cartouche Utile company to recycle its used printer cartridges and with Veolia to recycle waste, and aims to donate and recover used equipment.



Promoting environmentally friendly transport with the introduction of a €200 subsidy for the purchase of electric two-wheelers, to encourage employees to travel at a lower environmental cost.



Working with couriers who use green transport. Groupama AM uses Lungta for all its deliveries.



Favouring the purchase of local or national supplies to reduce the carbon impact on society. Buying locally reduces journeys and therefore indirect CO2 emissions.



APPENDICES

Description of the main negative impacts on sustainability factors (Annex 1 of European Regulation 2022-1288)

Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Greenhouse gas emissions	1. Greenhouse gas emissions	Tier 1 GHG emissions in tons of CO2 equivalent	10 757 501,5	20 722 083,2	The coverage rate as of 12/31/2023 is stable over 1 year at 49% vs. 48% as of 12/31/2022 on total GHG emissions. GHG emissions are decreasing across all scopes.	<p>Actions taken in 2023</p> <p>Voting policy: Companies' consideration of climate risks and the strategy relating to these risks is materialized by changes to the voting policy in 2023 and the requirement for criteria linked to the environment or climate in the executive remuneration.</p> <p>Engagement policy: Theme of engagement and shareholder dialogue on the transition to carbon neutrality for sectors with a significant impact on the climate. Groupama AM has translated the Group's commitment to the NZAOA since 2022 into a reinforced commitment to carbon-intensive issuers in insurance management portfolios by structuring a detailed action plan, deployed from spring 2023, which consists of identifying the most carbon-intensive issuers in the portfolios and implementing individual commitments.</p> <p>Alignment with the Paris Agreement: Groupama AM contributes, within the scope of the Groupama Group's insurance management, to the decarbonization objectives set as part of its membership in the Net Zero Asset Owner initiative:</p> <ul style="list-style-type: none"> • 50% reduction in carbon intensity (in tCO2eq / M€ turnover) of the equity and corporate bond portfolio (excluding States and excluding open units of account) between 2021 and the end of 2029 on scope 1 and 2; • Objective of reducing scope 3 GHG emissions. <p>Integration into the ESG score: The environmental pillar of the proprietary ESG rating model includes a Climate sub-pillar (indicators for measuring CO2 emissions, implicit temperature of company strategy, etc.).</p> <p>Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy.</p>
		Level 2 GHG emissions in tons of CO2 equivalents	1 306 080,1	2 356 082,8		
		Level 3 GHG emissions in tons of CO2 equivalents	202 819 395,5	226 246 193,1		
		Total amount of GHG emissions	219 948 703,6	249 324 359,0		



Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Greenhouse gas emissions	2. Carbon footprint	Carbon footprint in tons of CO2 equivalents per million euros invested	2 022,3	2 473,4	The coverage rate as of 12/31/2023 has improved over 1 year to 55% vs. 49% as of 12/31/2022	<p>Integration into the analysis of environmental risks: Groupama AM has developed a methodology for analyzing the risks and opportunities linked to natural capital to identify issuers whose business models are most exposed to environmental risks among the most carbon-intensive sectors. The categorization of issuers implies a management rule for each category; the issuer can be maintained and strengthened, maintained without the possibility of reinforcement or be subject to disengagement in the long term. This policy applies to the scope of insurance management.</p> <p>Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024</p> <p>Commitment: Continuation and search for new individual or collaborative commitments on the most carbon-intensive companies in the insurance portfolio.</p> <p>ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.
	3. GHG intensity of the companies benefiting from the investments	GHG intensity of the companies benefiting from the investments	2 211,0 1	1 928,4	The coverage rate as of 12/31/2023 improved over 1 year to 59% vs. 55% as of 12/31/2022	



Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Greenhouse gas emissions	4. Exposure to companies active in the fossil fuel sector	Share of investment in companies active in the fossil fuel sector (in %)	8,2%	3,5%	The coverage rate as of 12/31/2023 has improved significantly to 64% compared to 24% as of 12/31/2022, which explains the increase in the indicator over the period.	<p>Actions taken in 2023</p> <p>Engagement: Theme of engagement and shareholder dialogue on the transition to carbon neutrality for sectors with a significant impact on the climate.</p> <p>Exclusion policy: Groupama AM has strengthened the criteria of its fossil fuel policy with the inclusion of non-reinvestment in EFNCs.</p> <p>Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy.</p> <p>Voting policy: Groupama AM supports transition plans submitted to a shareholder vote as long as they:</p> <ul style="list-style-type: none"> • integrate precise quantitative objectives for reducing CO2 emissions in the short and long term on the scopes 1 and 2 at least; • are compatible with the trajectory of the Paris Agreement or another objective of carbon neutrality by 2050 accompanied by intermediate objectives (CT, MT, LT). <p>Support for external shareholder resolutions on climate is done on a case-by-case basis.</p> <p>Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024</p> <p>Exclusion policy: Coal and EFNC - From January 2024, Groupama AM is strengthening the criteria of its policies on coal and unconventional fossil fuels by lowering the relative and absolute thresholds applied.</p> <p>Oil and gas - Within the scope of the Groupama Group's insurance management: exclusion of companies contributing to the development of new oil and gas projects, with the exception of financing needs specifically targeted towards the transition from July 1, 2024, in order to limit the average rise in temperatures to +1.5° at the end of the century and achieve carbon neutrality in 2050 in line with the commitments made by the Groupama Group in its roadmap.</p> <p>ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data.</p> <p>Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.

Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Greenhouse gas emissions	5. Share of non-renewable energy consumption and production	Share of energy consumption and production of investee companies that comes from non-renewable energy sources, compared to that coming from renewable energy sources, expressed as a percentage of total energy sources (in %)	25,0%	1,5%	<p>The coverage rate as of 12/31/2023 has improved significantly over 1 year to 39% vs. 4% as of 12/31/2022, which explains the increase in the indicator over the period.</p> <p>The coverage rate presented is that of the ratio Share of non-renewable energy consumption on which we have more significant data. The coverage rate of the Share of energy production ratio non-renewable is 4.4%.</p>	<p>Actions taken in 2023 Integration into ESG scoring: Included in the environmental pillar of the proprietary ESG scoring model. Measurement of transition risks and physical risks taken into account in the proprietary ESG scoring methodology Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Engagement: Theme of engagement and shareholder dialogue on the environmental strategy of issuers and in particular the use of renewable energies to reduce their GHG emissions and improving transparency on the subject. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024 Groupama AM is working on implementing a methodology for analyzing company transition plans. Quality of ESG data: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.
	6. Intensity of energy consumption by sector with high climate impact	Energy consumption in GWh per million euros of turnover of companies benefiting from investments, by sector with high climate impact	17,2%	0,0	<p>The coverage rate was zero as of 12/31/2022 due to a power problem with our data provider. The malfunction has since been corrected and we now have coverage that has improved significantly but remains low at 21%.</p>	<p>Actions taken in 2023 Integration into ESG scoring: Included in the environmental pillar of the proprietary ESG scoring model. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024 Groupama AM is working on implementing a methodology for analyzing company transition plans. ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.

Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Biodiversity	7. Activities having a negative impact on sensitive areas in terms of biodiversity	Share of investments made in companies with sites/ establishments located in or near sensitive areas in terms of biodiversity, if the activities of these companies have a negative impact on these areas (expressed in %)	0,7%	1,0%	The coverage rate decreased slightly to 64% as of 12/31/2023 vs. 67% as of 12/31/2022.	<p>Actions taken in 2023 Engagement: Theme of engagement and shareholder dialogue on the theme of deforestation and the improvement of reporting practices of issuers with the aim of improving the contribution of the investment community to stopping and reversing the loss of biodiversity. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Integration into the ESG score: Groupama AM measures the impacts on biodiversity of all investments held directly in company shares and corporate bonds and uses the Corporate Biodiversity Footprint indicator to calculate it. This indicator is integrated into the environmental pillar of the proprietary ESG scoring model. Groupama AM continued its efforts to contribute to global biodiversity objectives, in particular by committing to contributing to 3 of the targets set by the Kunming-Montreal Agreement. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024 ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives: <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers. </p>
Water	8. Discharges into water	Tons of discharges into water from companies benefiting from investments, per million euros invested, on weighted average	173,2	154,5	The coverage rate as of 12/31/2023 has improved over 1 year but remains very low at 3.6% vs. 2% as of 12/31/2022. Very low coverage could result in skewed reporting figures and make them difficult to interpret.	<p>Actions taken in 2023 Integration into the ESG score: The environmental pillar of the proprietary ESG rating model includes a water score. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024 Impact analysis: A more in-depth impact analysis is carried out on the water score of around forty issuers within the scope of insurance management. ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives: <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers. </p>



Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Water	9. Ratio of hazardous waste and radioactive waste	Tons of hazardous waste and radioactive waste produced by investee companies, per million euros invested, weighted average	505 941,7	0,0	The coverage rate as of 12/31/2023 has improved over 1 year but remains low at 25%.	<p>Actions taken in 2023</p> <p>Integration into ESG scoring: Included in the environmental pillar of the proprietary ESG scoring model.</p> <p>Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy.</p> <p>Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered. Internal teams have been mobilized on the selection of new environmental data providers in 2023 and continue to work on their implementation.</p> <p>Measures planned for 2024</p> <p>ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data.</p> <p>Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.



Indicators applicable to investments in companies	Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Indicators linked to social issues, personnel, respect for human rights and the fight against corruption					
Social and personnel issues	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investment in companies that have participated in violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises (expressed in %)	12,3%	11,0%	<p>If the coverage rate as of 12/31/2023 has improved slightly over 1 year to 64% vs. 60% as of 12/31/2022, the challenge in calculating this PAI lies in the methodology used. Indeed, the methodology applied by our data supplier shows weaknesses in the analysis criteria used and the inconsistencies found during our analysis of the results. The frequency of data updating aggravates these inconsistencies and results in a high indicator that is not consistent with our internal controversy lists, which are nevertheless constructed from lists from the same supplier, Groupama AM internal analysis and negative news flow from various sources (NGO, union, press, etc.). Furthermore, we see significant gaps between data providers due to major divergences in assessment methodologies. For all these reasons, we have chosen to change the data provider on this PAI for 2024.</p> <p>Actions taken in 2023 Commitment: Commitment theme on social dialogue, internal climate, training, working conditions and employee protection. Integration into the ESG score: Included in the social pillar of the proprietary ESG scoring model. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered.</p> <p>Measures planned for 2024: Quality of ESG data: Methodological change planned as part of the change of supplier for this PAI given the great heterogeneity of the calculation methods used from one supplier to another. Our choice was guided by two objectives: improving the frequency of updating the issuer data used and ensuring consistency with the internal controversy lists.</p>



Indicators applicable to investments in companies	Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
<p>Social and personnel issues</p> <p>11. Lack of compliance processes and mechanisms to monitor compliance with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises</p>	<p>Share of investment in companies that do not have a policy for monitoring compliance with the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, nor mechanisms for handling complaints or of the differences allowing such violations to be remedied (expressed in %)</p>	<p>8,3%</p>	<p>0,0%</p>	<p>If the coverage rate as of 12/31/2023 has improved slightly over 1 year to 64% vs. 60% as of 12/31/2022, the challenge in calculating this PAI lies in the methodology used. Indeed, the methodology applied by our data supplier shows weaknesses in the analysis criteria used and the inconsistencies found during our analysis of the results. The frequency of data updating aggravates these inconsistencies and results in a high indicator that is not consistent with our internal controversy lists, which are nevertheless constructed from lists from the same supplier, Groupama AM internal analysis and negative news flow from various sources (NGO, union , press, etc.). Furthermore, we see significant gaps between data providers due to major divergences in assessment methodologies. For all these reasons, we have chosen to change the data provider on this PAI for 2024.</p>	<p>Actions taken in 2023 Commitment: Commitment theme on social dialogue, internal climate, training, working conditions and employee protection. Integration into the ESG score: Included in the social pillar of the proprietary ESG scoring model. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered.</p> <p>Measures planned for 2024 Quality of ESG data: Methodological change planned as part of the change of supplier for this PAI given the great heterogeneity of the calculation methods used from one supplier to another. Our choice was guided by two objectives: improving the frequency of updating the issuer data used and ensuring consistency with the internal controversy lists.</p>

Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Social and personnel issues	12. Uncorrected pay gap between men and women	Unadjusted average pay gap between men and women within the companies benefiting from the investments (expressed in monetary amount converted into euros)	5,9%	0,0%	The very low coverage rate as of 12/31/2022 did not allow the indicator to be calculated. As of 12/31/2023, coverage is clearly improving at 25% but remains low.	<p>Actions taken in 2023 Commitment: Commitment theme on the feminization of management bodies. Voting: Presence of criteria linked to gender diversity within the voting policy. Integration into the ESG score: Included in the social pillar of the proprietary ESG scoring model. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered.</p> <p>Measures planned for 2024 Quality of ESG data: Methodological change planned as part of the change of supplier for this PAI given the great heterogeneity of the calculation methods used from one supplier to another. Our choice was guided by two objectives: improving the coverage and updating frequency of transmitter data used on PAI 12 in particular.</p>
	13. Gender diversity within governance bodies	Average female/male ratio in the governance bodies of the companies concerned, as a percentage of the total number of members	23,5%	5,6%	The coverage rate as of 12/31/2023 has improved significantly over 1 year to 61% vs. 16% as of 12/31/2022, which explains the sharp increase in the indicator over the period.	

Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Social and personnel issues	14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons or biological weapons)	Share of investment in companies involved in the manufacture or sale of controversial weapons (expressed in %)	0,0%	0,2%	The coverage rate as of 12/31/2023 is stable over 1 year at 64% vs. 63% as of 12/31/2022. The identification of companies involved in controversial weapons is carried out internally, the zero result of the indicator is in accordance with our exclusion policy on controversial weapons.	<p>Actions taken in 2023 Exclusion Policy: In 2023, GAM strengthened its policy on controversial weapons. This concerns production, storage, distribution and marketing activities, within a scope made up of the following arms:</p> <ul style="list-style-type: none"> • Cluster bombs (BASM) as defined by the 2008 Oslo Treaty; • Anti-personnel mines (MAP) as defined by the 1997 Ottawa Convention; • Depleted uranium weapons banned by certain national legislation (Mahoux law of 2006); • Chemical weapons as defined by the Convention on the Prohibition of Chemical Weapons (Paris, 1993); • Biological weapons as defined by the Biological Weapons Convention (1972); • Incendiary weapons or weapons using white phosphorus; • Nuclear weapons outside the 1968 Non-Proliferation Treaty. <p>Quality of ESG data: The work and analyzes carried out as part of the selection of new data providers confirmed the initial choice of a specialist service provider on the subject rather than a general supplier.</p>
	Indicators linked to social issues, personnel, respect for human rights and the fight against corruption					
Environnement	15. GHG intensity	GHG intensity of investment countries in tons of CO2 equivalent per million euros of gross domestic product	29,8	0	The coverage rate as of 12/31/2023 has improved over 1 year but remains low at 25%.	<p>Actions taken in 2023 Engagement: Theme of engagement on climate transition and sustainable finance issues through a collaborative initiative ItaSIF allowing dialogue with political representatives. Integration in the ESG score: Included in the environmental pillar of the proprietary ESG rating model Quality of ESG data: Groupama AM continued to dedicate human, technical and important financial resources to improve access to ESG data, its quality and the scope covered.</p> <p>Measures planned for 2024 Quality of ESG data: Change of supplier for this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.

Indicators applicable to investments in companies		Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Social	16. Investment country with violations of social standards	Number of investment countries experiencing violations of social standards within the meaning of international treaties and conventions, United Nations principles or, where applicable, national law (numerical value)	0	0	The coverage rate as of 12/31/2023 has improved over 1 year but remains low at 25%.	<p>Actions taken in 2023 Engagement: Theme of engagement on social issues and sustainable finance through an initiative collaborative ItaSIF allowing dialogue with political representatives. Integration into the ESG score: Included in the social pillar of the proprietary ESG scoring model. Quality of ESG data: Groupama AM continued to dedicate significant human, technical and financial resources to improve access to ESG data, its quality and the scope covered.</p> <p>Measures planned for 2024 ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.
		Proportion of the total number of investment recipient countries experiencing violations of social standards within the meaning of international treaties and conventions, United Nations principles or, where applicable, national law (expressed in %)	0,0%	0,0%		



Negative impact on sustainability	Negative impact on sustainability factors (qualitative or quantitative)	Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Water, waste and other materials	17. Water use and recycling	1. Average quantity of water consumed by companies benefiting from investments (in cubic meters), per million euros of turnover	1,7	20,7	The indicator average quantity of water consumed by companies benefiting from investments (in cubic meters), per million euros of turnover, is down sharply over the period. This difference does not result from a strategic change occurring in investments made in 2023 vs 2022 but from significant volatility in the data estimated by our data provider on a few issuers. It reflects poor data quality. The coverage rate is down to 35% as of 12/31/23 vs. 40% as of 12/31/22. The data necessary to calculate the indicator Weighted average percentage of water recycled and reused by investee companies (in %) is not provided by our current data provider.	<p>Actions taken in 2023</p> <p>Integration into ESG scoring: Included in the environmental pillar of the proprietary ESG scoring model.</p> <p>Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy. Measures planned for 2024</p> <p>ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • the availability of data for the calculation of the two indicators requested in this PAI (Average quantity of water consumed by companies benefiting from investments (in cubic meters), per million euros of turnover and Intensity of consumption of 'water) ; • the stability of the data in order to reduce the volatility observed over the past period; • improving the scope of covered issuers.
		2. Weighted average percentage of water recycled and reused by investee companies (in %)	ND	ND		

Description of the main negative impacts on sustainability factors (Annex 1 of European Regulation 2022-1288)

Indicators applicable to investments in companies						
Negative impact on sustainability	Negative impact on sustainability factors (qualitative or quantitative)	Measuring element	Incidence [year n]	Incidence [year n-1] (voluntary information)	Explanation	Actions taken, actions planned and targets defined for the following reporting period
Social and personnel issues	18. Number of days lost due to injury, accident, death or illness	Number of working days lost due to injuries, accidents, deaths or illnesses in those affected, on weighted average	26,0%	24,1%	The coverage rate down to 41% as of 12/31/2023 vs. 44% as of 12/31/2022.	<p>Actions taken in 2023 Commitment: Theme of workplace safety and health of employees, service providers and suppliers. Integration into the ESG score: Included in the social pillar of the proprietary ESG scoring model. Monitoring of controversies: Taken into account in the ESG scoring methodology and in the monitoring of sustainability risks depending on the severity of the controversy.</p> <p>Measures planned for 2024 ESG data quality: Integration of two new environmental data providers in 2024 with the aim of constantly improving the quality of ESG data. Change of supplier on this PAI. Our choice was guided by the following objectives:</p> <ul style="list-style-type: none"> • compliance of the supplier's calculation methodology with the requirements of the SFDR regulation; • data stability in order to reduce the volatility sometimes observed during updates; • improving the scope of covered issuers.

GLOSSARY

Paris Agreement

Signed between 195 UN member states at the end of COP21 held in Paris in 2015, it is the first universal climate agreement. It defines an action plan to keep the rise in temperatures well below 2°C. This agreement also marks the mobilization of private actors on the subject, in particular financial actors, who have since recognized the importance of the role of financing in achieving this objective.

Do No Significant Harm - DNSH

Principle originating from the SFDR and Taxonomy regulations, implying not causing significant harm to other environmental or social objectives when an investor commits to respecting one of the six environmental objectives of the Taxonomy or when an investor commits to respecting a sustainable investment objective under SFDR.

ESG

This acronym designates the Environmental, Social and Governance criteria which are used by the financial community to analyze and evaluate the consideration of sustainable development and long-term issues in company strategy. Environmental criteria: they concern the analysis of the impacts of company activities in

terms of carbon emissions, protection of biodiversity, waste management, pollution, water management and quality, etc.

Social criteria: they bring together the analysis of the company's human capital – skills, training, corporate culture, etc. – and the analysis of societal impacts, that is to say on the different parties, stakeholders of the company which are customers, suppliers, civil society. Governance criteria: the set of rules that govern the way in which companies are controlled and managed. It distributes the rights and obligations of the different stakeholders within the company. Governance analysis makes it possible to verify that the control powers are effective in ensuring the proper execution of the strategy by managers, and whether they are working in the interest of all shareholders and of the company's stakeholders.

Indicator of alignment with a climate trajectory

In order to have a more prospective vision of the direct impact of corporate activities on the climate, Groupama AM also relies on an indicator of alignment with a climate trajectory, which provides it with elements on the past and future trajectory of carbon emissions of the company compared to such scenario. The alignment indicator provided by Iceberg Data Lab is based on the SB2A ("Science based 2°C Alignment") approach. This methodology

is made up of 4 steps translating the difference between a company's trajectory and its reference trajectory of 2°C into a temperature consistent with climate science. The SB2A approach is based on the 2°C scenarios of the International Energy Agency (IEA) and on the SBT (Science based targets) and ACT (Assessing low Carbon Transition) methodologies. The latter is a method carried out jointly by ADEME (the Environment and Energy Management Agency) and the CDP (Carbon Disclosure Project) to evaluate companies' Climate strategies and their alignment. compared to sectoral decarbonization trajectories.

1st step: Assessment of the company's carbon performance based on the physical carbon intensity in tCO2e/unit of measurement of the activity (specific to each sector) and on the product/service mix (taking into account accounts for current year, historical performance and forecast).

2nd step: Choice of the 2°C reference scenario with which to compare the company's carbon performance: there are intensity scenarios by sector and geographical area.

3rd step: Comparison of the company's carbon performance with its theoretical 2°C trajectory: The SB2A methodology calculates the cumulative overshoot/undershoot from 2010 to 2050 of carbon emissions in relation to the temperature trajectory that society should follow to converge by 2050 (compared to the industry

average). Step 4: Conversion to temperature (°C): the excess carbon ratio is converted to an equivalent global warming temperature using algorithms based on climatology. Concretely, a company whose carbon budget is equal to the 2°C reference would have an equivalent global warming temperature of 2°C, while companies with a lower and higher carbon budget would have respective temperatures below and above 2°C.

Carbon intensity

Addition of scope 1, 2 and 3 (upstream) emissions, normalized per million euros of turnover. SCOPE 1 (CARBON BALANCE): Direct emissions from fixed or mobile installations located within the organizational perimeter. SCOPE 2 (CARBON BALANCE): Indirect emissions linked to energy consumption. SCOPE 3 (CARBON BALANCE): Other emissions indirectly produced by the activities of the organization which are not counted in scope 2 but which are linked to the complete value chain such as for example: the purchase of raw materials, services or other products, employee travel, upstream and downstream transport of goods, management of waste generated by the organization's activities, use and end of life of products and services sold, immobilization of production goods and equipment, etc.

Sustainable investment

According to the SFDR regulation, this is an investment in an economic activity which contributes to an environmental objective (renewable energies, reduction of greenhouse gas emissions, effects on biodiversity and the circular economy), or an investment in an economic activity that contributes to a social objective (fight against inequalities, investment in human capital or economically or socially disadvantaged communities), provided that these investments do not cause significant harm to none of these objectives and that the companies in which the investments are made apply good governance practices.

Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs) were adopted by UN member countries in September 2015 with a horizon of 2030. They aim to end all forms of poverty, combat inequalities and tackle climate change, ensuring that no one is left behind. These 17 objectives are broken down into 169 targets and 244 management indicators, intended primarily for public action. However, private actors, whether companies or investors, are increasingly seeking to show their contributions to these SDGs.

Sustainable bonds

Sustainable bonds are bond issues launched by a company, an international organization or a local authority on the financial markets to

finance a specific project or activity, which will have a strong environmental and social benefit. These bonds include in particular green bonds and social bonds.

Green share

Percentage of the company's turnover generated by a technology/activity considered favorable to the energy and ecological transition. The closer the green share of a company is to 0%, the more it is subject to transition risks. The method for calculating the green share is based on the definition of aligned activities in the European Green Taxonomy.

Principal Adverse Impact (PAI) or negative sustainability impacts

These are the significant negative impacts of investment decisions on sustainability factors, that is to say on environmental, social or even human rights issues. The SFDR regulation establishes a list of 14 mandatory indicators and 2 optional indicators, which are for example: the carbon footprint, the exposure of companies to fossil fuels, the pay gap between men and women, the violation of standards minimal social security. These indicators show ESG materiality, that is to say the measurable impact of the investment choices that are made.

SFDR Regulation

European regulation on sustainable finance (Sustainable Finance Disclosure Regulation), which entered into force in March 2021. Its

objective is to describe and explain in pre-contractual documents, the sustainable investment strategy and the way in which management companies integrate information in terms of the sustainability of their financial products (integration of risks and negative impacts in terms of sustainability). This regulation classifies funds into 3 categories: "article 6" funds, without any particular sustainability objective, "article 8" funds, highlighting ESG characteristics (their carbon footprint, for example) without this necessarily being their central point of concern and, finally, the "article 9" funds having at least a real sustainable objective (this perhaps for example to invest in a portfolio compatible with the objectives of the Paris Agreement to limit global warming).

Corporate Social Responsibility – CSR

CSR, also called Corporate Social Responsibility, is defined as the voluntary integration by companies of social, economic and environmental concerns into their business activities and their relationships with stakeholders. In other words, CSR is the contribution of companies to the challenges of sustainable development.

Sustainability risks

An environmental, social or governance event or situation which, if it occurs, could have a material or potential negative impact on the value of the investment. Also called financial materiality. These include, for example, financial impacts following an industrial accident,

accusations of corruption or money laundering or the loss of value of certain activities due to their environmental impact, such as production. coal-based electricity.

European Green Taxonomy

The European Taxonomy regulation aims to establish a classification tool intended to help investors and companies direct capital towards environmentally friendly economic activities. An economic activity will be considered environmentally sustainable within the meaning of the Taxonomy regulation if it respects one of the six defined environmental objectives, without causing significant harm to the other five and respecting minimum social guarantees.

WARNING

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Head office: 25 rue de la ville l'Évêque, 75008 Paris
Website: www.groupama-am.com

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