APPENDIX II[1]

Pre-contractual information model for financial products covered by 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 PEA

a sub-fund of SEXTANT SICAV

Identity of the legal entity: AMIRAL GESTION

Environmental and/or social issues

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 benefiting from the investment 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 provide 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? *[tick and fill in as relevant, the percentage figure represents the minimum engagement to sustainable investments]*

☐ 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 10% 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**

Sustainability indicators assess the success of the product in promoting the environmental and social issues in question.

Which environmental and/or social issues does this financial product support?

SEXTANT PEA 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.

[1] Publication date of the document: 2 January 2023

The extra-financial approaches followed by the Sextant PEA fund involve different methods used to assess, measure and monitor environmental and social characteristics:

- An internal fundamental analysis systematically integrating extra-financial criteria assessed in a qualitative manner, as part of the ESG integration approach applied to our equity funds

- A combination of normative and sectoral exclusion policies (coal, tobacco, pornography, non-conventional fossil fuels, United Nations Global Compact, significant controversies, etc.)

- An ESG shareholder engagement approach

- Monitoring the fund's carbon intensity[2]

- Monitoring the ESG quality of the portfolio, via an average ESG performance rating based on our internal analysis and on indicators selected by our teams from the Ethifinance Gaïa Ratings database. Through this rating, the ESG themes promoted and indicators monitored by the fund are integrated into the ESG analysis, whose 13 criteria are listed below and to which the fund's ESG performance engagement are linked.

1 Environment
5 criteria – 22 indicators

- *Positive environmental impact of the business and company initiatives in this area (0-25%)* AG
- *Overall environmental strategy (12%)*
- *Control of environmental impacts (37%)*
- *Controlling the risks associated with climate change and contributing to the energy transition (19%)*
- *Responsible management and environmental measures in the supply chain (8%)*

2 Social
4 criteria – 18 indicators

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

3 Governance
4 criteria – 25 indicators

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

AG *Criteria qualitatively evaluated internally by the managers-analysts and the ESG team of Amiral Gestion*

- An active shareholder approach through the exercise of voting rights at general meetings and shareholder dialogue and engagement initiatives to encourage certain portfolio companies to improve their ESG practices and the transparency of their approach in this area

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

The Sub-fund also applies sectoral and normative exclusions (thermal coal, tobacco, pornography, unconventional fossil fuels, civilian firearms, controversial arms, non-compliance with the United Nations Global Compact, involvement in severe (i.e. level 5) controversies etc.)

- ***Which sustainability indicators are used to measure success in supporting the environmental or social issues promoted by the financial product?***

In order to ensure that the Sub-fund supports the environmental and social issues it seeks to promote and respects the principles of good governance, the following indicators are monitored:

- Advanced ESG methods used in fundamental analysis and in the selection of equity investments: the investment team applies synthetised internal fundamental analysis to obtain a proprietary overall "Quality rating".

- The Sub-fund's average external ESG Score calculated via MSCI ESG Rating

[2] emissions of tons of CO_2 / M€ of revenues

- The Sub-fund's carbon intensity[3]

- The policy of normative exclusions: the Sub-fund does not invest in companies that have failed to respect the United Nations Global Compact and/or OECD Guidelines for Multinational Enterprises, or companies on the Sustainalytics Watchlist where this status has been confirmed by the Committee for Surveillance of Controversies following an internal review.

- Exclusion / non-investment in companies exposed to severe (i.e. level 5) controversies according to Sustainalytics analysis and confirmed internally during a review by the Committee for Surveillance of Controversies. Surveillance may be accompanied by a lively dialogue with issuers exposed to serious (level 4) controversies[4].

- The Sub-fund's policy of sectoral exclusions: coal, tobacco, controversial arms, civilian firearms, pornography, unconventional fossil fuels (except for North American fracking oil & gas).

- Voting reports for the Sub-fund published within the regulatory deadlines: the Sub-fund has committed to systematically[5] participating in voting at the companies in which it has invested and applying the Asset Management Company's own voting policy with respect to governance, social and environmental responsibility.

- Publication of reports concerning our traceable ESG dialogue-engagement with the companies in which we have invested, with emphasis on:
  - 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);
  - Close attention to / surveillance of issuers whose transparency with respect to ESG practices (especially those related to climate change) is considered unsatisfactory.

Implementation of these ESG characteristics and requirements is reflected in our analysis techniques involving the mobilisation of internal and external resources, the use of structured analysis and ESG ratings, monitoring of multi-factor ESG performances (resulting from ratings and targeted impact indicators) for each issuer in the overall portfolio that influence our dialogue-engagement initiatives with companies to encourage progress, as well as to assist with construction of the portfolio.

- ***Which sustainable investment goals does the financial product support, and how can sustainable investment contribute to these objectives?***

The SEXTANT PEA Sub-fund promotes environmental and social issues. Although it does not have an investment strategy that is focused on a sustainable investment objective as defined by SFDR, the Sub-fund has committed to investing at least 10% of its net assets in sustainable investments.

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

- Contributing significantly to mitigation of climate change with the goal of reaching carbon neutrality by 2050, in accordance with the Paris Agreement on Climate;

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[3] Emissions in tons of CO_2 / € million of revenues

[4] When companies in which the Sub-fund has invested are found to be exposed to severe (level 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/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.

[4] Except where an exceptional technical incident prevents voting

- Making a net positive contribution to one or several of the United Nations Sustainable Development Goals (SDG) at the social level by 2030;

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

Criteria for qualification as a sustainable investment[6]

The indicators that assess the real contribution of companies in the portfolio to the objective of mitigating climate change are:

1) Temperature alignment: < or = 2°C[7]

or

2) Taxonomy alignment – minimal green share > or = 10 % of revenues[8]

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 Asset Management Company[9].

or

4) Companies that derive at least 25% of revenues from enabling[10] or transitory[11] 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[12]

Criteria for qualification as a sustainable investment on the basis of net positive contribution to the social SDGs[13] presented below.

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: Health and well-being**
  Allow people to live in good health and promote well-being for all age groups
- **SDG 4: Quality education**
  Access to good, inclusive education; apprenticeship opportunities for all throughout the working life

[6] Source: Amiral Gestion's Methodological Note on sustainable investment

[7] Source: Iceberg Data Lab and - when not available - S&P Trucost

[8] Source: Sustainalytics, prioritising data supplied by companies, otherwise estimated data

[9] Source: SBT _ https://sciencebasedtargets.org/reports/sbti-progress-report-2021/progress-data-dashboard#datadashboard; Amiral Gestion

[10] « Enabling » activities allow other activities to contribute to an environmental objective

[11] "Transitory" activities allow a reduction in the environmental impact in sectors where there is no alternative

[12] 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 or the IR/RSE committee.

[13] *Source: MSCI ESG - Sustainable Impact Metrics Research*

- **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 Asset Management Company's definition, it must obtain:

----> a Net Alignment score = or > 2 for one or several SDGs

+

----> A positive DNSH [14] 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 by:

- identifying 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 »).
- analysing 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 is the average of the Product Alignment and the Operational Alignment scores. 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.

The net alignment score is the average of the Product Alignment and Operational Alignment scores.

The principal adverse impacts are the negative consequences arising from investment decisions for sustainability factors related to environmental and social issues, human resources, respect for human rights, the fight against corruption and acts of corruption.

- ***To what extent do the financial product's sustainable investments have a significant adverse impact on an objective of environmental or social sustainable investment?***

Sustainable investments are selected by the Asset Management Company on the basis of positive contribution criteria, while ensuring that these investments do not adversely impact **environmental and social objectives**. 16 indicators are used to assess the Principal Adverse Impacts on sustainability factors, leading to qualification as a sustainable investment. Good governance practices are also a decisive factor.

Moreover, this Sub-fund implements a policy of exclusion / non-investment in companies that are exposed to severe controversies (i.e. level 5 on the Sustainalytics scale), where our internal analysis has confirmed this assessment.

This whole procedure for identifying sustainable investments has been summarised above, but also in the Methodological Note dedicated to our definition of sustainable investment and available on our website under the heading « Responsible investment ».

[14] The DNSH (« Do no significant harm") filter comprises criteria that show the asset does not cause significant harm to social SDGs other than the one to which it is making a positive contribution.

- ***How are indicators concerning adverse impacts taken into consideration?***

The Sub-fund's investment policy has several steps that allow a demonstration of how adverse impacts are taken into consideration by a **DNSH SFDR for which the criteria (listed below) are applicable to all Sub-fund's classed SFDR 8 and SFDR 9, and notably relying on 16 indicators of Principle Adverse Impacts (PAIs).**

1) Respect for Amiral Gestion's sectoral policy for SFDR 8 and 9 funds
i.e. non-involvement by companies in the portfolio in certain prohibited activities: controversial arms, unconventional fossil fuels, coal, tobacco, pornography
(conditions and thresholds of our sectoral policy are available on the Amiral Gestion website)

and

2) Respect for Amiral Gestion's normative policy
i.e. compliance with the United Nations Global Compact and OECD Guidelines for Multinational Enterprises

and

3) Exclusion of companies exposed to severe (level 5) ESG controversies*
** or even serious (level 4) controversies, depending on the rules that apply to the fund*

and

4) Awareness of PAIs
Monitoring of the fund's performance on the basis of 16 ESG indicators*
**Dialogue-engagement may be initiated with company management if some indicators underperform seriously*

and

5) Assessment of good governance practices
Monitoring of the fund's performance on the basis of its governance rating*
** Dialogue-engagement may be initiated with a company whose governance appears weak*

In addition, these DNSH ("Do No Significant Harm") SFDRs are supplemented by:

- Eligibility criteria associated with indicators of substantial contribution to the environmental objective of mitigating climate change, presented in Appendix 3 to the Methodological Note on our definition of a sustainable investment;

- Eligibility criteria associated with indicators of net positive contribution to the social objective of social SDGs.

As mentioned above, to determine contributions to net alignment, the methodology includes assessing positive contribution, but also another key component of DNSH by identifying, among the adverse impacts, cases of non-alignment by a 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 of the Product Alignment and Operational Alignment scores. DNSH of social SDG criteria is included in each of these scores.

- ***To what extent do sustainable investments comply with OECD Guidelines for Multinational Enterprises and United Nations 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 ESG and investment 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)
- Controversies related to climate change
- Fiscal responsibility and transparency

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

EU taxonomy contains a principle of « Do not 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 « Do not significant harm » principle only applies to the investments underlying the financial product which take account of EU criteria concerning environmental sustainability of investments. The investments underlying the remaining share of this financial product do not take account of EU criteria concerning environmental sustainability of economic activities.
All other sustainable investments should not do significant harm to environmental or social objectives.

<u>Does the financial product take into consideration the Principle Adverse Impacts on sustainability factors?</u>

YES, since 31 December 2022 the SEXTANT PEA Sub-fund takes account of Principle Adverse Impacts (« SFDR PAIs ») on sustainability factors

Within this framework, the Sub-fund has committed to monitoring ESG performance on the basis of the 16 SFDR PAIs listed below and taken from Appendix 1 of SFDR regulatory technical standards (RTS). When a company's indicators are underperforming the Sub-fund's benchmark universe, a dialogue-engagement may be judged appropriate to facilitate continuous improvements to the performance of the portfolio and to mitigate the adverse impacts of underlying investment on sustainability factors.

The information related to accounting for PAIs will be reproduced in the Sub-fund's annual report and will adopt the reporting format for PAIs as used by Appendix 1 of SFDR RTS. This appendix will be included for the first time in the 2023 publication, which will appear in first-half 2024.

SFDR PAIs monitored

Nature of PAI	Reference	Name	Data source	Supplier	Status (proxy, target)	Calculation method
Environment	PAI 1	GHG emissions	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	The calculation is on each scope and the sum of emission scopes. It is weighted average of emissions X Each investment in PF / EV
Environment	PAI 2	Carbon footprint	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Same as previous except calculation is weighted average of emissions X Each Investment in PF / EV. Result is normalised by total value of PF
Environment	PAI 3	Carbon intensity	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Same as previous except calculation is weighted avg of emissions by annual sales of Co X Each Investment in PF / Total Invested by PF (See Appendix RTS)
Environment	PAI 4	Expo. to fossil energy Cos	MSCI	Climate Change Metrics	Target model	Share of investments in Companies that generate sales in the fossil energy value chain
Environment	PAI 5	Share of renew. energy prod. & consumption	MSCI	Climate Change Metrics	Target model	Share of investments in PF that consume or produce non-renewable energy
Environment	PAI 6	Energy consumption	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	For Companies in sectors that emit most GHG, the sum of energy consumption intensity is calculated (normalisation by revenues)
Environment	PAI 7	Biodiversity	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Proxy model	Undergoing tests
Environment	PAI 8	Emissions in water	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Proxy model	Undergoing tests
Environment	PAI 9	Rate of hazardous waste	MSCI (default: Ethifinance)	GSS	Proxy model	Undergoing tests
Social / Co. / Governance	PAI 10	Violation of UN Compact / OECD guidelines	Sustainalytics	GSS	Target model	Share of investments in PF that are judged in violation of UN Compact / OECD guidelines
Social / Co. / Governance	PAI 11	No tools to monitor respect for UN GC / OECD guidelines	Sustainalytics	GSS	Proxy model	Undergoing tests
Social / Co. / Governance	PAI 12	Gender wage gap	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Average gender wage gap for all companies in the PF
Social / Co. / Governance	PAI 13	Board diversity	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Average ratio of female board members to male board members
Social / Co. / Governance	PAI 14	Exposure to controversial arms	MSCI	MSCI Rating / Ethifinance R.	Target model	Share of investments in Companies that generate sales in product. or distribution of controversial arms
Environment	PAI 15	Water usage & recycling	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Proxy model	Undergoing tests
Social	PAI 16	No rights of man policy	MSCI (default: Ethifinance)	MSCI Rating / Ethifinance R.	Target model	Undergoing tests

What is the investment strategy of this financial product?

SEXTANT PEA is a dynamic sub-fund that seeks to optimise performance by investing in international securities without reference to a benchmark, in order to achieve a return of over 5% net of management fees over the recommenced five-year investment period.

To achieve this objective, the Sub-fund invests largely in international equities, and chiefly in EU-listed stocks.

The Sub-fund has a highly selective policy with respect to securities, based on fundamental analysis that is internal to the Asset Management Company and on the following criteria:

- quality of company management
- solidity of the financial structure
- visibility with respect to the company's future earnings
- growth prospects for the business activity
- company policy regarding minority shareholders (transparent information, dividends etc)
- and to a lesser extent, speculative appeal arising from a special situation (takeover bid, swap, repurchase offer, buy-out, squeeze out) and their equivalents in the countries concerned.

As far as possible, the investment team tries to have direct meeting with the companies in which the fund has invested or is likely to invest.

Investment decisions then depend largely on the existence of a "safety margin" which is the difference between the value of the company as assessed by the fund managers and its market value (capitalisation). It is thus possible to talk of "value investing".

Assets that are not invested in equities due to the lack of a safety margin or a shortage of opportunities are invested in interest-rate products.

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

- ***What are the constraints of the investment strategy when selecting investments that respect all the environmental and social issues promoted by this financial product?***

The SEXTANT PEA portfolio is constructed following application of DNSH SFDR criteria that are appropriate for the Sub-fund and some others such as:

- Respect for the Sub-fund's policy of sectoral exclusions
- Compliance with the policy of normative exclusions
- Ban on investment and exclusion of companies exposed to severe (level 5) controversies

Furthermore, the investment process puts ESG criteria at the centre of the fundamental analysis underlying the Quality Rating that guides investment decisions, as part of the ESG approach applied to our equity sub-funds.

- Fund managers of the Sub-fund apply synthetised internal fundamental analysis to arrive at a proprietary global "Quality Rating". It is based on an analysis of various aspects of the business model: quality of the management team, solidity of financial structures, and criteria related to the environment, social issues and society, governance (ESG) which are the object of a specific independent rating, the internal ESG rating, which is integrated into the "Quality Rating".
- The internal ESG rating integrated into fundamental analysis is based on several complementary sources: direct contacts between our fund managers and company managements, public sources and the research of ESG agencies. This ESG integration allows our investment teams to identify non-financial issues that may have a significant impact in terms of sustainability, on stakeholders and/or on finances. These impacts may take the form of new investment opportunities arising from awareness of the growing importance of sustainability issues, providing fertile ground for development of certain products and services (e.g., energy efficient solutions that would be positive for climate change). Such opportunities are generally classed as "social and/or environmental utility" in our internal ESG Quality rating. On the other hand, the impacts may take the form of risks due to regulatory changes, normative or even behavioural, resulting from these same sustainability issues.
- This ESG rating, based on a qualitative assessment, is not exhaustive and accounts for one-third of the Overall Quality rating[15]. A study of the various criteria leads to a "Quality Rating" on a scale from 0 to 10. A higher Overall Quality rating reflects the company's good quality in terms of fundamentals for a given level of valuation.
- This rating, which integrates ESG issues, is one of the factors that guides investment decisions and may inspire regular dialogue with companies, or even prompt engagement actions where they are considered necessary due to potentially material ESG risks.

- ***What is the minimum rate to reduce the scope of planned investments before implementation of this investment strategy?***

The results of ESG research (application of sectoral and normative exclusions and exclusions due to level-5 controversies) act as the filter for the Sub-fund's ESG selection procedure.

However, the Sub-fund has not set a minimal rate of exclusions from the investment universe arising from use of this filter.

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

- ***How does the Sub-fund assess governance practices at the companies in which it has invested?***

The Sub-fund's managers assess governance at two levels:

[15] 10 out of the 28 criteria are environmental, social or governance issues

- The internal quality rating arising from our fundamental analysis: ex-ante qualitative assessment in our fundamental analysis considers 10 out 28 criteria that are environmental, social or governance in nature. The governance criteria assessed for this rating are quality of the management, respect for minority shareholders, transparency and quality of financial communication, responsible remuneration of management and employees. These criteria have recently been strengthened thanks to three new items: assessment of the structure of governance, fiscal transparency and business ethics.

- The ESG Performance Score, which integrates 4 governance criteria, themselves composed of 25 indicators:

    1. Integrity of governance bodies, quality of communication and transparency (Source: internal qualitative assessment based on fundamental analysis by Amiral Gestion)
    2. Best governance practices (source: Ethifinance's Gaïa Rating database)
    3. Business ethics (source: Ethifinance's Gaïa Rating database)
    4. Gender equality (source: Ethifinance's Gaïa Rating database)

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 addition, we keep a watchful eye on the governance ratings of companies in the portfolio. The fund manager may initiate a dialogue–engagement with companies whose governance practices are weak, in accordance with the DNSH SFDR mentioned previously.

Lastly, the Sub-fund cannot invest in companies that are exposed to severe controversies, notably concerning governance. Moreover, we are particularly vigilant with respect to controversies related to the responsibility to be fiscally transparent whatever the level of gravity, and any such controversies may prompt us to initiate a dialogue-engagement.

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

<u>What asset allocation for this financial product?</u>

The SEXTANT PEA Sub-fund's net assets have 75-100% exposure to EU or EEA equities.

Non-financial[16] analysis and ratings cover 90% of equity investments in large capitalisations whose head office is located in a "developed" country, and 75% of equity investments in large capitalisations whose head office is located in a "developing" country, small- and mid-cap issues, credit notes and "high yield" money market instruments.

The Sub-fund may also invest in:

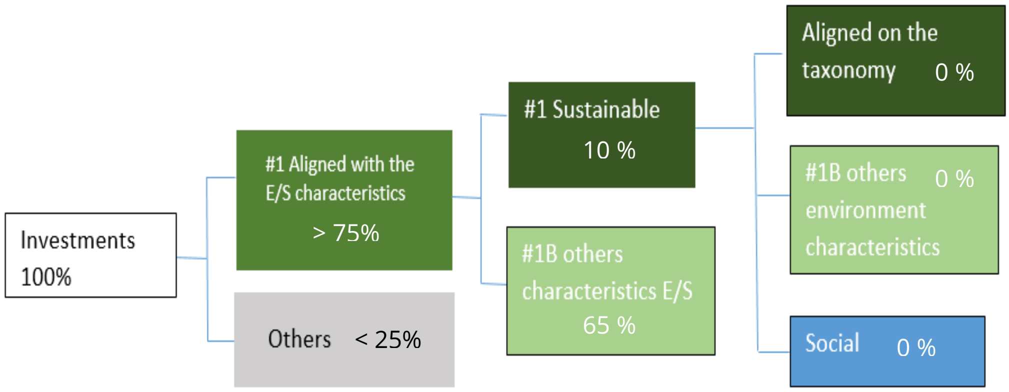
- Credit notes and money market instruments, from 0 to 25% of net assets
- Other UCITS, AIFs or non-French investment funds up to 10% of net assets
- Other off-balance sheet assets such as:
    - Derivatives, solely to gain exposure to – or partially hedge against unfavourable swings in equities, indices, interest rates and forex
    - Options strategies
    - Securities with derivatives attached
    - Deposits up to 20% of net assets
    - Cash borrowings up to 10% of net assets
    - Shares in other Sextant sub-funds

In order to calculate the share of sustainable investments, the numerator comprises exclusively equity investments and bonds. The denominator is based on the net assets.

[16] Possibly supplied by various external ESG agencies (MSCI ESG Ratings or, where unavailable, the ESG performance rating of Ethifinance's Gaia database) or an internal tool such as the Quality rating yielded by our fundamental analysis

In order to calculate alignment with E/S characteristics, we focus on all instruments except cash, derivatives, UCITS and short-term debt.

Taxonomy-aligned activities are expressed in percentage:
- **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 for transition to a green economy;
- **of operating costs** (OpEx), to reflect green operations of companies in which the Sub-fund has invested



Category #1 Aligned with E/S characteristics includes investments by the Sub-fund to achieve the environmental and social characteristics that it promotes.
Category #2 Others is the Sub-fund's remaining investments that are neither aligned with environmental and social characteristics, nor qualified as sustainable investments.

Category **#1 Aligned with E/S characteristics** covers:
- The **#1A Sustainables** sub-category covers sustainable investments that have environmental or social objectives
- The **#1B Other E/S characteristics** sub-category covers investments aligned with environmental or social issues that do not qualify as sustainable investments.

- ***How does the use of derivatives help to achieve the environmental and social objectives promoted by the financial product*?**

The SEXTANT PEA 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.

What is the minimum level to which sustainable investments with an environmental objective are aligned with EU taxonomy?

The SEXTANT PEA Sub-fund makes sustainable investments, as defined by the taxonomy, for which the aligned green share is at least 0% of its assets. At present, communication of alignment data remains partial: the CSRD regulation concerning publication by companies of aligned green share only became compulsory at end-2022.

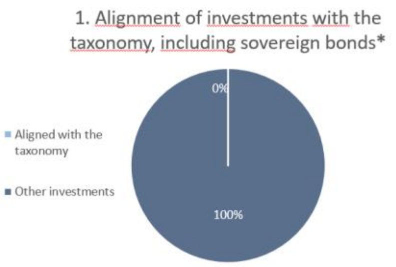
However, this Sub-fund will communicate its green share in its annual report on the basis of reported or estimated data currently available, although some are not aligned with regulatory requirements of equivalent data. On the basis of this data and for the sake of illustration, the Sub-fund's alignment with Taxonomy was 3% on 30 November 2022. This percentage does not represent an engagement and it is not guaranteed permanently.

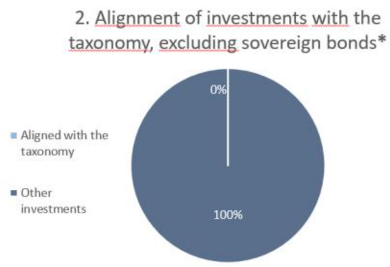
Enabling activities directly allow other activities to make a substantial contribution to an environmental objective

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

The two charts below show (in green) the minimum percentage of investments aligned with EU taxonomy. As there is no appropriate methodology to determine alignment of sovereign bonds* with the taxonomy, the first chart presents alignment of the financial product with the taxonomy relative to all component investments including sovereign bonds, while the second chart illustrates alignment with the taxonomy solely for investments other than sovereign bonds.

Not applicable





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

<u>What is the minimum share of net assets invested in transitory and enabling activities?</u>

Not applicable

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

<u>What is the minimum share of sustainable investments with an environmental objective non-aligned with EU taxonomy?</u>

The SEXTANT PEA Sub-fund has not committed to a minimum share of sustainable investments with an environmental objective non-aligned with EU taxonomy.

<u>What is the minimum share of sustainable investments with a social objective?</u>

The SEXTANT PEA Sub-fund has not committed to a minimum share of investment in sustainable investment that have a social objective.

<u>Which investments are included in the « #2 Others » category? What is their ultimate purpose and are there any minimum environmental and social guarantees?</u>

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. As mentioned above, this category includes UCITS/AIFs, hedging 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 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

Has an index been selected as a benchmark to determine if this financial product is aligned with the environmental and/or social objectives it promotes?

The non-financial approach adopted by the SEXTANT PEA Sub-fund is not benchmarked against any specific index.

- **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 on the web can information be found that is specifically for the product?

More detailed information about an individual product is available on the Asset Management Company website:

https://www.amiralgestion.com/fr/sextant-pea