Appendix II[1]

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

**Name of the product: SEXTANT PME**
**Identity of the legal entity: 969500COE5KXR78IT826**

# Environmental and/or social characteristics

**Sustainable investment** implies an investment in an economic activity that contributes to an environmental or social objective, provided it does not have any major adverse impact on such objectives, and the company in which the financial product invests implements good governance practices.

**EU taxonomy** is a system of classification arising from (EU) regulation 2020/ 852, which drew up a **list of environmentally-sustainable economic activities**. This regulation does not include a list of socially-sustainable economic activities. Sustainable investments that have an environmental objective are not necessarily aligned with the taxonomy.

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ **It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments** |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, **but will not make any sustainable investments** |

[1] Publication date of the document: January 2024

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

**Sextant PME is a sub-fund of the SEXTANT SICAV labelled SRI**, which has a dual objective:

- **Financial**: to achieve performance net of management fees higher than the benchmark (MSCI EMU (European Economic and Monetary Union) Micro Cap Net Return)) through a selection of European SMEs.

- **Non-financial:** to invest in companies that stand out for their good ESG practices, according to a best-in-class approach, but also to support those with good potential for improvement, especially in terms of environmental impacts, according to a best-effort approach based on shareholder engagement.

**These objectives entail ESG characteristics that are taken into consideration at two levels:**

- **An ESG Performance Rating* that is used on the one hand ex-ante to determine a universe of securities eligible to investment and on the other hand for an ex-post verification of the portfolio's ESG quality.** This rating, whose criteria comply with the charter of the Relance label** which the Sub-fund holds, is based on our fundamental analysis and leads to an internal ESG quality rating and indicators selected by our teams on the basis of EthiFinance Gaïa Ratings and constitutes an external ESG Performance rating.

**1 Environment**
5 criteria – 22 indicators

- *Positive environmental impact of the company's business activity and initiatives in this area (0-25%)* AG
- *Overall environmental strategy (12%)*
- *Controlling environmental impacts (37%)*
- *Managing climate-related risks and contributing to the energy transition (19%)*
- *Responsible supply chain: Environment (8%)*

**2 Social**
4 criteria – 18 indicators

- *Positive social and societal impact of the company's business activity and initiatives in this area (0-25%)* AG
- *Social policy and job preservation (39%)*
- *Improving health and safety conditions (19%)*
- *Responsible supply chain: Social (17%)*

**3 Governance**
4 criteria – 25 indicators

- *Integrity of governance bodies, quality of communication and transparency (25%)* AG
- *Governance best practices (48%)*
- *Business Ethics (14%)*
- *Gender equality (14%)*

AG *Criteria assessed qualitatively by Amiral Gestion's portfolio managers & analysts*

- **An internal Quality Rating* established by the management team as part of fundamental analysis and notably guiding our selection of investments.** This Quality Rating takes account of 10 ESG criteria of the 28 analysed qualitatively. These criteria focus on social utility, the nature of the business activity, the motivation and pride of company employees and respect for team members (training policy and career development, corporate culture etc.), a global assessment of the company's environmental policy in the light of sectoral exposure, the existence of controversies, governance policy and alignment of the company's interests with those of minority shareholders, communication and transparency, incentives to encourage directors to act responsibly and to promote sustainable development, respect for the interests of stakeholders, clients and other parties concerned (suppliers, government, fiscal transparency etc).

**Moreover, Sextant PME refuses to invest in certain sectors that have significant negative environmental and/or social impacts, or in companies involved in serious controversies or ones that do not respect international guidelines concerning Responsibility***.** The Sub-fund therefore implements sectoral and normative exclusion policies and avoids controversies, as described under the heading "ESG constraints" of this document.

Lastly, as required by the Relance label, the Sub-fund promotes job creation and favours participation in primary market operations.

The non-financial metrics used by the Sub-fund are not benchmarked against any specific sustainable index. The fund management team tracks ESG characteristics and performances of the portfolio relative to a benchmark universe that is coherent with the Sub-fund's investment strategy and comprises 1220 French and European companies with small and medium-sized capitalisations without taking ESG performance into account when compiling it.

**For details of the methodology underlying these two ESG ratings, see Appendix II of the Amiral Gestion Sustainability Report on the Company website: https://api.amiralgestion.com/documents/permalink/2435/doc.pdf*
*** For more information about the relance label charter: https://www.economie.gouv.fr/files/files/directions_services/plan-de-relance/Charte_label_relance.pdf?v=1694094995*

**** Those which violate the United Nations Global Compact and/or OECD Guidelines for Multinational Enterprises*

**Sustainability indicators** are used to check whether the financial product complies with the environmental and social issues in question.

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

**The Sub-fund relies on the following sustainability indicators to assess alignment of the portfolio with the environmental and social characteristics that it promotes:**

- **The average ESG performance rating of the portfolio,** which must be higher than that of its benchmark universe**, in compliance with the Sub-fund's ESG commitments. The score is based on source data from our internal analysis as well as from indicators selected by our teams from the Gaïa Ratings database of Ethifinance.

- **The average internal Quality Rating of the portfolio**, reflecting ESG integration into fundamental analysis.

- **SRI selectivity,** reflecting the percentage reduction in the benchmark universe** following application of the various non-financial filters (sectoral and normative exclusions, exclusion based on controversies, minimum ESG rating applied to the Sextant PME SRI fund), and should be at least 20% to comply with the Sub-fund's ESG commitments

- **Compliance with the Sub-fund's policy of excluding controversies***:** monitoring of controversies relies on information supplied by the Sustainalytics agency, which assesses and classified incidents according to how serious they are on a scale from 1 (least serious) to 5 (most severe).

- **Compliance with the sectoral policy***:** filters are applied to identify companies exposed to sectors whose activity is prohibited by the Sub-fund's investment policy.

- **Compliance with the UN Global Compact and the OECD's Guidelines for Multinational Enterprises*****, relies on the Sustainalytics agency for application of the normative exclusion policy implemented by the Sub-fund.

- **Two quality indicators****** on which the Sub-fund has committed to being more highly rated that its universe**:
  I) Governance/Formalisation of a business conduct and anti-corruption policy: Indicator expressed as a percentage of companies in the portfolio and in the universe that have formalised a policy.
  ii) Environment/climate change: Carbon intensity (WACI measurement) corresponding to the weighted average of carbon footprint ratios per revenue (sum of weight footprint ratio for each share).

- **Two social and human rights progress indicators****** on which the portfolio is committed to improving relative to its benchmark universe** over 3 years:
  i) Social/promoting gender equality: Average percentage of women on the Executive Committee
  ii) Human Rights: Publication of a policy in favour of human rights

- **Total number of people employed in France** by companies represented in the portfolio (an indicator of the France Relance label)

- **Number of primary market operations** in which the portfolio has participated (an indicator of the France Relance label)

- **Monitoring of climate and environmental footprint metrics* as required by TCFD and summarised in "Appendix 4 – SFDR" attached to Sextant PME's annual report:**
  i) Carbon intensity per million euros generated (i.e. one of the ESG quality indicators mentioned above).
  ii) Alignment with 2°C. This metric is an objective of the Paris Agreement to limit global warming to 2°C relative to pre-industrial levels by 2100. It reveals the portfolio's climate trajectory.
  iii) Green assets, representing the percentage alignment of the Sub-fund with the European taxonomy.
  iv) Brown assets, reflecting the portfolio's exposure to fossil fuels (as a percentage)
  iv) Environmental footprint, which quantifies different sources of impact related to the company's activity in a monetary form. This mainly involves measuring the value of negative externalities arising from greenhouse gas emissions, the use of water resources, waste production, air/soil/water pollution and the use of natural resources. This metric is expressed as a percentage of revenues, reflecting the cost of these externalities.
  v) Exposure to Transition 2030 risks related to higher prices per ton of carbon emissions. This metric is expressed as a % of EBITDA, reflecting the additional cost of these risks.
  vi) Exposure to physical risks related to climate change (water stress, fires, floods, heatwaves, hurricanes, coastal flooding) summarised by a mark out of 100.

- **Reporting of our traceable ESG Dialogue-Engagement** with issuers represented in the portfolio on:
  i) Awareness of ESG best practices, regular discussions on ESG questions with identification of potential factors of value creation and/or risks (notably in terms of their impact on global warming);
  ii) Special attention to - and possible surveillance of - issuers whose transparency on ESG practices does not meet our analysis, with the possibility of divestment in certain cases

- **Reporting of the Sub-fund's voting policy**: the Sub-fund has committed to participate systematically***** in voting of companies in which it has invested, applying the principles of the Management Company's proprietary voting policy that aims for exemplary policies in governance and social and environmental responsibility

**Moreover, the Sub-fund has committed to monitoring and reporting:**

- **its Principle Adverse Impacts (PAI)**, described in the section "How indicators of negative impacts are taken into consideration" of this document.

- **the share of sustainable investments in the portfolio**, in order to ensure that the Sub-fund has achieved the minimum level required, based on Amiral Gestion's own methodology to qualify sustainable investments, available on the website: Responsible Investment– Amiral Gestion

** Methodologies and sources for these indicators are described in more detail in Amiral Gestion's Sustainability Report (respectively in section 2.3 and in Appendix II): https://api.amiralgestion.com/documents/permalink/2435/doc.pdf*
*** The reference universe is described above in the section "ESG characteristics"*
**** These exclusions are described in the section "Constraints of the investment strategy" in this document.*
*More globally, commitments to coverage and/or performance are associated with certain indicators mentioned above and are detailed where necessary in the section "Constraints of the investment strategy" in this document.*
***** These indicators of quality and progress are described in more detail in the Sub-fund's SRI Transparency Code, available on the Amiral Gestion website: https://www.amiralgestion.com/en/sextant-pme*
****** Except in cases where technical issues prevent voting*

***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 SEXTANT PME Sub-fund promotes environmental and social issues. Although it does not have an investment strategy focused on a sustainable investment objective as defined by the SFDR Disclosure regulation, the Sub-fund has committed to investing at least **30% of its assets in sustainable investments**, according to the qualification criteria below stemming from the Amiral Gestion approach.

DEFINITION OF SUSTAINABLE INVESTMENT: AMIRAL GESTION APPROACH:

Amiral Gestion defines a sustainable investment as instrument that is involved in one or several of the following economic activities:

- Contributing significantly to environmental objectives to: i) mitigate climate change with the goal of reaching carbon neutrality by 2050, in accordance with the Paris Agreement on Climate; ii) adapt* to the effects of climate change
- Making a net positive contribution to one or several of the United Nations Sustainable Development Goals (SDG) at the social level by 2030.

These investments must not have any major adverse impact on other environmental or social objectives, and the companies in which the investments are made must respect the principles of good governance. "

**Criteria for qualification as a sustainable investment (Source: Amiral Gestion's Methodological Note on sustainable investment is available on its website:**
https://api.amiralgestion.com/documents/permalink/2192/doc.pdf )

**Presented below are the indicators that assess the real contribution of companies in the portfolio to the objective of mitigating climate change and adapting* to its effects:**
1) Temperature alignment: < or = 2°C *(Source: Iceberg Data Lab and - when not available - S&P Trucost)*
or
2) Taxonomy alignment – minimal green share > or = 10 % of revenues *(Source: Sustainalytics, prioritising data supplied by companies, otherwise estimated data)*
**or**
3) Companies that have accepted SBTi ("Target set") or have made a public commitment ("Committed") to the process, or supplied a letter of intent to join the SBT initiative within 12 months following a traceable engagement action by the Management
*Source: SBT _ https://sciencebasedtargets.org/reports/sbti-progress-report-2021/progress-data-dashboard#datadashboard; Amiral Gestion*
**or**
4) Companies that derive at least 25% of revenues from enabling or transitory activities that contribute to an objective that is environmental, but not yet identified in the taxonomy due to their innovative nature or very specific usefulness
*Source: Amiral Gestion. Companies whose securities qualify as a sustainable investment under this criteria will be documented by the fund manager and approval will be requested from the IR/RSE team and/or the IR/RSE Pilot Committee*

** The substantial contribution to the objective of adapting to climate change will be an effective criterion for Sustainable Investment qualification from January 1, 2024.*

**Criteria for qualification as a sustainable investment on the basis of net positive contribution to the social SDGs are presented below. Source: MSCI ESG - Sustainable Impact Metrics)**

Of the 17 Sustainable Development Goals, seven SDGs with social objectives are selected to measure the net positive contribution:

- SDG 1: No poverty - Eradicate poverty in all its forms
- SDG 2: Zero hunger - Put an end to global hunger, attain food security, improve nutrition, promote sustainable agriculture
- SDG 3: Good health and well-being - Allow people to live in good health and promote well-being for all age groups
- SDG 4: Good quality education - Access to good, inclusive education; apprenticeship opportunities for all throughout the working life

- SDG 5: Equality of sexes - Achieve gender equality and promote autonomy of women and girls

- SDG 8: Decent working conditions and economic growth - Promote sustainable, inclusive economic growth, full productive employment, and a good job for all
- SDG 10: Reduce inequalities - Reduce inequalities between and within countries

⇨ **On the basis of SDGs 1, 2, 3, 4, 5, 8, 10, for a company to qualify as a sustainable investment under the Management Company's definition, it must obtain:**

⇨ **A Net Alignment score = or > 2 for one or several SDGs**
**+**
⇨ **A positive DNSH SDG filter: the company must have a neutral score (i.e. = or > -1) on the Product Alignment and Operational Alignment criteria for all social SDGs.**

This research assesses alignment of companies in the portfolios of our Sub-funds with social SDGs via:
- identification of companies supplying potential solutions to the challenges mentioned above, thanks to products and services that generate revenues related to these objectives and by estimating the percentage of underlying revenues ("Product alignment score").
- an analysis of the ways in which companies contribute to SDGs through their business activities by improving operational practices, drawing up long-term strategies and being transparent about their progress ("Operational alignment score").
To determine their net alignment contributions, the methodology includes a measure of the positive contribution, but also another key component of DNSH by identifying as the adverse impacts cases of non-alignment by the company due to major ESG controversies, key metrics related to the SDG in question, or exposure to controversial activities. The net alignment score corresponds to the average between the Product Alignment score and the Operational Alignment score. The DNSH of social SDGs is included in each of the scores.
Scores range from -10 ("strongly misaligned") to +10 ("strongly aligned") on the basis of two assessment levels: Product Alignment, which is balance between positive contribution / adverse impacts of goods and services, and Operational Alignment, which is the balance between positive contribution / adverse impacts on social SDGs in business and operations.

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

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

The Sub-fund has several other requirements to ensure that its investments do not seriously harm the environment or people. These requirements take the form of investment rules applicable to all products classified as Article 8 and Article 9 SFDR, including Sextant PME, across the entire portfolio, and a set of reinforced requirements on sustainable investments.

**The measures presented in the chart below** are implemented **both ex-post and ex-ante when they affect eligibility of companies in the portfolio** (sectoral and normative exclusions, controversies, etc).

**The following tools are used exclusively on an ex-post basis:**
- **Requirement to confirm the sustainable nature of investments for portfolios classed SFDR Article 8 (including Sextant PME),** as this verification allows the company to be qualified a "Sustainable Investment" without affecting inclusion of the security in the portfolio if company policies are in line with ESG characteristics.
- **PAIs taken into consideration,** to track externalities of investments and not an ex-ante selection criteria (except PAI 4, 10 and 11 which concern exclusions)
- **Monitoring governance practices for portfolios classified under Article 8 SFDR (including Sextant PME):** for more information refer to the section *"How does the Sub-fund assess governance practices at the companies in which it has invested?"* of this document.

### DNSH procedure applied across the portfolio

**1. Respect for Amiral Gestion's Sectoral policy**, i.e. non-involvement of companies in the portfolio in activities connected with tobacco, controversial arms, pornography, thermal coal, unconventional fossil energies (except N. American shale oil and gas).
*Exclusion criteria and thresholds are detailed in Amiral Gestion's Sectoral Policy, available on the Company website: https://api.amiralgestion.com/documents/permalink/2398/doc.pdf*
**& additional sectoral exclusions specific to certain portfolios**
*The criteria are detailed where appropriate in the section entitled « What are the binding elements of investment strategy » in this SFDR pre-contractual document*

+

**2. Respect Amiral Gestion's Normative Policy**, i.e. compliance with the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises

+

**3. Controversy monitoring and exclusions:** Exclusion of companies exposed to severe (Level 5)* ESG controversies, and even to serious (Level 4)* for certain portfolios.
*The exclusion levels for each portfolio are detailed in the section entitled « What are the binding elements of investment strategy »*
*And* special attention is paid to all controversies related to the following themes, irrespective of the level of gravity:
- Human rights
- Climate and biodiversity
- Fiscal responsibility

+

**4. Taking into account Principal Adverse Impacts: Set of practices applicable to all portfolios**
*For more information, see table 1 under: « How have the indicators for adverse impacts on sustainability factors been taken into account? » in this document*

+ **Assessing good governance practices**

For more detail, please see under the heading: *« What is the policy to assess good governance policies of investee companies? »* in this document

### Reinforced DNSH applied to sustainable investments**

**5. Confirmation of the contribution to objective E or S** by checking that no harm is caused to other sustainability objectives**

**Taking PAI indicators into consideration: additional methods applicable to Sustainable Investment (SI)**
***For more information**, see Amiral Gestion's Policy for taking PAI into consideration (Appendix II)*

**Specific DNSH / Social Objective:**
A favourable DNSH SDG filter: the company must attain a neutral score for the Product Alignment and Operational Alignment criteria in all social SDGs i.e. = or > -1 ** *(Source: MSCI ESG Research)*

**Specific DNSH / Environmental objective:**

**Absence of environmental controversies** for which the level of gravity is significant (3), serious (4) or severe (5)*, especially when related to the six environmental themes of the taxonomy. *(Source: Sustainalytics)*

**Minimum social safeguards:** Absence of exposure to social controversies for which the level of gravity is serious (4) or severe (5)*;
Removal of « Sustainable Investment » status for companies placed on the Watchlist of the UN Global Compact and/or OECD Guidelines, and exclusion in cases of non-compliance (*Source: Sustainalytics)*

**+ Minimum Governance Rating to qualify as a « Sustainable Investment »: 50/100**

** On the Sustainalytics scale*

*** The criteria for positive contribution positive were detailed previously in the question concerning the objectives of sustainable investment*

**** For more information, please refer to Amiral Gestion proprietary methodology to qualify Sustainable Investment on the website: https://api.amiralgestion.com/documents/permalink/2357/doc.pdf*

***ESG investment rules specific to this Sub-fund are described under the heading "ESG constraints" and complete the DNSH principle.***

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

Since end-2022, the Sub-fund has notably committed to monitoring and taking into consideration the Principal Adverse Impacts (PAIs) on sustainability factors through 16 PAI indicators stemming from the European SFDR regulation. **Consideration of these indicators is based on:**

**The Amiral Gestion PAI Policy.** This policy, including the global approach, the sources and measures put in place for each PAI indicator, is available on the Amiral Gestion website under the heading "Responsible Investment": https://api.amiralgestion.com/documents/permalink/2703/doc.pdf

- Table 1 describes measures implemented across the whole portfolio
- Table 2 points out additional measures applied to sustainable investments.

## Table 1: Measures implemented across the whole portfolio.

| "Reference and name of PAI indicator" | | Measures to take account of PAIs across the entire Sextant PME portfolio |
|---|---|---|
| PAI 1 | **GHG emissions**<br><br>*Expressed in T/CO2eq* | **Measuring and monitoring emission indicators, carbon footprint and intensity of the portfolio** as part of TCFD climate analysis, notably ahead of definition of a 2030 decarbonisation target by Amiral Gestion in 2024, as a component of Climate Strategy.<br><br>**Inclusion in ESG analysis,** especially for the highest-emission sectors, in a double materiality logic.<br><br>**Dialogue with companies falling short on these metrics,** especially small and mid capitalisations, as part of our shareholder engagement approach to encourage them to:<br>- **improve transparency** on their carbon impact and encourage them to publish these metrics ahead of full deployment of the CSRD Directive*<br>- **implement a strategy to reduce their carbon emissions,** including a set of written objectives.<br>These engagement initiatives take the form of **individual dialogue and/or collaborative initiatives in which Amiral Gestion participates (CDP, SBTi notably)****<br><br>**A commitment to outperformance by the portfolio relative to its benchmark index.**<br>*"WACI": Weighted average of carbon intensity ratios by turnover (sum weight * intensity ratio for each stock) (Source: S&P - Trucost database)*<br><br>**Inclusion of Climate issues in voting policy:** analysis of measures taken by the Board of Directors to combat climate change effectively influences votes concerning re-election of the directors.***<br><br>**The scope of application will be extended gradually from 11,600 companies in 2023 to almost 50,000 by 2028*<br>*** For more information, please see the Activist Shareholder Report on the Amiral Gestion website:*<br>*https://api.amiralgestion.com/documents/permalink/2392/doc.pdf*<br>**** For more information, please see the Amiral Gestion voting policy on the Company website:*<br>*https://api.amiralgestion.com/documents/permalink/2165/doc.pdf"https://api.amiralgestion.com/documents/permalink/2165/doc.pdf* |
| PAI 2 | **Carbon footprint**<br><br>*Expressed in T/CO2e/EURm invested* | |
| PAI 3 | **Carbon intensity**<br><br>*Expressed in tCO2e/EURm turnover* | |
| PAI 4 | **Exposure to companies active in fossil energies**<br><br>*Expressed as a percentage of investments* | **Sector exclusions:** The Sub-Fund excludes coal and conventional and unconventional oil & gas.<br><br>*Exclusion criteria and thresholds are detailed in the SRI transparency Code which is available on the Amiral Gestion website: https://www.amiralgestion.com/fr/sextant-pme* |
| PAI 5 | **Share of renewable energies**<br>*(Production and consumption)*<br><br>*Expressed as a percentage* | **The energy mix of operations and the intensity of energy consumption are taken into consideration in ESG analysis where appropriate for the sector, in a double materiality logic** (i.e. respectively, PAI 5: companies that have the largest share of non-renewable energy consumption or production; PAI 6: companies operating in sectors that emit the highest levels of GHG and which have the highest energy consumption).<br><br>**Shareholder engagement:** dialogue with companies potentially concerned and whose transparency is inadequate, notably small and mid capitalisations, to persuade them to improve transparency on energy consumption and on production / consumption of non-renewable energies and encourage them to publish these metrics ahead of full deployment of the CSRD Directive*. These engagement initiatives take the form of individual dialogue and/or collaborative initiatives in which Amiral Gestion participates (CDP notably)**<br><br>Apart from the points mentioned above, Amiral Gestion has not at this stage set a target for improvement on these metrics, and will define a more detailed procedure for these PAI after a period of observation of results on these indicators for optimal targeting of the measures.<br><br>**The scope of application will be extended gradually from 11,600 companies in 2023 to almost 50,000 by 2028*<br>*** For more information, please see the Activist Shareholder Report on the Amiral Gestion website:*<br>*https://api.amiralgestion.com/documents/permalink/2392/doc.pdf https://api.amiralgestion.com/documents/permalink/2392/doc.pdf* |
| PAI 6 | **Energy consumption**<br><br>*Expressed in MWh/EURm of turnover* | |
| PAI 7 | **Biodiversity**<br><br>*Share expressed as percentage of companies with an impact* | **Impact on biodiversity is taken into consideration qualitatively in ESG** analysis if the activity of the company is likely to generate such negative externalities in protected areas and/or ones rich in biodiversity.<br><br>**The involvement of governance bodies** in biodiversity issues in notably monitored by dedicated indicators produced by the CDP (when data is available).<br><br>**Special attention is also paid to all controversies related to biodiversity,** however serious. This vigilance may lead to surveillance, dialogue or exclusion, depending on how serious the incident is deemed.<br><br>Moreover, as part of our environmental policy, **Amiral Gestion has committed* to open a reflection in 2025 to set 2030 biodiversity objectives**, in accordance with the principles of the Convention on biological diversity.<br>**For more information, please see section 5.3 of the Sustainability Report:*<br>*https://api.amiralgestion.com/documents/permalink/2391/doc.pdf"* |
| PAI 8 | **Water pollution**<br><br>*Expressed in tonnes* | **These metrics are taken into consideration in ESG analysis where appropriate for the sector, in a double materiality logic** (i.e. respectively, PAI 8: as industrial activities produce large amounts of effluents and other sources of water pollution; PAI 9: activities that generate large quantities of hazardous waste).<br><br>Apart from taking this into account when appraising companies, Amiral Gestion has not at this stage set a target for improvement on these metrics, and will define a more detailed procedure for these PAI after a period of observation of results on these indicators for optimal targeting of the measures. |
| PAI 9 | **Production of hazardous waste**<br><br>*Expressed in tonnes* | |

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## Table 1: Measures implemented across the whole portfolio (continued)

| "Reference and name of PAI indicator" | | Measures to take account of PAIs across the entire Sextant PME portfolio |
|---|---|---|
| PAI 10 | **Violations of the United Nations Global Compact and/or OECD Guidelines for Multinational Enterprises**<br><br>*Expressed as a percentage of investments* | **The Sub-fund excludes investment in any company exposed to:**<br>**- a verified and proven violation of the UN Global Compact or the OECD Guidelines for Multinational Enterprises**<br>**- a controversy that is serious (Level 4) or severe (Level 5)*** indicating a significant violation of the fundamental principles of Responsibility, including those of the two international references mentioned here.<br>**On the Sustainalytics scale which runs from 1 (least serious) to 5 (most serious)* |
| PAI 11 | **Lack of processes and compliance mechanisms to ensure compliance with the United Nations Global Compact and/or OECD Guidelines for Multinational Enterprises**<br><br>*Expressed as a percentage of investments* | **We closely monitor companies whose practices are insufficient to ensure respect for the UN Global Compact and OECD Guidelines for Multinational Enterprises:**<br>- those for which the risk of controversy related to these references is judged "high" by our agency partner EthiFinance<br>- those on the Watchlist of our agency partner Sustainalytics.<br><br>**This surveillance may lead to a dialogue if we deem the risk significant.** |
| PAI 12 | **Compensation differences according to gender**<br><br>*Expressed as average percentage pay gap* | **This metric is included in ESG analysis,** especially for sectors where human capital is a key factor.<br><br>Apart from taking this into account when appraising companies, Amiral Gestion has not at this stage set a target for improvement on this metric, and will define a more detailed procedure for these PAI after a period of observation of results on this indicator for optimal targeting of the measures. |
| PAI 13 | **Gender diversity on the Board of Director**<br><br>*Expressed as an average percentage of women directors* | **Gender parity on the Board of Directors is taken into consideration in ESG analysis when assessing the diversity of governance bodies.**<br><br>Moreover, we make full use of our voting rights* and frequently initiate a dialogue ahead of shareholders' meetings where we see a necessity, to encourage greater awareness of gender parity issues in the composition of Boards of Directors.<br><br>** For more information, please see the Amiral Gestion voting policy on the Company website: https://api.amiralgestion.com/documents/permalink/2165/doc.pdf"https://api.amiralgestion.com/documents/permalink/2165/doc.pdf* |
| PAI 14 | **Exposure to controversial arms**<br><br>*Expressed as percentage of investments* | **Exclusion of controversial arms, in accordance with Amiral Gestion's global sectoral policy:** any company involved in the development, production, maintenance or commerce of controversial arms or some key components (clusterbombs; antipersonnel mines; chemical and biological arms; incendiary weapons (including white phosphorus); depleted-uranium arms; non-treaty nuclear arms; laser blinding weapons; incendiary devices; undetectable fragments).<br><br>**Sextant PME also excludes conventional and nuclear arms.**<br><br>** Exclusion criteria and thresholds are detailed in the Sub-fund's SRI transparency Code which is available on the Amiral Gestion website: https://www.amiralgestion.com/fr/sextant-pme* |
| PAI S additional | **Absence of a human rights management policy**<br><br>*Expressed as a percentage* | **The existence of a written policy for management of human rights is taken into consideration in ESG analysis,** especially for companies exposed to these issues due to geographic location of operations and/or the structure of their supply chain. Amiral Gestion participates in a working party devoted to this theme, chaired by the FIR and supported by Human Rights Without Borders, the objective of which is to co-construct with several investors a methodology for analysis of this theme, notably forced and child labour.<br><br>**Publication of a human rights policy is one of the indicators of progress monitored by Sextant PME,** with an objective to improve performance of the portfolio relative to the investment universe.<br><br>**In addition, close attention is paid to controversies related to human rights, however serious.** This vigilance may lead to surveillance, dialogue or exclusion, depending on how serious the incident is deemed. |
| PAI E additional | **Water consumption and recycling**<br><br>*Expressed in m3* | **This metric is taken into consideration in ESG analysis where appropriate for the sector, in a double materiality logic** (i.e. companies whose activities are intensive in water consumption and located in areas of water stress).<br><br>Apart from taking this into account when appraising companies, Amiral Gestion has not at this stage set a target for improvement on these metrics, and will define a more detailed procedure for this PAI after a period of observation of results on this indicator for optimal targeting of the measures. |

## Table 2: Additional measures applied to sustainable investments.

| PAI concerned | Additional measures applicable to Sustainable Investments<br>*These measures round out those already implemented when taking into account PAI for all products classified Article 8 and Article 9 across the whole portfolio* | | |
|---|---|---|---|
| **All PAI indicators except PAI 4, 10 and 14 give rise to exclusions.**<br>These indicators are contained in the previous table. | **DNSH / Social or environmental objective** | Dialogue arising from monitoring of PAI metrics and ESG analysis | Dialogue with companies whose activity is highly exposed to the PAI (i.e. significant impacts and existing improvement avenues) and whose safeguards against negative externalities are insufficient or non-existent.<br>=> Identification* of priority targets for dialogue on the basis of these criteria.<br><br>The dialogue takes the following approach:<br>- Initiation of dialogue in year N (i.e. the year the engagement target is identified)<br>- First interim report in N+1: if no improvement is noted and no action has been taken**<br>a reminder is issued and there is a possibility of a negative vote at the shareholders' meeting if a related resolution is on the agenda***<br>- Final report in N+2: if no improvement is noted and no action has been taken**<br>=> loss of Sustainable Investment status.<br><br>**Identification takes place after a period of observation and analysis of 2023 PAI indicators.*<br>*The first rounds of structured DNSH dialogues will begin in 2024.*<br>***Based on quantitative and/or qualitative analysis*<br>**** Voting principles concerning PAI 1 , 2, 3 and 13 are detailed in Amiral Gestion's voting policy.* |
| **PAI 7 Biodiversity "Proportion of companies in the portfolio that declare or are estimated to have activities that impact protected areas and/or ones rich in biodiversity"**<br>This indicator is set out in the previous table | **DNSH / environmental objective** | Dialogue arising from controversies | Special attention is paid to all controversies related to biodiversity, however serious.<br><br>In cases of sustainable investments, this vigilance causes the team to begin a dialogue with the company if an internal review of the controversy confirms the risk of a major negative impact on biodiversity and ecosystems.<br>In which case, the dialogue is conducted along the following lines:<br>- Initiation of dialogue in year N (i.e. the year the controversy is identified)<br>- First interim report in N+1:<br>If satisfactory answers are provided, the dialogue is concluded and the company remains in the portfolio<br>If no corrective measures has been noted and no action has been taken* a reminder is sent to the company.<br>- Final report in N+2: if no corrective has been noted and no action has been taken*<br>=> loss of Sustainable Investment status.<br><br>**Based on a quantitative and/or qualitative analysis* |
| **PAI 11 "Lack of processes and compliance mechanisms to ensure compliance with the United Nations Global Compact and/or OECD Guidelines for Multinational Enterprises"**<br>This indicator is set out in the previous table | **DNSH / Social objective & Minimum Social Safeguards** | Declassification of companies on the Watchlist | We closely monitor companies whose practices are insufficient to ensure respect for the UN Global Compact and OECD Guidelines.<br><br>Inclusion on the Watchlist* of these international standards leads to loss of a company's Sustainable Investment status.<br>In cases of non-compliance, the company is excluded** from the portfolio in accordance with Amiral Gestion's normative exclusion policy*** which applies to all investments (in addition to Sustainable Investments).<br><br>** Source: Sustainalytics*<br>***Based on quantitative and/or qualitative analysis*<br>****For more information, please see Amiral Gestion's normative exclusion and surveillance policy on the Company website: https://api.amiralgestion.com/documents/permalink/2397/doc.pdf* |
| **PAI S "Policy for management of human rights"**<br>This indicator can be found in the previous table | **DNSH / Social objective & Minimum Social Safeguards** | Dialogue arising from controversies | Close attention is paid to controversies related to human rights, however serious.<br><br>In cases of sustainable investments, this vigilance causes the team to begin a dialogue with the company if an internal review of the controversy confirms the risk of a major impact on fundamental human rights.<br>In which case, the dialogue is conducted along the following lines:<br>- Initiation of dialogue in year N (i.e. the year the controversy is identified)<br>- First interim report in N+1:<br>If satisfactory answers are provided, the dialogue is concluded and the company remains in the portfolio<br>If no corrective measures has been noted and no action has been taken* a reminder is sent to the company.<br>Final report in N+2: if no corrective has been noted and no action has been taken*<br>=> loss of Sustainable Investment status.<br><br>**Based on a quantitative and/or qualitative analysis* |

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

To ensure that the Sub-fund's investments, including those which are considered sustainable, comply with the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises, **Amiral Gestion's normative exclusion policies are implemented ex-ante and ex-post on the basis of Sustainalytics research,** whose conclusions may be confirmed or adjusted following an internal analysis by the fund manager and approved by Amiral Gestion's committee for surveillance of controversies. If a company in the portfolio is added to the Sustainalytics Watchlist, it is put on surveillance.

**In addition, the portfolio excludes the most serious controversies**,** including those that may be linked to the principles of these two international standards, and the ESG and management teams are particularly vigilant when assessing and monitoring the quality of company ESG profiles, especially their exposure to events, controversies or other risk factors related to the following issues:

- Human rights (notably forced and child labour)
- Environmental controversies related to climate change and biodiversity
- Fiscal responsibility and transparency

The normative exclusion policy contained in DNSH SFDR applies to sub-funds classed SFDR 8 and 9, as mentioned above.

** levels excluded are specified under the heading "ESG constraints" of the present document*

*The EU taxonomy contains a principle of "Do No Significant Harm" according to which investments aligned with the taxonomy should not seriously damage EU taxonomy objectives, in addition to the EU's own criteria.*

*The principle of 'Do No Significant Harm' applies exclusively to the investments underlying a financial product that takes account of EU criteria with respect to environmentally sustainable economic activity. The investments underlying the remaining assets of this financial product do not take account of EU criteria with respect to environmentally sustainable economic activity.*

*No other sustainable investment should do significant harm to environmental or social objectives.*

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

x Yes

**Since 31/12/2022, the Sub-fund has notably committed to monitoring and taking into consideration the Principal Adverse Impacts of its investments (PAI SFDR) on sustainability factors**, in order to identify and gradually take appropriate action. The Sub-fund thus monitors the 14 SFDR PAI indicators, plus two additional indicators selected from the list of optional PAIs in Appendix 1 of the SFDR RTS.

The methods by which each indicator is taken into account by this Sub-Fund are presented above, in the question *"How are indicators concerning adverse impacts taken into consideration"*

The metrics and the information whereby PAIs are taken into consideration will be published annually in the Sub-fund's periodic document "SFDR Appendix 4", starting in 2024 for the year 2023.

No

## What investment strategy does this financial product follow?

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

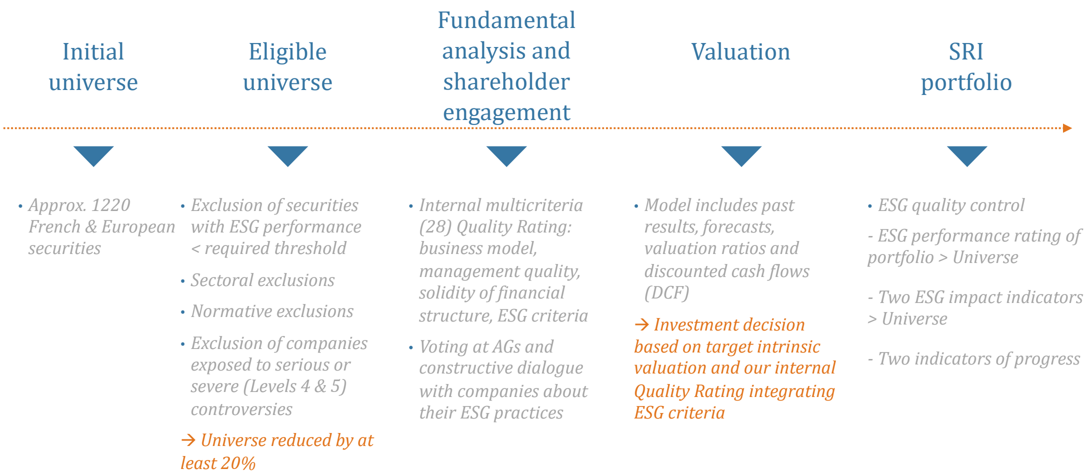
The PME SEXTANT Sub-fund is invested in small and mid-cap stocks. Investment decisions then depend essentially on the existence of a "margin of safety" constituted by the difference between the market value of the company as assessed by the managers and its market value (market capitalization). In this sense, it is possible to speak of "value investing". Positions are acquired with a long-term holding objective (more than two years) and the portfolio is relatively concentrated. The portion of the assets not invested in equities, due to a lack of opportunities with a sufficient margin of safety, is invested in fixed income, money market or bond products. SEXTANT PME invests at least 75% of its assets in equities and securities eligible for the PEA, with a preponderant share of French companies (at least 30% of the Sub-fund's assets in equity instruments issued by companies whose registered office is located in France), and at least 50% of its assets in the European Union's small and mid-sized segment, with at least 10% of its assets invested in equity instruments, as defined in the previous paragraph, of listed French small and mid-sized companies. The fund is eligible for PEA/PME/ETI equity savings plans. Exposure to markets other than those of the European Union is limited to 10% of the assets.

The Sextant PME Sub-fund can be managed in sub-portfolios. This management method is specific to Amiral Gestion. It is based on the free decision-making of each manager-analyst and relies on collective expertise. The Sub-fund's assets are divided into several sub-portfolios, each of which is managed independently by one of the team's manager-analysts. All investment cases are studied, debated and analysed as a group. At the end of this process, each investor is free to invest or not in his sub-portfolio according to his own convictions or to follow the ideas defended by another manager. A coordinating manager ensures that investments are consistent with the Sub-fund's strategy.

The investment process fully integrates the consideration of ESG criteria into its fundamental analysis. The Sub-fund aims to invest in companies that stand out for their good ESG practices, using a best-in-class approach, but also to support those with good potential for improvement by conducting an active dialogue with them, in order to guide them towards a process of progress on the main key ESG issues in their sector of activity (sources of significant impact, existing levers for improvement). This approach is based on a dual responsibility that fuels the management team's efforts and summarizes their philosophy of responsible investment:

- The fiduciary responsibility of the management team through the central role of ESG analysis in understanding and identifying the material risks of the company and its sources of value creation;
- Their social and shareholder responsibility as an investor

**The Sub-fund implements the investment procedure illustrated below, notably with upstream ESG filters (ESG performance rating, sectoral and normative exclusions and exclusions related to controversies), taking ESG criteria into consideration when selecting securities by means of an internal, fundamental analysis Quality Rating for which one-third of criteria are ESG and checking the portfolio against several ESG indicators.**




**The ESG constraints entailed by this SRI procedure are detailed below.**

### *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The universe of securities eligible for inclusion in Sextant PME is determined after application of the global DNSH principle described previously, and after taking into consideration the following constraints which are specific to the Sub-fund:

- **Compliance with the Sub-fund's sectoral exclusion policy**: coal, unconventional and conventional fossil fuels, controversial weapons, conventional and nuclear weapons, tobacco, pornography. *The exclusion criteria and thresholds are detailed in the SRI Transparency Code on the Company website, on the page dedicated to the Sub-fund: https://www.amiralgestion.com/en/sextant-pme)*

- Compliance with the **normative exclusion** policy*: exclusion of companies in violation of the UN Global Compact and/or the OECD Guidelines for Multinational Enterprises, following an internal review and confirmation of the violation by the committee for monitoring of controversies. Surveillance of companies that appear on the Sustainalytics Watchlist where this status has been confirmed by the committee for monitoring of controversies following an internal

- **Exclusion/non-investment in companies exposed to severe controversies (i.e. Level 4 and 5** on the Sustainalytics scale) if confirmed by the committee for monitoring of controversies following an internal review. Close attention is also paid to controversies related to climate change, biodiversity, fundamental human rights and tax responsibilities.

- **Ineligibility of the lowest-rated ESG stocks and a commitment to minimum portfolio coverage through an ESG analysis:** in order to ensure that the companies included in the Sub-fund's portfolio meet a minimum threshold, the management team screens the stocks in the universe using its own proprietary evaluation method based on Ethifinance's Gaïa Ratings database. **At least 90%** of the companies in the portfolio are thus covered by an ESG analysis;** the maximum 10% not covered is intended to take into account exceptional cases that do not allow for immediate coverage (small caps for which ESG information is not available or is not readily available, IPOs, etc.) **The minimum ESG rating applied to the Sextant PME SRI fund is 25/100.**

- **SRI selectivity of at least 20%:** Sextant PME's SRI approach is largely based on an ESG Selectivity methodology, i.e. non-financial filters that lead to a reduction of at least 20% in the initial investment universe, comprising 1,220 French and European stocks divided into four groups of small- and mid-caps covered using data from the Gaïa Ratings database of our non-financial ratings partner, the Ethifinance agency. This breakdown is coherent with the investment strategy of the Sub-fund***

  **In addition, the Sub-fund has committed to respecting:**

  - **An ESG performance commitment: In accordance with the requirements of the France Relance Label and the SRI label the Sub-fund holds, Sextant PME is also committed to being better assessed than its investment universe in three areas:**
    i) An ESG indicator aggregated within the Global ESG Performance Score: this score translates into the average ESG score of the portfolio on all E, S and G criteria taken into account in the ESG analysis grid of Amiral Gestion
    ii) A Quality / Governance (minimum coverage 90%): Formalisation of a business conduct and anti-corruption policy
    ii) A Quality / Governance (minimum coverage 70%): Carbon footprint
    *For more detail on these three metrics, see "Sustainability indicators" in this document*
  - **An ESG progress commitment:** Two other progress indicators of **a social and human rights nature are also monitored with the aim of improving the portfolio's performance in relation to its investment universe.** The Sextant PME Sub-fund is thus committed to targeting portfolio companies for their performance on these indicators via its commitment actions to improve them in order to reduce the gap with the universe if the portfolio is underperforming and/or to exceed it in order to widen the gap within three years. The two indicators concerned are:
    i) Promotion of gender equality: Average percentage of women on the Executive Committee
    ii) Human Rights: Publication of a policy in favour of human rights

  Furthermore,

  - *The Sub-fund has committed to hold a **minimum share of sustainable investments of 30%** and **to monitoring PAI indicators** (for more detail, see the sections devoted to these themes in the present document)*
  - When the portfolio invests in **unit trusts**, the latter must have the **same SFDR classification** as the Sub-fund and they must also be **SRI labelled**.

**When issuers in which the Sub-fund has invested are found to be exposed to severe (level 4 5) controversies, or to no longer comply with the UN Global Compact and OECD principles, their case shall be put to the committee for surveillance of controversies in order to verify the severity/non-compliant status and decide on possible exclusion from the portfolio, or to put the company on surveillance in the hope that the level of severity will decrease following an internal analysis.*

*This rate may be expressed as a percentage of the sub-fund's net assets or in terms of the number of issuers in the UCI.*

**** The detailed methodologies for definition of the universe and for calculation of the Sub-fund's ESG performance relative to its universe are described in the Sub-fund's SRI Transparency Code which is available on the website*

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

As detailed previously in the questions on investment strategy and ESG constraints, the combination of ESG non-financial filters applied to the Sub-fund (minimum ESG performance rating, sectoral and normative exclusions, exclusion of companies exposed to level 4 and 5 controversies) results in **SRI selectivity of at least 20% i.e. the Sub-fund's reference universe* is reduced by at least 20%.**

** The reference universe is described above in the section "ESG characteristics"*

**Good governance** practices include sound management structures, employee relations, remuneration of staff ad tax compliance.

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

**Managers of the Sub-fund assess governance on two levels:**

- **The internal Quality Rating arising from our fundamental analysis*** which guides our stock picking: an ex-ante qualitative assessment in our fundamental analysis which covers 10 out of 28 ESG-related criteria. The governance criteria assessed by this rating are management quality, respect for minority shareholders, transparency and the quality of financial communication, responsible compensation for directors and employees. Note that this list has been enriched by adding three new criteria: appraisal of the governance structure, fiscal responsibility and business ethics.

- **The ESG Performance Rating* used upstream to determine the eligible universe and ex-post to gauge ESG performance of the portfolio relative to its universe:**

  1. Integrity of governance bodies, quality of communication and transparency

  (Source: internal qualitative assessment from Amiral Gestion's fundamental analysis)
  2. Best governance practices (source: Gaïa Rating database of Ethifinance)
  3. Business ethics (source: Gaïa Rating database of Ethifinance)
  4. Equal opportunities for men/women (source: Gaïa Rating database of Ethifinance)

  All these criteria allow us to assess and to factor into our analysis the dimensions necessary for sound management structures, good relations with – and fair remuneration of – employees and respect for fiscal commitments.

  As the Sub-fund enforces a **minimum ESG performance rating for portfolio** eligibility we check that company governance is satisfactory by excluding companies whose practices are poor and by monitoring the Governance rating of those in the portfolio.

**In terms of shareholder engagement, we may reopen dialogue issuers in the following cases:**

- **If the external ESG Rating** is below 4/10 for Governance,** if the verification by our internal teams reveals major shortcomings that could affect the Company's global profile especially if the weaknesses concern Governance (i.e. PAI 10-13)***

- Those which are exposed to controversies related to fiscal responsibility and transparency, if the importance of the incident harbours a shareholding commitment need.

**This dialogue takes the following approach:**

- Improvement recommendations are drawn up in writing by the fund manager and/or the ESG team when the shortcomings were identified (Year N);
- An initial intermediate report is submitted after one year (N+1) as part of the analysis of the company and if no progress is noted: a reminder is issued and the manager may vote against if the shortcoming identified is linked to one or more resolutions tabled at the general meeting;
- A final report is submitted after two years (N+2), which may lead to disinvestment in some high-risk cases if the companies have not shown improvement (or made an effort to improve****

**Moreover, to qualify as a Sustainable Investment, issuers cannot have a governance rating that is lower than 50/100.**

**And in accordance with the policy of normative exclusion, the Sub-fund cannot invest in companies that are in violation of the United Nations Global Compact or the OECD Guidelines, or ones which are exposed to serious (Level 4) and severe (Level 5) controversies, notably concerning governance.**

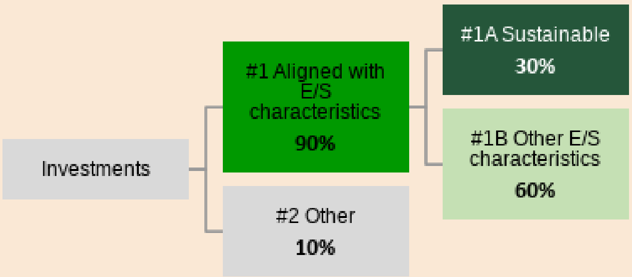
**These two ratings are described in the section "ESG characteristics" in this document and in more detail in our Sustainability Report (Appendix II): https://api.amiralgestion.com/documents/permalink/2435/doc.pdf*
*** The Performance rating is based on internal analysis and on a selection of indicators tracked by EthiFinance. If the company is not followed by EthiFinance, verification is based on internal analysis*
**** Dialogue on PAIs from 2024*
***** Qualitative and/or quantitative analysis"*

**Asset allocation** refers to the share of investment in a given asset class.

## What is the asset allocation planned for this financial product?

**For calculation of alignment with E/S characteristics**, we mainly consider securities invested in equities as long as other instruments remain negligible (i.e. less than 10% of the sub-fund's net assets), i.e. money market instruments (incl. UCITS/AIF), exposure derivatives linked to a corporate underlying, fund units and other off-balance sheet diversification assets mentioned above. The instruments excluded from the calculation are included in “#2 Others” in the following chart. **At least 90%** of securities in the portfolio have passed the exclusion filter applicable to the Sub-fund and are covered by ESG analysis that results in a non-financial rating.

**To calculate the percentage of sustainable investments, representing at least 30%** of investments in the portfolio, we only include investments that meet the sustainability criteria mentioned previously. The denominator is the portfolio’s net assets.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remainings investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environemental or social characteristics that do not qualify as sustainable investments.

Taxonomy aligned activities are in %:
- **of revenues** to reflect the share derived from green activities of companies in which the Sub-fund has invested;
- **of capital expenditure** (CapEx) to show green investments by companies in which the financial product invests, for a transition to a green economy, for example;
- **of operating costs** (OpEx) to reflect green operations of companies in which the Sub-fund has invested

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

The SEXTANT PME Sub-fund may use derivatives in order to gain exposure to – or partially hedge against – favourable or unfavourable trends in equities, indices, interest rates and forex.

Investment in derivatives is conditional*:

- The portfolio must not be overexposed
- Provisional nature of exposure (use of derivatives for hedging or exposure)
- The derivatives must also be ESG assessed (same for counterparties to OTC instruments)
- Derivatives cannot be used for shorting non-ESG securities.

**The conditions for use of derivatives are detailed in the SRI transparency Code which is available on the Amiral Gestion website: https://www.amiralgestion.com/en/sextant-pme*

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

**The Sub-fund has not committed to a minimum share of sustainable investments with an environmental objective but not aligned with EU Taxonomy.** The Sub-fund has acquired positions in sustainable investments as defined by the taxonomy, up to the minimum aligned green share representing 0% of its assets. To date, communication of alignment data remains partial due to gradual deployment of the CSRD directive.

However, **this Sub-fund will communicate its green share in its annual report** on the basis of data reported by companies.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[2]**

**Not applicable**, as the portfolio has no commitment to a minimum share of investments aligned with EU Taxonomy.

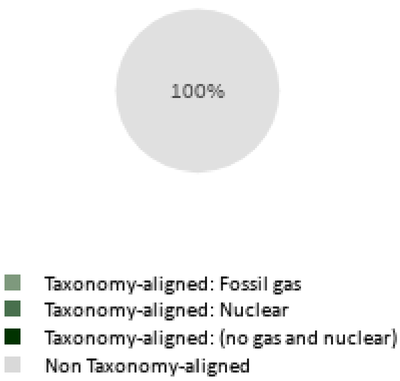
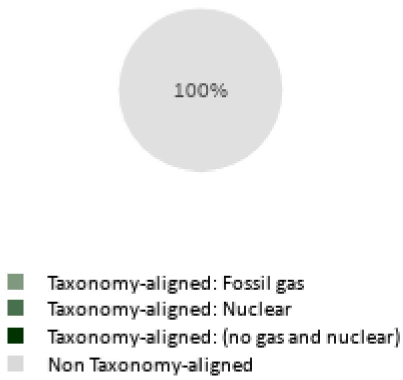
To comply with EU taxonomy, the criteria applicable to **fossil gas** include limitations on emissions and the switch to fully renewable electricity or low carbon fuels by end-2035. As for **nuclear energy**, the criteria include rules for nuclear security and waste management. **Enabling activities** directly allow other activities to make a substantial contribution to an environmental objective. **Transitory activities** are activities for which there is still no low-carbon alternative and, among others, whose GHG emissions correspond to the best performances achievable.

☐ Yes:

☐ In gas ☐ In nuclear energy

☒ No

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

| 1. Taxonomy-alignment of investments including sovereign bonds* | 2. Taxonomy-alignment of investments excluding sovereign bonds* |
|---|---|
|   |  <br>This graph represents % of the 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?***

Not applicable

[2] Activities related to fossil gas and/or nuclear only comply with EU Taxonomy if they help to limit climate change (mitigation of climate change) and do no major harm to any objective of EU Taxonomy – see the explanatory note in the left-hand margin. All the criteria applicable to economic activities in the fossil gas and nuclear sectors that comply with EU Taxonomy are defined in (EU) regulation 2022/1214 of the Commission.

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

The Sub-Fund has a minimum sustainable investment commitment of 30% but has **not committed to a minimum share** of **sustainable investments that are not aligned with the EU green taxonomy.**

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

The Sub-Fund has an overall minimum sustainable investment commitment of 30% but has **not committed to a minimum share** of investment in sustainable investment that have a social objective.

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

The instruments in the "#2 Others" category are diversification tools principally used to manage to counter unfavourable short-term market trends. This category includes hedging and exposure derivatives, securities with derivatives attached, deposits and cash holdings and borrowed funds. It may also include equities that are not rated by external agencies (very small capitalisations, IPOs etc.). These investments may be subject to the requirements of the Sub-fund's sectoral and normative exclusions and Amiral Gestion's policy with respect to controversies mentioned above and included in the DNSH SFDR, subject to data availability.

**Benchmark indices** allow us to ascertain if a financial product has the environmental or social characteristics that it promotes

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

**The non-financial metrics used by the Sub-fund are not benchmarked against any specific sustainable index.**

However, the fund management team tracks ESG characteristics and performances of the portfolio relative to a **benchmark universe that is coherent with the Sub-fund's investment strategy and comprises 1220 French and European companies** of all capitalisation sizes without taking ESG performance into account when compiling it.

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

  Not applicable

- ***How is alignment of investment strategy with the methodology of the index guaranteed on a permanent basis?***

  Not applicable

- ***How is the index different from a general market index?***

  Not applicable

- ***Where can one find the method used to calculate the selected index?***

  Not applicable

### Where can I find more product specific information online?

**More product-specific information can be found on the website:**
https://www.amiralgestion.com/en/sextant-pme