Sustainability-related disclosures

Entity-level disclosure — policy on the integration of sustainability risks, statement on principal adverse impacts and consistency of the remuneration policy

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Regulatory references	Regulation (EU) 2019/2088 (SFDR) — Articles 3, 4, 5, 6, 7, 8, 10, 11 and 12 Commission Delegated Regulation (EU) 2022/1288 (RTS), as amended by Delegated Regulation (EU) 2023/363 — in particular Article 12, Article 14 and Annex II, Articles 23 to 36, Article 50 and Annex IV Regulation (EU) 2020/852 (Taxonomy) — Articles 5, 6 and 7 Directive 2011/61/EU (AIFMD) — Articles 13 and 15, and Annex II Commission Delegated Regulation (EU) No 231/2013 — Articles 18, 22, 30, 40 and 42, as amended by Delegated Regulation (EU) 2021/1255

Entity	Fundcraft France SAS — portfolio management company authorised by the AMF (No. GP-20260008), acting as alternative investment fund manager (AIFM) 994 786 382 R.C.S. Paris — LEI 969500ZTU3BRWLFB5H80 Registered office: 4 quai des Célestins, 75004 Paris, France Website: https://www.fundcraft.fr — Sustainability contact: contact@fundcraft.fr

Disclosure	Reference: entity-level disclosure — Articles 3, 4 and 5 of the SFDR Review frequency: at least annually, and upon any change in the range of funds managed or in the regulatory framework Document owner: Compliance function (RCCI), together with the permanent risk management function

Contents

1. Purpose and scope

This disclosure brings together, in a single document, the information that Fundcraft France SAS (the "Management Company") is required to publish on its website at entity level under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"): the policy on the integration of sustainability risks in the investment decision-making process (Article 3), the statement on the consideration of principal adverse impacts of investment decisions on sustainability factors (Article 4), and information on how the remuneration policy is consistent with the integration of sustainability risks (Article 5).

In accordance with Article 12 of Delegated Regulation (EU) 2022/1288, the information required under Article 4(1)(b) of the SFDR is set out in Section 3, in a separate section bearing the heading prescribed by that text.

The funds managed that fall under Article 8 or Article 9 of the SFDR are listed in the register in Section 5. For each of them, the product-level information required under Article 10 of the SFDR is published in a separate section of the website, identified by the name of the fund, separately from this entity-level disclosure, no later than the start of its marketing.

1.1. Scope within the fundcraft group

Fundcraft France SAS is a legal entity distinct from fundcraft Management S.à r.l. (Luxembourg) and from the other entities of the fundcraft group. Each financial market participant within the group exercises independently the option provided for in Article 4(1) of the SFDR and publishes its own entity-level information, according to its product range, its investment universe and the data to which it has access.

This disclosure covers exclusively Fundcraft France SAS and the funds it manages. Information published by other group entities, whose position under Article 4 of the SFDR may differ from that set out in Section 3, does not apply to it and may not be read as a substitute for it.

This disclosure is freely accessible, without prior registration or charge, and is clearly distinguished from the Management Company's marketing communications.

2. Article 3 of the SFDR — Policy on the integration of sustainability risks

2.1. Definition adopted

Sustainability risk means, within the meaning of Article 2(22) of the SFDR, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. It is a financial risk: it is not treated as a standalone non-financial objective, but as a factor capable of affecting the value of the assets held by the funds managed.

2.2. Integration into the investment process

This integration forms part of the permanent risk management framework established pursuant to Article 15 of Directive 2011/61/EU and Articles 38 to 45 of Delegated Regulation (EU) No 231/2013. Sustainability risks are taken into account under Articles 18(5), 22(3) and 40(3) of that Regulation, as amended by Delegated Regulation (EU) 2021/1255. They do not constitute a standalone risk category: they are treated as a factor capable of aggravating the risks already identified within the framework — market, credit, liquidity, operational and reputational risks.

The Management Company integrates sustainability risks at the three stages of the investment process, whether the fund invests directly in unlisted companies or through underlying funds:

- before the investment — application of the exclusion filters provided for in the pre-contractual documentation or the constitutional documents of the fund concerned, and review of the sustainability factors identified as material in light of the sector, development stage and geography of the target, as part of due diligence;
- at the time of the decision — presentation to the investment committee of an assessment of the sustainability risks identified and, where applicable, of the mitigation measures envisaged; these elements are documented in the investment file;
- during the holding period — periodic monitoring of the sustainability risks identified, as part of portfolio monitoring, of representation on the governing bodies of portfolio companies where obtained, and of the reporting received from portfolio companies or from the managers of underlying funds.

For funds investing in underlying funds, sustainability risks are integrated on a look-through basis: the Management Company verifies, at selection and then during monitoring, that the manager of the underlying fund has a sustainability-risk integration framework in place and reports on it.

For funds investing directly in unlisted companies, sustainability due diligence is carried out in accordance with the framework specific to each fund, as described in its pre-contractual information. Where the fund is managed with the assistance of an investment adviser or a delegate, this due diligence is carried out by that party under the responsibility of the Management Company, which retains the investment decision and all product-level disclosure obligations. This framework comprises, at a minimum:

- the exclusion filter provided for in the fund's documentation, applied from the start of due diligence and tested again during the holding period;
- the categorisation of the target's inherent environmental and social risk according to its sector, development stage and countries of operation;
- an ESG due diligence questionnaire sent to the target and an internal report proportionate to its stage and risk profile; a corrective action plan is defined where material risks are identified;
- an ESG summary in each memorandum submitted to the investment committee and, once the decision is taken, ESG undertakings in the legal documentation of the transaction;
- during the holding period, representation on governing bodies where obtained, annual collection of ESG data from each portfolio company, monitoring of action plans and reassessment of the risk at each follow-on investment.

Where this due diligence is carried out by an investment adviser or a delegate, the Management Company performs second-level control: review of the ESG summary before each investment decision, sample-based review of ESG due diligence reports and annual reconciliation of the data transmitted with the periodic information published for the fund.

2.3. Assessment of the likely impacts on returns

The Management Company considers that the occurrence of a sustainability risk may suddenly and significantly affect the value of an investment, and consequently the returns of the funds managed, without it being possible to quantify that impact reliably in advance. This limitation stems from the unlisted nature of the assets managed, the absence of continuous market valuation and the largely self-reported nature of the non-financial data available. The assessment is therefore qualitative and documented on a case-by-case basis. The factors considered most likely to affect value vary according to the investment universe of each fund — for example data protection, cybersecurity, governance and human capital for asset-light service companies, physical and transition risks for real assets — and are specified in the pre-contractual information of each fund.

In accordance with Article 6(1)(b) of the SFDR, the result of this assessment is presented in the pre-contractual information of each fund managed.

2.4. Governance

Function	Role with respect to sustainability risks
Investment committee	Reviews the assessment of sustainability risks presented in the file before any investment decision. For funds falling under Article 8, verifies the outcome of the exclusion filter and the assessment of the target against the promoted characteristics and good governance practices.
Permanent risk management function	Integrates sustainability risks into the Management Company's risk map (ESG lines) and monitors them periodically, under the conditions laid down in Article 42 of Delegated Regulation (EU) No 231/2013.
Investment adviser or delegate (funds concerned)	Implements, for the fund concerned, the due diligence provided for in the fund's ESG framework — exclusions, categorisation, ESG due diligence, annual monitoring — and transmits to the Management Company the data required for pre-contractual and periodic disclosures. Does not replace the Management Company for the investment decision or for disclosure obligations.
Compliance function (RCCI)	Checks the consistency between the sustainability-related information published, the funds' pre-contractual documentation and the actual investment process. Reviews on a sample basis the ESG due diligence carried out by an investment adviser or a delegate and the annual reconciliation of the periodic report data. Approves, prior to its dissemination, any communication referring to a classification under Article 8 or Article 9 of the SFDR.
Senior management	Approve the sustainability-risk integration policy and its annual review.

Conflicts of interest that may arise from the integration of sustainability risks are identified and managed in accordance with Article 30 of Delegated Regulation (EU) No 231/2013, as amended by Delegated Regulation (EU) 2021/1255. The Management Company's conflicts of interest policy is summarised in the "Regulatory information" disclosure on the website.

3. No consideration of adverse impacts of investment decisions on sustainability factors

Section published pursuant to Article 4(1)(b) of Regulation (EU) 2019/2088 and Article 12 of Delegated Regulation (EU) 2022/1288.

3.1. Statement

Statement pursuant to Article 4(1)(b) of the SFDR

Fundcraft France SAS does not consider adverse impacts of its investment decisions on sustainability factors, at entity level, within the meaning of Article 4(1)(b) of Regulation (EU) 2019/2088.

The reasons for this position are set out in Section 3.2. It is reviewed each time a fund falling under Article 8 or Article 9 of the SFDR is entered in the register, in order to verify its consistency with the pre-contractual information of that fund; the reviews carried out are recorded in the version history of this disclosure.

The Management Company does not fall within the scope of either of the two mandatory consideration obligations under Article 4 of the SFDR: at the balance sheet date, it does not exceed the criterion of an average number of five hundred employees during the financial year referred to in Article 4(3); it is not the parent undertaking of a large group within the meaning of Article 4(4). The applicable regime is therefore the "comply or explain" regime provided for in Article 4(1).

In accordance with Article 4(1)(b) of the SFDR, the Management Company states that it intends to consider principal adverse impacts of investment decisions on sustainability factors, by reference to the indicators in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288, once the conditions set out in Section 3.2 are lifted. No date has been set at this stage. The arrangements for reviewing this position are set out in Section 3.3.

3.2. Reasons for the position adopted

- Headcount — the Management Company is well below the threshold of five hundred employees above which the consideration of principal adverse impacts becomes mandatory;
- Data availability — the funds managed invest in unlisted assets in two ways. Through underlying funds of which the Management Company is neither the manager nor the sponsor, it has no contractual look-through right enabling it to require the production of the indicators. Directly, in unlisted companies, most often small or medium-sized, which do not measure in a systematic, comparable and verifiable manner the mandatory indicators in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 (Scope 1, 2 and 3 greenhouse gas emissions, carbon footprint and intensity, energy, biodiversity, water, hazardous waste), several of which are, moreover, of little relevance to certain investment universes; representation on governing bodies and the annual collection of ESG data provide management data, not an auditable set of indicators covering the whole of Table 1;
- Reliability — publishing a statement based on partial or estimated data would provide investors with information of insufficient quality and would expose the Management Company to a risk of misleading sustainability claims greater than the expected benefit of the disclosure;
- Proportionality — establishing a reliable collection of the mandatory indicators in Annex I, across all layers of intermediation and across unlisted portfolio companies, would entail costs and resources disproportionate to the size of the Management Company and the current volume of assets under management.

This position does not mean that sustainability factors are disregarded altogether: the contractual exclusion lists of the funds managed cover several themes addressed by the Annex I indicators (controversial weapons, fossil fuels, harm to biodiversity, violations of human rights and labour law), and funds falling under Article 8 collect ESG data annually from portfolio companies. These elements form part of the investment policy of each fund and do not constitute a statement under Article 4(1)(a) of the SFDR.

3.3. Annual review

The position set out in Section 3.1 is not final. It is reviewed at least once a year by the Compliance function and the permanent risk management function, and presented to the Compliance Committee. It is also reviewed on the following occasions:

Trigger	Subject of the review
Upon each launch of a fund falling under Article 8 or Article 9 of the SFDR	Assessment of the consistency between the entity-level position and the information to be published at product level; outcome recorded in the version history of this disclosure.
Upon any significant change in data availability	In particular, the provision by an underlying fund manager of a data set covering the Annex I indicators for a significant share of the assets.
At the end of each annual ESG data collection campaign of a fund falling under Article 8 or Article 9	Assessment of the actual coverage of the indicators in Table 1 of Annex I across the fund's portfolio, and of their reliability.
Upon entry into force of the revision of the SFDR	Assessment in light of the text as finally adopted.

3.4. Consistency with product-level disclosures

In accordance with Article 7(2) of the SFDR, as the Management Company applies Article 4(1)(b), the pre-contractual information of each financial product states that it does not consider adverse impacts of investment decisions on sustainability factors, together with the reasons for that position. This statement appears in the pre-contractual documentation of each fund managed, whatever its SFDR classification. For funds falling under Article 8 or Article 9, it appears in the pre-contractual annex drawn up in accordance with Annex II or Annex III to Delegated Regulation (EU) 2022/1288, in which the section on principal adverse impacts is completed accordingly.

4. Article 5 of the SFDR — Consistency of the remuneration policy

The Management Company's remuneration policy is established in accordance with Article 13 of and Annex II to Directive 2011/61/EU, Articles 107 to 111 of Delegated Regulation (EU) No 231/2013 and AMF Position No. 2013-11 on remuneration policies applicable to managers of alternative investment funds. It includes the information on consistency with the integration of sustainability risks required by Article 5 of the SFDR.

This consistency is ensured as follows:

- Variable remuneration, where awarded, is based on a multi-year assessment combining quantitative and qualitative criteria. No criterion encourages the taking of risks, including sustainability risks, that are inconsistent with the risk profile of the funds managed or with their documentation;
- Compliance with internal rules, including the sustainability-risk integration policy set out in Section 2 and the exclusion filters provided for, where applicable, in the documentation of a fund managed, is among the qualitative criteria taken into account. A material breach of these rules may lead to the reduction or cancellation of the variable component;
- The remuneration of the head of compliance and internal control and that of the head of the permanent risk management function are independent of the performance of the funds managed and of the activities they control, so as to preserve the independence of their judgement, including on sustainability matters;
- No part of variable remuneration is linked to the classification of a fund under Article 8 or Article 9 of the SFDR, or to the commercial success of a product on account of that classification;
- The remuneration paid to an investment adviser or a delegate of a fund is not linked to the SFDR classification of the fund or to the attainment of the environmental or social characteristics it promotes.

The full remuneration policy is made available to investors upon request to contact@fundcraft.fr, as indicated in the "Regulatory information" disclosure on the website.

5. Register of the SFDR classification of the funds managed

The table below records the SFDR classification of the funds managed and marketed by the Management Company at the date of publication. It is drawn up and kept up to date in line with the pre-contractual documentation of each fund; in the event of any discrepancy, the fund's pre-contractual documentation prevails.

Fund	Legal form and strategy	SFDR classification	Product-level disclosure under Article 10
AirFund Conviction Value Capital	Specialised professional fund (fonds professionnel spécialisé) investing in compartments of underlying funds	Article 6 — no promotion of environmental or social characteristics, no sustainable investment objective; statement provided for in Article 7 of Regulation (EU) 2020/852	Not required — the fund falls under neither Article 8 nor Article 9 of the SFDR

Fund	Legal form and strategy	SFDR classification	Product-level disclosure under Article 10
Aletheon Growth III S.L.P.	Special limited partnership (société de libre partenariat, Articles L. 214-162-1 et seq. of the French Monetary and Financial Code), closed-ended growth equity fund investing, directly or through intermediate vehicles, in European technology companies in their growth phase; investment adviser: Aletheon Investments SAS	Article 8 — promotion of environmental and social characteristics; no sustainable investment within the meaning of Article 2(17) (minimum proportion: 0%); minimum Taxonomy-aligned share: 0%; principal adverse impacts not considered at product level	Required — "Aletheon Growth III S.L.P." section of the website

The register is updated at each start of marketing of a fund, at each substantial change in the classification of a registered fund, and at each liquidation. Funds under structuring or whose marketing has not started are not included: they are entered in the register, and the corresponding product-level information published where applicable, at the start of their marketing.

5.1. Product-level disclosures (Article 10 of the SFDR)

For each fund entered in the register under Article 8 or Article 9, the Management Company publishes, in a separate section of the website identified by the name of the fund, the information required under Article 10 of the SFDR and Articles 23 to 49 of Delegated Regulation (EU) 2022/1288: summary, promoted characteristics or sustainable investment objective, strategy and binding elements, proportion of investments, monitoring, methodologies, data sources and limitations, due diligence, engagement and reference benchmark, together with the latest version of the pre-contractual annex and, from the first financial year-end, of the periodic report required under Article 11 of the SFDR.

Where a fund's sustainability due diligence is carried out by an investment adviser or a delegate, this information is published by the Management Company in its capacity as manager, on the basis of the data transmitted to it and after the controls described in Section 2.2. The arrangements for preparing, approving and updating these sections are laid down in a dedicated internal policy.

5.2. Regulation (EU) 2020/852 (Taxonomy)

Funds falling under Article 6 of the SFDR do not fall within the scope of Articles 5 and 6 of Regulation (EU) 2020/852. In accordance with Article 7 of that Regulation, their pre-contractual information and periodic reports include the following statement:

> *"The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities."*

Funds falling under Article 8 or Article 9 of the SFDR fall within the scope of Articles 5 and 6 of Regulation (EU) 2020/852 where they promote environmental characteristics or pursue an environmental objective. The minimum share of Taxonomy-aligned investments to which each of them commits, which may be nil, and any exposure to fossil gas and nuclear energy related activities are set out in its pre-contractual annex and periodic reports, in the format of Annexes II to V to Delegated Regulation (EU) 2022/1288; for the share of investments that does not take into account the EU criteria for environmentally sustainable economic activities, the statement provided for in Article 7 of Regulation (EU) 2020/852 is included. The register in Section 5 specifies, for each fund, the minimum Taxonomy-aligned share to which it commits.

6. Updates and amendments

This disclosure is the first version published online by the Management Company (version 1.0). The information it contains is kept up to date. Any subsequent amendment is published in the same place, accompanied by a clear explanation of that amendment and by a version history. The date of publication and the version number appear at the top of the document.

Article 12 of the SFDR covers the information published under Articles 3, 5 and 10. The information published in Section 3 under Article 4 is kept up to date pursuant to Article 4(1) of the SFDR, which requires financial market participants to publish and maintain this information on their websites. The Management Company voluntarily applies the same updating and explanation arrangements to this disclosure as a whole.

This disclosure is reviewed at least once a year, and without delay in the event of the start of marketing of a new fund, a change in the classification of a fund entered in the register, an amendment to the sustainability-risk integration framework or to the remuneration policy, or a change in the applicable regulatory framework.

Any question relating to this disclosure may be sent to contact@fundcraft.fr or by post to the registered office of the Management Company, 4 quai des Célestins, 75004 Paris, France.