

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to either of these objectives and that the companies benefiting from investments follow good governance practices.

The **EU taxonomy** is a classification system established by Regulation (EU) 2020/ 8 52, which lists **environmentally sustainable economic activities**. This regulation does not establish a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Product name: UNION +

Legal entity identifier:
9695006X3C0XQUCXD535

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** N/A

☐ of economic activities which are considered environmentally sustainable under the EU taxonomy

☐ of economic activities which are not considered environmentally sustainable under the EU taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** N/A

☒ It promotes **environmental and/or social (E/S) characteristics** and although it does not have a sustainable investment objective, it has a proportion of sustainable investment of at least 20.0%

☐ with an environmental objective in economic activities which are considered environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities which are not considered environmentally sustainable under the EU taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but does not make sustainable investments

The percentage of sustainable investment is calculated on the basis of the fund's net assets.



What environmental and/or social features does this financial product promote?

Crédit Mutuel Asset Management's approach is based on three stages of analysis in order to qualify an issuer as a Sustainable Investment:

1- Assess its contribution to the UN's Sustainable Development Goals [SDGs].

- **For private issuers**, the analysis of the contribution to the SDGs is carried out using information provided by: issuers (annual reports, surveys), third-party service providers (e.g. ISS ESG) and proprietary research (proprietary ESG database). In addition to the systematic calculation, Crédit Mutuel Asset Management's extra-financial analysis unit may be asked to provide an additional assessment of an issuer's contribution to the SDGs. Predefined materiality thresholds (10% of sales or investments for issuers in non-financial sectors and sustainability commitments for financial issuers) are used to qualify an issuer.

- **The approach for public-sector entities** issuing financial securities is similar to the model used for companies, while adapting the four selectivity criteria. The contribution to the SDGs is analysed through the

SDG Index published annually in the Sustainable Development Report.

2- Check that the principle adverse impacts associated with the issuer are limited.

Crédit Mutuel Asset Management has established its own methodology for measuring the principle adverse impacts. Issuers that meet all 5 “mandatory” criteria will be considered eligible. A minimum of 4 of the 9 additional criteria must then be met for an issuer to be considered a Sustainable Investment.

3- Ensure satisfactory governance.

The extra-financial research department assesses issuers' governance practices, particularly with regard to the following criteria: sound management structure, relations with employees, staff remuneration and compliance with tax obligations.

These policies are available on the management company's website:

- Responsible investment policy: Responsible Investment Policy | Crédit Mutuel Asset Management - Professionals (creditmutuel-am.eu)
- Sectoral policy: Sectoral policies | Crédit Mutuel Asset Management --professionals (creditmutuel-am.eu)

This financial product promotes environmental and social characteristics by adopting an ESG score improvement approach. The portfolio's ESG score (weighted average by asset weight) must therefore be better than that of its ESG universe.

What sustainability indicators are used to measure how the environmental or social characteristics promoted by the financial product are achieved?

Extra-financial environmental, social and governance criteria are taken into account using a proprietary ESG analysis model based on a combination of data from external data providers (Sustainalytics, ISS ESG, Ethifinance), covering both companies and governments. This model is based on around forty non-financial indicators structured around 3 pillars: Environmental, Social, Governance, for a socially responsible approach. The ESG score can be used to evaluate and select companies or issuers that respect the environmental and social characteristics sought by the financial product. In addition, the evaluation of turnover in relation to one or more Sustainable Development Objectives, as well as the analysis of negative impacts and the main social standards are used to qualify the Sustainable Investment segment of the financial product, according to a methodology specific to Crédit Mutuel Asset Management.

What are the objectives of the sustainable investments that the financial product is intended to achieve partially and how does the sustainable investment contribute to these objectives?

In addition to promoting environmental and social characteristics, which are at the heart of the financial product's investment proposition, the product has a minimum investment segment whose objective is to invest in companies and/or issuers identified as “sustainable” according to Crédit Mutuel Asset Management's own internal methodology. The United Nations Sustainable Development Goals are used as a reference framework to determine which investments contribute to an environmental or social objective. The financial product seeks to encourage the best companies and/or issuers in terms of environmental, social and governance practices, while at the same time promoting and encouraging those who also demonstrate a proven contribution to the achievement of environmental and/or social objectives, particularly through their activities.

The minimum quantitative thresholds that the management company has set for sustainable investment can be found in the Responsible Investment Policy available on the Crédit Mutuel Asset Management website.

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

Principal adverse impacts are the most significant adverse impacts of investment decisions on sustainability factors related to environmental, social and labour issues, respect for human rights, and anti-corruption and bribery.

To what extent are sustainable investments made by the financial product intended partially to do no significant harm to an environmentally or socially sustainable investment objective?

This financial product does not pursue a sustainable investment objective.

How were the indicators for negative impacts accounted for?

The PAI indicators taken into account allow us to measure the potential adverse impact of investments on sustainability. Pending thresholds specified by regulators, as indicated by the European Supervisory Authorities (ESA) in their clarification statement of 2 June 2022, Crédit Mutuel Asset Management therefore relies on its internal analysis work and its proprietary ESG database to analyse a company's negative environmental, social and societal impact. Our model enables each company analysed to be coded (assigned points) according to the responses obtained on the selected criteria.

All the PAI indicators in table 1 of appendix 1 of the RTS are taken into consideration.

To what extent are the sustainable investments in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guidelines on Business and Human Rights? Detailed description:

Involvement in a breach of the principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is grounds for an exclusion of issuers qualified as sustainable.

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

The principle of "do no significant harm" applies only to the underlying investments of the financial product that take into account the European Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not cause significant harm to environmental or social objectives.



Does this financial product address the principal adverse impacts on sustainability factors?

☒ Yes, Sustainability impacts represent the impact that investment decisions can have on sustainability factors. These focus on climate and broader environmental issues, as well as social factors such as employee rights, respect for human rights and the fight against corruption. There are three ways in which these adverse impacts on sustainability are taken into account by the financial product: through the application of sector exclusion policies, through internal ESG rating and through sustainable investment. Sectoral exclusion policies apply to all actively managed strategies, including this financial product, and relate to controversial weapons, tobacco, coal and hydrocarbons; they protect against exposure to the high sustainability risks inherent in these sectors. ESG ratings measure the overall ESG performance of a company or issuer. They are based on a range of environmental, social, societal and governance indicators derived from an analysis of raw PAI data. Raw PAI data is monitored as part of the financial product management activity; this data is made available in the periodic report.

☐ No



What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the constraints defined in the investment strategy for selecting investments to achieve each of the environmental or social characteristics promoted by this financial product?

Sectoral exclusions have been implemented for controversial weapons, tobacco, coal and hydrocarbons. Companies or issuers identified as carrying severe controversy ("red controversy" according to the internal classification) are also excluded from the investment universe for all Crédit Mutuel AM financial products. An additional constraint applies to the financial product's minimum Sustainable Investment pool, from which only investments identified as "sustainable" (according to Crédit Mutuel Asset Management's own internal methodology) may be selected.

What is the minimum proportion by which the financial product undertakes to reduce its investment perimeter before applying this investment strategy?

This financial product promotes environmental and social characteristics by adopting an ESG score improvement approach. The portfolio's ESG score (weighted average by asset weight) must therefore be better than that of its ESG universe.

What policy has been implemented to assess the good governance practices of the companies in which the financial product invests?

The policy of assessing good governance practices of investee companies, including sound management structures, employee relations, staff remuneration and compliance with tax obligations, is measured through the Governance pillar of the proprietary methodology through a series of specific criteria that Crédit Mutuel Asset Management examines as part of the overall ESG assessment. A decisive exclusion will be issued if all the criteria are not met.

For private companies and issuers, the management team assesses the minimum social standards in place and applied by the various entities, notably through the adoption of a number of policies (anti-corruption, respect for human rights, protection of whistleblowers, training, code of conduct, equal opportunities, etc.) and practices (independence of the board of directors, composition of committees, balance of power between management bodies, climate strategy, etc.). These criteria are based on universal texts such as the United Nations Global Compact, the OECD guidelines on corporate governance and the Paris Agreement.

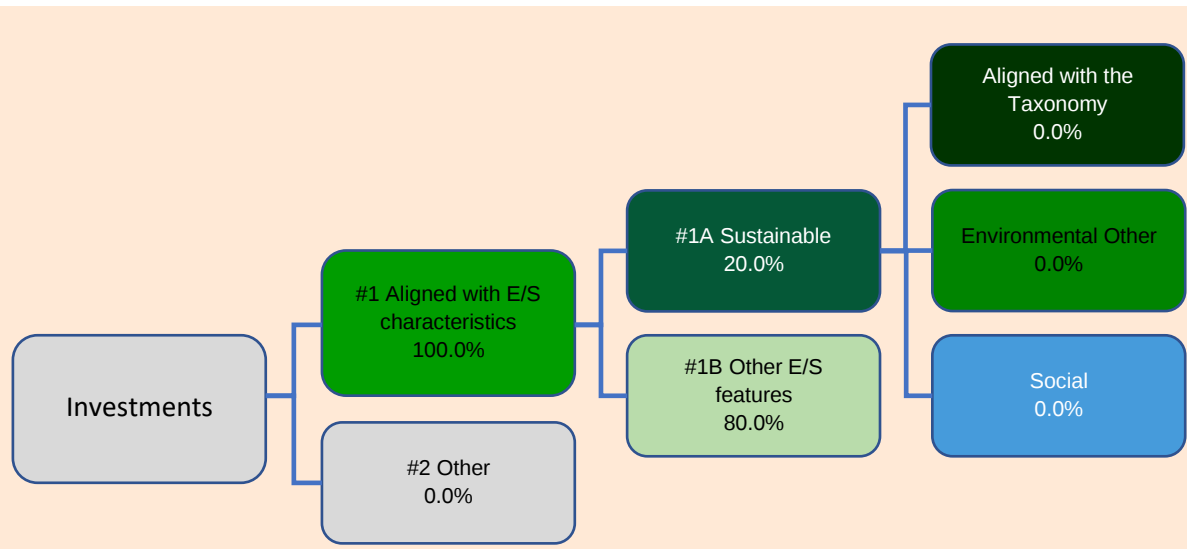


What is the planned asset allocation for this financial product?

Asset allocation describes the share of investments in specific assets.

Activities aligned with the taxonomy are expressed as a %:

- of **revenue** to reflect the proportion of revenue from the green activities of the companies in which the financial product invests;
- of **capital expenditure** (CapEx) to show the green investments made by the companies in which the financial product has invested, e.g. for a transition to a green economy.
- of **operating expenditure** (OpEx) to reflect the green operational activities of the companies in which the financial product invests.



Category **#1 Aligned with E/S characteristics** includes the financial product's investments used to achieve the environmental or social characteristics promoted by the financial product.

Category **#2 Other** includes the remaining investments in the financial product that are neither aligned with environmental or social characteristics nor considered sustainable investments.

Category **#1 Aligned to E/S characteristics** includes:

- Sub-category **#1A Sustainable** covering sustainable investments with environmental or social objectives:
- Sub-category **#1B Other E/S characteristics** covering investments aligned with environmental or social characteristics that are not considered sustainable investments.

How does the use of derivatives achieve the environmental or social characteristics promoted by the financial product?

The financial product may use derivatives. The use of futures to actively manage the asset allocation of the financial product has no impact on the ESG profile of the fund.



To what extent are sustainable investments with an environmental objective aligned with the EU taxonomy?

Does the financial product invest in fossil gas and/or nuclear energy activities that comply with the EU taxonomy?

☐ Yes

☐ In fossil fuel

☐ In nuclear energy

☒ No

Enabling activities directly enable other activities to make a substantial contribution to the achievement of an environmental objective.

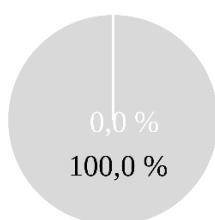
Transitional activities are activities for which low-carbon replacement solutions are not yet available and, among other things, whose greenhouse gas emission levels correspond to the best achievable performance.

The two graphs below show in green the minimum percentage of investments aligned with the EU taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds*, the first graph shows the taxonomy alignment with respect to all investments in the financial product, including sovereign bonds, while the second graph represents the taxonomy alignment only with respect to investments in the financial product other than sovereign bonds.

1. Alignment of investments with the taxonomy including sovereign bonds*

Aligned with the taxonomy (excluding fossil gas and nuclear)

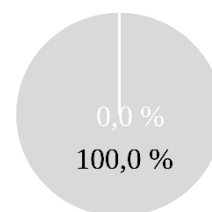
Not aligned with the taxonomy



2. Alignment of investments with the taxonomy excluding sovereign bonds*

Aligned with the taxonomy (excluding fossil gas and nuclear)

Not aligned with the taxonomy



This graph represents 0.0% of total investments.

* For the purposes of these graphs, "sovereign bonds" include all sovereign exposures.

What is the minimum proportion of investments made in transitional and enabling activities?

The minimum proportion in transitional and enabling activities is 0%.



What is the minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU taxonomy?

This financial product does not include a minimum proportion of sustainable investment with an social objective.



What is the minimum proportion of socially sustainable investments?

This financial product does not include a minimum proportion of sustainable investment with an social objective.



What investments are included in the "# 2 Other" category, what is their purpose and do minimum environmental or social safeguards apply?

Within the limits set out in the prospectus, this financial product may invest in French or foreign UCITS. A proportion of cash (via money market funds, for example) ensures a liquidity reserve and anticipates any movements linked to subscriptions/redemptions by investors.

For the sake of consistency, the manager seeks to select funds with an SRI label (or equivalent) and/or incorporating extra-financial considerations in order to ensure that environmental, social and governance considerations are taken into account and thus minimise the sustainability risks arising from exposure to the underlying liquidity

Has specific index been designated as index by a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes?



Benchmarks are indices used to measure whether the financial product achieves the environmental or social characteristics it promotes.

How is the benchmark index permanently aligned with each of the environmental or social characteristics promoted by the financial product?

N/A

How is the alignment of the investment strategy with the index methodology guaranteed at all times?

N/A

How did the designated index differ from a relevant broad market index?

N/A

Where can I find the methodology used to calculate the designated index?

N/A



Where can I find more product-specific information online?

Additional information and documents are available on the Crédit Mutuel Asset Management website, in particular on the pages dedicated to Sustainable Investment and the various products: Our selection of funds | Crédit Mutuel Asset Management - Professionals (creditmutuel-am.eu)