

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that it does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/8 52, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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

Product name: La Française Rendement Global 2028

Legal entity identifier: 969500DOW5XNOPU78J81

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

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

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

☒ It **promotes environmental and social (E/S) characteristics** and while it does not have as its objective sustainable investment, it will have a minimum proportion of 30.0% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

This fund primarily applies La Française Group's exclusionary policy which specifically targets controversial weapons, tobacco, electricity and energy sectors.

The fund applies ESG integration and selectivity criteria. The fund may only invest in countries or companies that have been assessed from an ESG perspective and whose ESG score is above the 20% selectivity exclusion threshold.

The selectivity threshold of 20% is established on the investment universe mentioned in the prospectus.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of each of the E or S characteristics promoted by the financial product are:

- the ESG score of companies
- the sovereign ESG score

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The fund aims to contribute to the general effort to improve sustainable practices, such as reducing CO2 emissions, increasing diversity and better governance practices. This is why it has a target of investing at least 30% of its net assets in investments that qualify as sustainable. As long as the issuer does not have a negative net contribution reflected in a score obtained by a supplier, the entire exposure to the issuer is considered to be sustainable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmentally or social sustainable investment objective?

The fund offers a strategy that invests in bonds of companies that have good ESG practices. The fund will aim to prioritise companies that are considered sustainable for society and the environment.

To verify that sustainable investments do not cause significant harm to a sustainable investment objective at the E or S level, the management company applies:

- a relevant selection of the principal adverse impacts;
- La Française Group exclusion policy;
- the management of contentious issues; and
- La Française Group voting policy.

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

All the PAI indicators in table 1 of Annex 1 of the RTS are calculated.

The indicators for adverse impacts have been taken into account by the external data provider ISS. The LFAM management company applies the indicators provided by the data provider in relation to adverse impacts.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:

We include the OECD and UN guiding principles in our fundamental ESG analysis, including our exclusions of major contentious issues relating to the UN Global Compact.

The selection of the principal adverse impacts, also used to assess the DNSH, includes a test of compliance "with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights" provided by our subscription to the ISS data platform (UNGCOECD Guidelines Violation).

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

Any other sustainable investment must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



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

☒ Yes, the principal adverse impacts on sustainability factors have been taken into account by the external ISS data provider. The management company takes into account the 14 negative sustainability impact indicators and 2 optional indicators as defined by Regulation (EU) 2019/2088. The information to be published pursuant to Article 11(2) of Regulation (EU) 2019/2088 is available at Our products - La Française Group (la-francaise.com).

☐ No



What is the investment strategy of this financial product?

The initial investment universe is constructed from OECD member states and/or non-OECD countries (including emerging markets) belonging to the combination of the indices J.P. Morgan GBI Global hedged Euro Index and J.P. Morgan EMBI Global Diversified Hedged Euro Index and private issuers belonging to the BofAML Global High Yield Index (HW00). Securities are selected mainly from these universes; they may also be selected from outside these universes, from European and international markets, including emerging markets, up to a limit of 10% of the investment universes, provided that these securities have an ESG score higher than the exclusion threshold in force for the universes and meet the investment criteria of the sub-fund. The sub-fund's investment criteria detailed below are analysed by La Française Sustainable Investment Research (hereinafter "ESG Research Team") of the entity "La Française Group UK Limited" which specialises in the responsible investment criteria. It is specified that there is a risk of conflicts of interest relating to the provision of ESG scores with the "La Française Sustainable Investment Research" research centre of the "La Française Group UK Limited" entity belonging to the La Française Group. In order to manage this situation, the management company has put in place and updates a conflict of interest management policy with the aim of identifying and analysing potential conflict of interest situations as well as recording, managing and monitoring situations in which there is a conflict of interest. In addition, the provision of ESG scores is paid for in full by the management company. Issuers are subject to the same requirements regardless of whether or not they belong to the index.

The Environmental, Social and Governance criteria are analysed by the "ESG Research Team", which has developed a proprietary ESG model and allows us to take a more selective approach to the initial investment universe.

This tool uses raw data from various data providers to calculate KPIs (Key Performance Indicators). The investment process is based on an ESG integration approach with a significant commitment to management. The ESG score of private issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Aggregated and supplemented with recent information collected and deemed relevant by the ESG Research Team, they result in the calculation of scores in three pillars (environmental sustainability, human capital and organisational capital);
- Calculation of weightings for these three areas, which may differ by sector;
- Calculation of the ESG score, on the basis of the three areas and specific sector weightings.

For example, the criteria used to analyse private issuers are:

- Environmental: carbon intensity and waste management, etc.
- Social: staff training, labour relations, etc.
- Governance: management structure and relationship with shareholders, remuneration policy, etc.

The ESG score of public issuers is structured as follows:

- Periodic update of raw data from different sources;
- Calculation of key performance indicators;
- Calculation of the ESG score, on the basis of the three pillars and equal weightings.

For example, the criteria used to analyse public issuers are:

- Environmental: the degree of exposure to natural disasters, etc.
- Social: the human development rate of the countries of the world through the human development index, etc.
- Governance: the quality of a country's governance through the World Governance indicator (WGI), etc.

Once the rating process is complete, each issuer is assigned a score from zero (worst) to 10 (best). This score reflects investment opportunities or, conversely, non-financial risks.

At least 90% of the securities in the portfolio are made up by issuers analysed under these ESG criteria (as a percentage of the sub-fund's net assets excluding bonds and other debt securities issued by public or quasi-public issuers, excluding cash assets held on an ancillary basis and excluding social impact assets).

The first step of the extra-financial analysis consists of identifying the issuers to be excluded beforehand by virtue of the exclusion policy of La Française Group, available on the website www.la-francaise.com.

Subsequently, the 20% of private issuers and 20% of public issuers with the lowest ESG scores in the initial investment universe are excluded.

All of these excluded issuers make up the ESG exclusion list. This latter is established on a monthly basis for private issuers and annually for public issuers. It determines a minimum ESG score threshold below which the sub-fund may not invest.

Issuers whose ESG score falls below the exclusion threshold cannot be part of the investable universe. The methodology adopted by the management company for taking into account extra-financial criteria may have a limitation related to the analyses carried out by the ESG Research Team. These analyses are dependent on the quality of the information collected and the transparency of the issuers. As such, the sub-fund promotes certain environmental and social characteristics within the meaning of Article 8 of the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Additional information on the management company's non-financial analysis, including ESG criteria, is presented in the La Française Group transparency code and engagement policies, available on the La Française website at www.la-francaise.com.

What are the constraints defined in the investment strategy to select investments in order to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select investments to attain the sustainable investment objective are:

- exclusions arising from the exclusion policy of the La Française Group
- the 20% selectivity principle
- the 10% investment restriction for assets outside the investment universe
- corporate sustainability analysis.

This strategy is monitored daily through 1st, 2nd and 3rd level controls.

What is the minimum proportion by which the financial product commits to reducing its investment scope before this investment strategy is implemented?

The committed minimum rate to reduce the scope of investments considered prior to the application of this investment strategy is 20%.

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

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

Good governance practices are assessed through our "G" pillar, in which the composition, independence and diversity of the board, risk management processes and controversies are analysed.

For sovereign states, good governance practices are assessed in six areas: the effectiveness of governance, control of corruption, the place and consideration of human rights, the rule of law, political stability and regulatory quality.



What is the asset allocation planned for this financial product?

Please refer to the answer to the question "What investment strategy does this financial product follow?"

Asset allocation

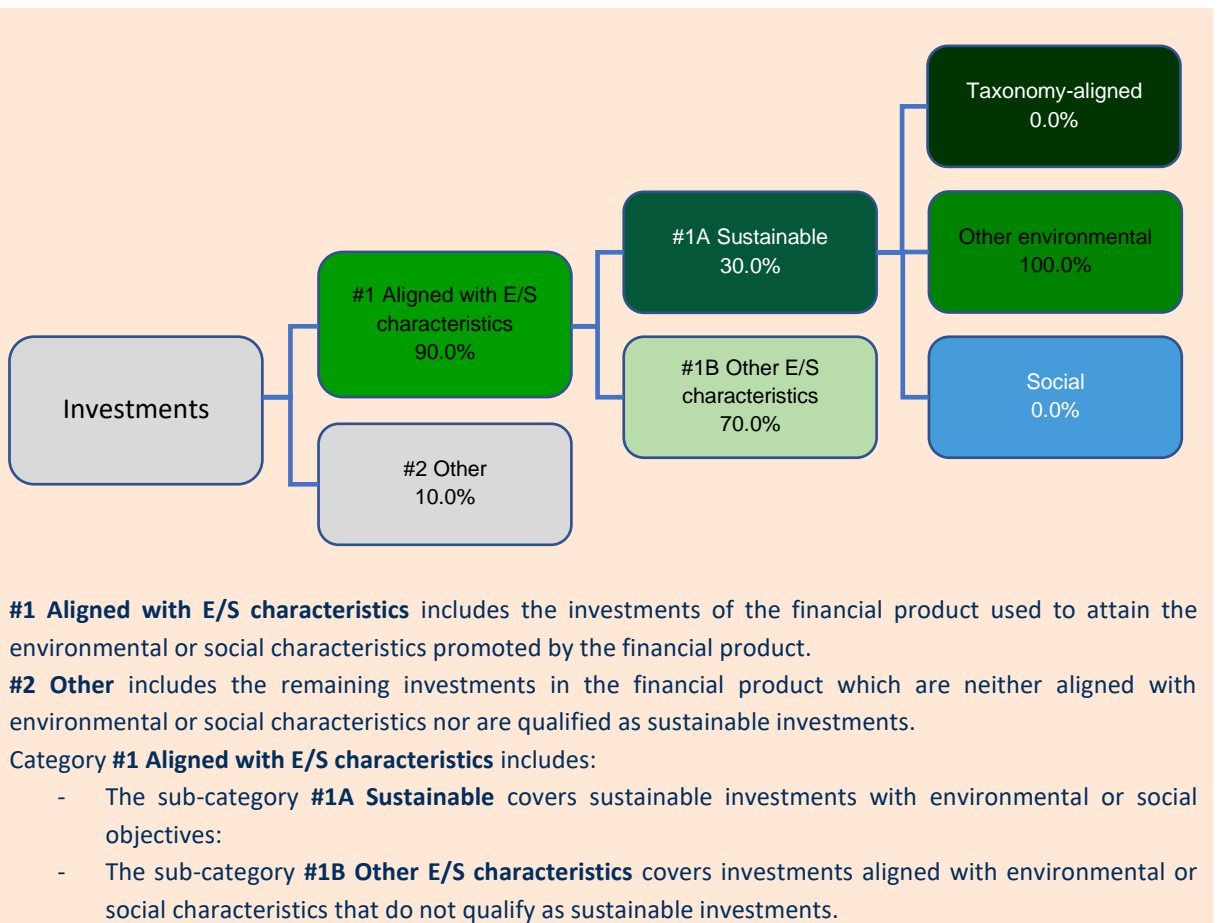
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a percentage:

- **turnover** reflecting the share of revenue from the green activities of companies in which the financial product invests;

- **capital expenditure** (CapEx) showing the green investments made by the companies in which the company invests, e.g. for a transition to a green economy;

- **operational expenditures** (OpEx) reflecting green operational activities of the companies in which the financial product invests.



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

The sub-fund uses derivatives for both hedging and portfolio exposure purposes. The derivative instruments, which can be looked through, are not subject to the same extra-financial analysis process as the securities described in the investment strategy. Derivative instruments, which cannot be looked through, are, for example, swaps on monetary rates such as Ester, or currency derivatives.



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

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

☐ Yes

☐ In fossil fuels

☐ In nuclear energy

☒ No

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

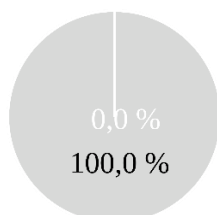
Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

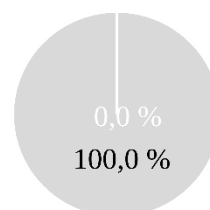
1. Taxonomy-alignment of investments including sovereign bonds *

Aligned with
■ taxonomy
(excluding fossil gas
and nuclear)
■ Not Taxonomy-
aligned



2. Taxonomy-alignment of investments not including sovereign bonds

Aligned with
■ taxonomy
(excluding fossil gas
and nuclear)
■ Not Taxonomy-
aligned



This graph represents 50.0% of total investments.

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

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

The minimum share of investment in transitional and enabling activities is 0%.



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

The minimum share of sustainable investments with an environmental objective that are not aligned with Taxonomy is 30%.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investment is 0%.



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

Other investments include cash which is used to preserve the fund's liquidity and adjust its exposure to market risk. Derivatives are also present in these other investments and are only used for hedging purposes or temporary exposure.



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

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

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

The specific index designated is the BofAML Global High Yield Index (HW00)

The benchmark is used to define the investment universe. The index is not specifically constructed to promote environmental or social characteristics.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

This strategy is active, not passive, so we do not guarantee alignment with the index methodology

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

This market index is traditional and representative of the strategy's profile.

Where can the methodology used for the calculation of the designated index be found?

The methodology of index construction is the responsibility of the index provider.



Where can I find more product-specific information online?

Legal documents are available on request and free of charge from the management company or on the website: www.la-francaise.com. You can get them free of charge on request from serviceclient@la-francaise.com. Any further information is available from the Customer Service Nominative Products Department using the following contact details: serviceclient@la-francaise.com.