

Appendix II<sup>1</sup>

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

Name of the product: **SEXTANT TECH**

Identity of the legal entity: 969500RN8DGG7SQBZR33

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes   No

**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.

|   |   |
|---|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> | <input checked="" type="checkbox"/> <b>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 20% of sustainable investments</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>   | <input type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b>  |

<sup>1</sup> Publication date of the document: January 2024



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

Sextant Tech promotes environmental and social issues, while keeping a watchful eye on company governance practices by means of non-financial metrics, applied to the Sub-fund and materialised by the areas monitored by “Sustainability Indicators”, set out in the following section of this document. **These ESG issues are notably factored into:**

- **Amiral Gestion’s own ex-ante fundamental analysis** expressed as a Quality Rating\* which embraces 10 ESG criteria out of 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).
- **Results-based monitoring of the portfolio’s ESG performance**, including ESG analysis of the Sub-fund based on the ‘**MSCI ESG Ratings’ methodology of data agency MSCI\***. This independent external score identifies the ESG risks and opportunities inherent in the sectors to which the companies assessed belong, focusing on the key ESG issues in each industry. ‘MSCI ESG Ratings’ identifies 3 to 8 key issues per sector among 35 ESG issues from which companies in the industry generate significant externalities. The Sub-Fund therefore promotes ESG characteristics based on the MSCI ESG Ratings analysis methodology, which is based on a selection of criteria appropriate to the sector, in the areas of climate change, natural capital, pollution and waste, environmental opportunities, human capital, product responsibility, stakeholder opposition and corporate governance and behaviour. The final score is established on a scale ranging from AAA (best) to CCC (worst).

Moreover, the Sub-fund excludes investments 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.

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 benchmark universe that is a **coherent with the Sub-fund’s investment strategy, and comprises 1,900** international companies with large and medium-sized capitalisations from the technologies and associated sectors\*\*\*, without taking ESG performance into account when compiling it.

\* The methodology of these two ESG Scores established by MSCI ESG Rating is described in more detail in the Amiral Gestion Sustainability Report (II ): [rapport\\_art\\_29 lec amiral version en.pdf \(amiralgestion.com\)](#)

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

\*\*\*Equipments, instruments and electronic components, software and services, semi-conductors and semi-conductor equipment, IT material/storage/accessories, telecom services and telecom integrated services, media and entertainment, media and interactive services

### ● **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 internal Quality Rating of the portfolio**, reflecting ESG integration into fundamental.
- **The average external ESG performance rating of the portfolio, which must be higher than that of its universe\*\*, in compliance with the Sub-fund’s ESG commitments.** Monitoring this commitment is based mainly\*\*\* on the scores established by MSCI ESG Rating.
- **Compliance with the Sub-fund’s policy of excluding\*\*\*\*:** monitoring of controversies relies on information supplied by the Sustainability agency, which assesses and classified incidents according to how serious they are on a scale from 1 (least serious) to 5 (most severe).

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

- **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.
- **Monitoring of climate and environmental footprint metrics\* as required by TCFD and summarised in our periodic "Appendix 4 – SFDR" report attached to the Sub-fund's annual report:**
  - i) **The average carbon footprint of the portfolio, which must be better than that of its reference universe\*\* for this Sub-Fund.** Carbon intensity ("WACI measurement) corresponding to the weighted average of carbon footprint ratios per revenue (sum of weight footprint ratio for each share).. The measure is expressed in tonnes of CO2 equivalent per €M of revenue.
  - 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 subfund with the European taxonomy.
  - iv) **Brown assets,** reflecting the portfolio's exposure to fossil fuels (as a percentage)
  - v) **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.
  - vi) **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.
  - vii) **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 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
- **Reporting of our traceable ESG dialogue** ESG with issuers represented in the portfolio on:
  - i) **Awareness of best ESG practices,** regular discussions on ESG topics via identification of potential factors of value creation and/or risks.
  - ii) **Special attention to - and possible surveillance of - issuers** whose transparency on ESG practices does not meet our analysis criteria.

**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: [amiral gestion sustainable investment methodological note 012023 public version enq.pdf \(amiralgestion.com\)](https://www.amiralgestion.com/rapport-art-29-lec-amiral-version-en.pdf)

\* 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): [rapport art 29 lec amiral version en.pdf \(amiralgestion.com\)](https://www.amiralgestion.com/rapport-art-29-lec-amiral-version-en.pdf)

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

\*\*\* This ex-post monitoring is mainly based on data supplied by MSCI ESG Rating, but it may also use the ESG performance ratings of Ethifinance's Gaia database to complete coverage if necessary.

\*\*\*\* Exclusions are described in the section "Constraints of the investment strategy" in this document.

\*\*\*\*\* 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 TECH 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 **20% 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. "*

**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.

**On the social front, the Sustainable Investment qualification criteria are established on the basis of the net positive contribution to the social SDGs** assessed using MSCI ESG - Sustainable Impact Metrics research and according to an approach described in detail in the Amiral Gestion Sustainable Investment Methodological Note available on its website:

[amiral\\_gestion\\_sustainable\\_investment\\_methodological\\_note\\_012023\\_public\\_version\\_eng.pdf](https://www.amiralgestion.com/ressources/012023_public_version_eng.pdf)  
([amiralgestion.com](https://www.amiralgestion.com))

**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?**

Amiral Gestion 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 TECH, 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 TECH)**, 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 TECH)**: 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.

**ESG rules for this Sub-fund are listed under “ESG constraints” and complete the DNSH principle.**

**DNSH PROCEDURE APPLIED ACROSS THE PORTFOLIO**

**+ 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



**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, please refer to Amiral Gestion's policy for taking PAI into consideration (Appendix I) on the Company website under « Responsible Investment »: <https://www.amiralgestion.com/fr/investissement-responsable>*

For investments aligned with EU taxonomy



**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:**

**Alignment with taxonomy:** Systematic verification by the non-financial agency partner concerning the absence of harm to other environmental objectives to confirm alignment of eligible investments. (Source: Sustainalytics)

**Absence of environmental controversies** for which the level of gravity is significant (3), serious (4) or severe (5)\*, especially when related to the 6 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>

— — *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. **Taking these indicators into consideration is part of Amiral Gestion’s 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": **[Responsible Investment – Amiral Gestion](#)**

**This document includes:**

- **In appendix I: measures implemented across the whole portfolio**
- **In appendix II: additional measures applied to sustainable investments.**

— — *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.

*\*excluded levels 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?

Yes

Since end-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.

For Amiral Gestion's PAI policy, which includes details of sources and the method for taking each indicator into consideration, see "Responsible Investment" on: [Responsible Investment – Amiral Gestion](#). 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?

In order to meet its management objectives, the Sextant Tech Sub-fund invests in equities issued around the world, but mainly ones issued in Europe or in companies headquartered in Europe. Positions are acquired with a long-term retention objective (greater than two years). To be included in the universe of Sextant Tech, a company must pass through Amiral Gestion's eligibility filters (innovation, R&D, market etc.) and be approved by the Tech management team. To be considered Tech companies, they must be innovative, present in high-growth markets, and invest heavily in R&D. Typical positions are companies that operate in video games, Digital Services, robotization, IT/AI, industry 4.0 etc). The analysis and selection for this universe is done locally by each team (France, Europe, Asia and the US).

All our investment ideas are the object of financial and non-financial analysis that is both profound and proprietary and seeks to maximise inter-actions within the investment team. Sextant Tech is based on rigorous selection of securities, obtained after an internal fundamental analysis of the management company whose main criteria are:

- the quality of the company's management
- the quality of its financial structure
- visibility of the company's future results
- growth prospects for the business
- the company's policy towards its minority shareholders (transparency of information, distribution of dividends, etc.)
- to a lesser extent, the speculative aspect of a security linked to a special situation (takeover bids, public exchange offers, public stock buyback offers, and their equivalents in the countries concerned).

This fundamental analysis also embraces environmental, social and de governance criteria, which account for about one-third of the overall rating (i.e. 10 of the 28 criteria).

The management team endeavours, as far as possible, to meet directly with the companies in which the Sub-fund invests or is likely to invest. The management team endeavours, as far as possible, to meet directly with the companies in which the sub-fund invests or is likely to invest. This may include site visits, but it is sometimes more appropriate to test products directly in technology sectors. In order to perfect its analysis of the quality of the management team and refine its understanding of the company's business model, the management team then extends its due diligence to partners, customers and suppliers, etc. Investment decisions are then made mainly in companies whose share price is lower than the intrinsic value estimated by the management company within the restricted universe resulting from the ESG filters described in the next section "Constraints defined in the investment strategy used to select investments".

The part of assets that has not been invested in equities is invested in fixed income products (money market instruments and debt securities).

The **Investment strategy** guides investment decisions, taking into account factors such as investment objectives and risk tolerance.

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

The universe of securities eligible for inclusion in Sextant TECH 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:

- **Respect for the Sub-fund's exclusion policy:** thermal coal, tobacco, controversial arms, pornography, unconventional fossil energies (except North American shale oil and gas) in line with the terms and thresholds of the Amiral Gestion exclusion policy applicable to the Sub-fund. This policy is available on the Amiral Gestion website under "Responsible Investment"
- **Compliance with the normative exclusion policy of the Sub-fund:** exclusion/non-investment in companies in breach of the UN Global Compact and/or the OECD Guidelines for Multinational Enterprises, following an internal review and confirmation of the breach 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 review.
- **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..
- **Non-financial analysis and ratings** covering **90%** of equity investments equities issued by large caps headquartered in "developed" countries and a minimum of 75% for equities issued by large caps headquartered in "emerging" countries, equities issued by small and medium caps, debt securities and money market instruments with a high yield credit rating.
- **A commitment to an average ESG score** for the portfolio that is higher than that of the Fund's ESG benchmark universe.\*\*\*
- **A commitment to a better carbon intensity** of the portfolio than that of the Sub-Fund's ESG reference universe\*\*\*.

*(Source S&P Trucost: WACI measure: Weighted average of carbon footprint ratios per revenue (sum of weight footprint ratio for each title), on Scope 1, Scope 2 and Scope 3 upstream.)*

- *Furthermore,*
  - The Sub-fund has committed to hold a **minimum share of sustainable investments of 20%** 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 rating** as the Sub-fund.

*\*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.*

*\*\* In accordance with the applicable ESG analysis coverage rates recommended by the AMF in its Doctrine 2020-03.*

*Coverage may be derived from several external ESG ratings (MSCI ESG Ratings, and failing that, the ESG performance rating of the Admiral benchmark derived from Ethifinance's Gaia database, etc.). These two score methodologies are described in the Amiral Gestion Sustainability Report (appendix II): [rapport art 29 lec amiral version en.pdf \(amiralgestion.com\)](#)*

*\*\*\* The Sub-fund ESG reference universe is described above in the section "ESG characteristics"*



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

The Sub-fund **has not set a minimal rate of exclusions** from the investment universe arising from use of this filter and non-financial approaches.

● **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.
- **External ESG rating\* (source: MSCI ESG Ratings), used to monitor the portfolio's ESG performance** and which verifies six aspects of governance: Ownership and control, Board of Directors, Payments, Accounting, Business ethics and Fiscal transparency. All of 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.

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

- **Those whose External ESG rating\*\* (source: MSCI ESG Ratings) 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. We are particularly vigilant on this question and pay close attention to all such controversies, however serious.

**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 5/10.**

**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): [rapport art 29 lec amiral version en.pdf \(amiralgestion.com\)](#)

\*\* If the issuer is not covered by this Sub-fund's main external non-financial rating agency, verification will be done by means of internal analysis

\*\*\* Dialogue on PAIs from 2024; \*\*\*\* Analyse qualitative et/ou quantitative

Good governance practices for sound management structures, good relations with – and remuneration of – employees and respect for tax commitments

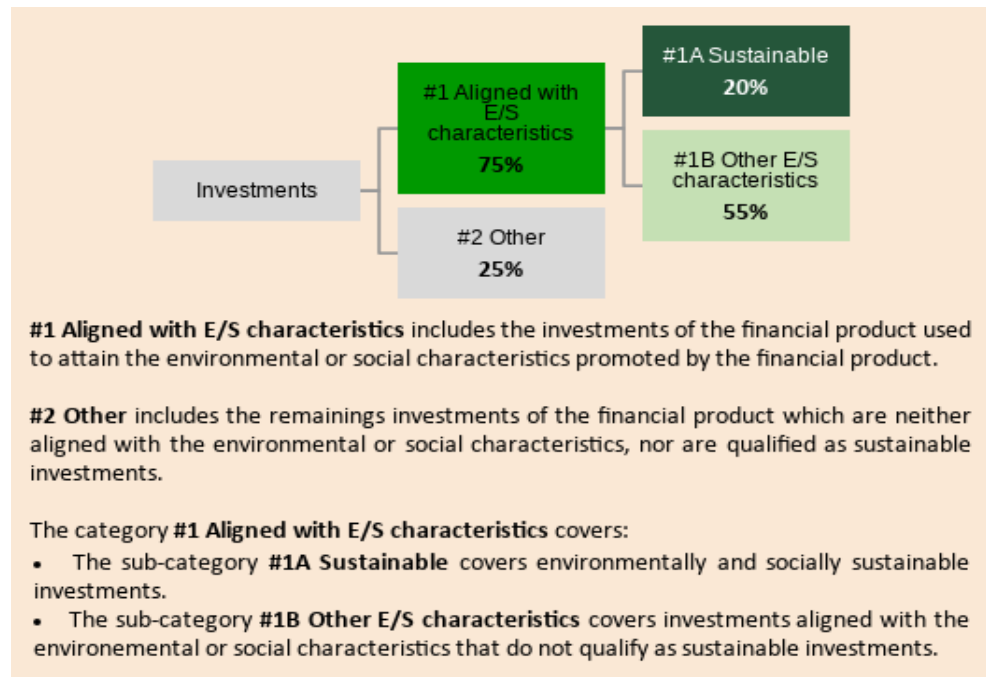


**Asset allocation** refers to the share of investment in a given asset class.

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

In order to calculate alignment with E/S characteristics, we focus on all instruments except cash, derivatives, and short-term debt. **At least 75%** 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 20%** of investments in the portfolio, we only include investments that meet the sustainability criteria mentioned previously. The denominator is the portfolio's net assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

The Sextant Tech 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. These instruments are not used to achieve the environmental or social characteristics promoted by the product.



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

The Sextant Tech 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 reported or estimated data currently available, even if some are not aligned with regulatory requirements for equivalent data.



- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>2</sup>

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

Yes:

In gas

In nuclear energy

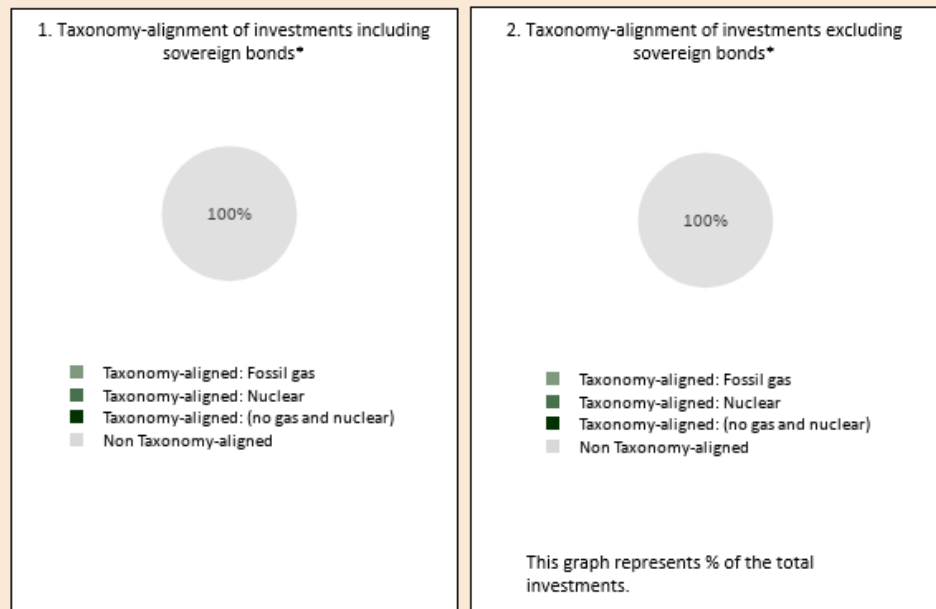
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows 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.



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

This symbol represents sustainable investments that have an environmental objective but do **not take into account criteria** applicable to environmentally sustainable economic activities as defined by EU taxonomy.



- What is the minimum proportion of net assets invested in transitional and enabling activities?

Not applicable

- 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 20%, but has **not committed to a minimum share of sustainable investments that are not aligned with the EU green taxonomy.**

<sup>2</sup> 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 socially sustainable investments?

The Sub-Fund has an overall minimum sustainable investment commitment of 20%, 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 the portfolio’s cash holdings and 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.



### 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 approach adopted by the SEXTANT TECH Sub-fund is not benchmarked against any specific 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 1,900 international companies with large and medium-sized capitalisations without taking ESG performance into account when compiling it.

*\* Equipment, instruments and electronic components, software and services, semi-conductors and semi-conductor equipment, IT material/storage/accessories, telecom services and telecom integrated services, media and entertainment, media and interactive services*

- **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 I find the method used to calculate the selected index?**

Not applicable



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

More detailed information on the product is available on the Management Company website:

<https://www.amiralgestion.com/en/sextant-tech>

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective