



CLIMATE TRANSPARENCY REPORT

2019

Sycomore Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-1311FA5F-5229-4B82-B811-14639FE15A63/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Sycomore Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2010
Region	Europe
Country	France
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Sycomore Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

In addition to climate, our Environmental Strategy takes into account 4 other categories of environmental impacts : biodiversity, water, air quality and waste

Other RI considerations, specify (2)

SG 01.4

Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Sycomore AM aims to deliver sustainable performance to its clients by investing in companies whose current market price does not reflect their economic and ESG fundamentals, or fundamental value. We believe that a company can only deliver long-term value if this value is shared by all stakeholders: employees, clients, suppliers, institutions, associations, shareholders and the environment. Our approach is therefore structured around five stakeholders in order to develop a full picture of the risks and opportunities associated with the companies under review.

For more information, please refer to our ESG integration policy : https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our responsible investment policy and our investment policy are the same.

Our SRI-labeled funds have exclusion and selection criteria that reduce the initial investment universe - this is the only difference with other funds.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

As an asset manager, Sycomore AM's environmental impacts, risks and opportunities are mainly indirect as they lay in the underlying financial instruments we hold, and come from the underlying companies we invest in through equity or debt. The investment horizon may vary from one fund to another but our objective is to deliver performance over the long-term.

Our key climate-related risks are those identified by the TCFD: transition risks, including policy and legal risks, technology risks, market risks and reputation risks; as well as physical risks whether they are acute or chronic. These risks are assessed into our SPICE analysis model (E, C and I pillars) and have been also significantly integrated into the research and development effort around the Net Environmental Contribution (NEC), an indicator we have developed and implemented (and which is further explained in SG 13 and SG 14).

That said, the key challenge is the capital reallocation needed in order to succeed in transitioning to a more resilient and environmentally sustainable world. Sycomore AM views the environment as a key stakeholder - the very foundation of resilience of mankind as a species and as a civilisation.

Note that our approach to environmental risks and opportunities goes beyond a climate-only approach as we also include challenges and risks related to waste/resources, water, biodiversity and air quality. Indeed climate-related risks and opportunities are interlinked with these other environmental challenges, which are all part of a larger system.

Both the E rating and the NEC are used in investment initial assessments, strategies and products.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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- Yes
- No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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- Yes
- No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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- Yes

Describe

Sycomore AM has publicly disclosed its **Natural Capital Strategy** available here: https://en.sycomore-am.com/5b34f956-Natural_Capital_Strategy_2018.pdf that provides an overview of the strategy in place to identify and manage material climate-related risks and opportunities.

Our process for climate-related risks is integrated into overall risk management.

Since 2015, Sycomore AM has invested a great deal of time and resources in improving the way climate issues are integrated to the SPICE analysis model for any kind of activity. Climate is one of the 5 issues systematically reviewed in the Environment pillar and is also assessed within the Investor pillar as a component of companies' governance and business models. The SPICE analysis model now includes the specificities of article 173 and the recommendations issued by the TCFD, and in particular the following:

- The risks associated with the transition towards a low-carbon economy or *transition risk*, and broadly speaking, the issuer's strategic alignment with the 2° objective: these risks are systematically quantified using our Net Environmental Contribution (NEC) metric (see SG 13 CC for more detailed information) and are then integrated into the **Environment pillar**;
- The exposure to the physical consequences of global warming or *physical risks*: these are monitored in the **Environment pillar**, under the **mid and long-term risk management** section .

The environmental risks and opportunities assessment is part of our SPICE fundamental analysis which directly impacts asset valuation and risk management.

GOVERNANCE and MANAGEMENT

Governance and management of climate-related risks are described in the Natural Capital strategy and further details in the SG CC questions. Several key group of people have been instrumental in order to identify the environmental risks and opportunities at different stages of the strategy development and implementation:

- Sycomore AM top management
- Sycomore AM risk team
- Sycomore AM ESG specialists
- Sycomore AM Strategic Environment Committee chaired by Sycomore's Head of Environmental Strategy
- Consulting companies and experts on environment and life cycle assessment

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Natural capital strategy and Annual report named Sycoway as an investor available on our website

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF}

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:https://en.sycomore-am.com/5b34f956-Natural_Capital_Strategy_2018.pdf}

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

URL

URL

{[hyperlink:https://en.sycomore-am.com/5b9248e2-Human_Capital_Strategy.PDF](https://en.sycomore-am.com/5b9248e2-Human_Capital_Strategy.PDF)}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{[hyperlink:https://en.sycomore-am.com/5ab3d8b3-Sycomore_AM_Voting_Policy_March_2018.pdf](https://en.sycomore-am.com/5ab3d8b3-Sycomore_AM_Voting_Policy_March_2018.pdf)}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{[hyperlink:https://en.sycomore-am.com/5bccdf07-SRI_exclusion_policy_Sycomore_AM_Sept_2018_VENG.PDF](https://en.sycomore-am.com/5bccdf07-SRI_exclusion_policy_Sycomore_AM_Sept_2018_VENG.PDF)}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{[hyperlink:https://en.sycomore-am.com/58eb371b-57922823-Sycomore_AM_Engagement_Policy.pdf](https://en.sycomore-am.com/58eb371b-57922823-Sycomore_AM_Engagement_Policy.pdf)}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://en.sycomore-am.com/5ab3d8b3-Sycomore_AM_Voting_Policy_March_2018.pdf}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{[hyperlink:https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF](https://en.sycomore-am.com/5c531686-ESG_integration_policy_SPICE_Sycomore_AM_aug2018_ENG.PDF)}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{[hyperlink:http://en.sycomore-am.com/57922823-Sycomore_AM_Engagement_Policy.pdf](http://en.sycomore-am.com/57922823-Sycomore_AM_Engagement_Policy.pdf)}

Attachment

Reporting

URL/Attachment

URL

URL

{[hyperlink:https://www.sycomore-am.com/Notre-demarche-responsable#documentation](https://www.sycomore-am.com/Notre-demarche-responsable#documentation)}

Attachment

Climate change

URL/Attachment

URL

URL

{[hyperlink:https://en.sycomore-am.com/5b34f956-Natural_Capital_Strategy_2018.pdf](https://en.sycomore-am.com/5b34f956-Natural_Capital_Strategy_2018.pdf)}

Attachment

Other RI considerations, specify (1)

Other description (1)

Our approach to Human Capital is detailed in our Human Capital Strategy.

URL/Attachment

URL

URL

{hyperlink:https://en.sycomore-am.com/5b9248e2-Human_Capital_Strategy.PDF}

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

We also publish and yearly report on our Responsible Investing activities: https://en.sycomore-am.com/5be1c5f9-Sycoway_as_an_Investor_UK_web.pdf

Governance and human resources

SG 07 CC Voluntary Public Descriptive General

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Investment analysts
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Sycomore AM's board members and partners have oversight responsibilities for Sycomore AM's RI activities, including climate-related issues.

They review the strategy with the Head of Environment Strategy on an ongoing basis and are regularly updated on its implementation, in particular in 2018 on the progress of our environmental impact metric, the Net Environmental Contribution (NEC) implementation for the entire investment platform and its potential development outside Sycomore AM as an open-source tool.

The NEC for all Sycomore AM's aggregated investments is computed annually and presented at the steering committee since 2018. This initial assessment is very useful to better understand the overall exposure to transition risk and to inform about the company-wide investments contribution to the environmental transition. It serves as a basis for discussions at the Purpose and Sustainable Development committee level and at the Steering Committee level about setting mid- and long-term company-wide target.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The Head of Environment Strategy is accountable for the strategy and its implementation.

The whole ESG team (8 professionals at end-2018) is involved in the roll-out of our environmental impact metric (NEC), supported in this by fund managers and analysts.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

Describe

Climate scenarios are used to assess products, services and companies' exposure to transition risks as well as to assess companies and portfolios' degree of alignment with the environmental and energy transition.

- No, not to assess future ESG/climate-related issues

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
Investment analysis, Asset valuation and Stock picking
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

2°C and below scenarios have been integrating in the design of the NEC methodology such as for the energy-related frameworks (fuel, heat and electricity) in which an over-2° budget has been modeled and apply to the various sources of energy by nature and by type of extraction.

The NEC methodology will be publicly available through the NEC initiative.

Climate, energy and economic scenarios have also motivated some of our SRI exclusion policy that flags sectors and industries where the environmental-risk exposure is too high (e.g. coal extraction and coal-based energy production).

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

2° and below climate scenarios flag technologies or activities with high-GHG intensities that are not compatible with a transition toward a low-carbon economy nor an environmentally resilient world.

We use climate scenarios for the following initial assessment:

- Bottom-up assessment of transition risk: Each potential investment review includes a Net Environmental Contribution (NEC) assessment.

Climate-related scenarios are integrated into a more comprehensive methodology: the NEC. Based on the outcomes of a three-year research program led by Sycomore AM, the Net Environmental Contribution™ (NEC) metric have been developed and applied to more than 1 300 companies from our investment universe.

The NEC measures the degree of alignment with the energy and environmental transition of any product, service, company, portfolio or index. It is a science-based approach on physical data from life cycle analysis by function, sourced from academic tools, third-party studies and branch initiatives. It is a multi-criteria approach going "beyond carbon" by integrating the 5 environmental challenges: climate change, biodiversity, air quality, water and resources/waste. The outcome is a single figure per company, based on its different underlying activities, ranging from -100% for the most damaging activities from an environmental standpoint to +100% for clear environmental solutions aligned with a low carbon and environmentally resilient world. The 0% point is given for the average environmental impact of the function that the given activity is trying to fulfill.

The NEC is a solid proxy for transition risk and a insightful measurement of companies' contribution to the environmental transition. It is used for analysing the transition risk, for investment decisions and as a reporting metric for Sycomore AM.

Scenario analysis helps us building our Net Environmental Contribution (NEC) frameworks and assessing positively and negatively contributing activities, such as: building materials (e.g. cement activities have a NEC -50%), mobility (e.g. air freight has a NEC of -100% and air travel of -60%), energy (electricity generation from coal has a NEC of -100%).

Sycomore AM's aggregated NEC has been computed based on holdings. Results are publicly available on the website. The NEC at the entity level is feeding reflexion regarding the future investment allocation and trajectory.

- Bottom up assessment of physical risk: Each potential investment review includes an Environmental pillar review in our SPICE model, which includes mid and long term risks related to climate change and other environmental challenges. It includes LT transition risks flagged by scenarios as well as physical risks that could materialize over the long-term.

Incorporation into investment analysis

Describe

1. Our SRI exclusion policy (applicable to all SRI-labelled funds) excludes energy production, such as that based on coal, that is not compatible with 2° and below climate scenarios.
2. Scenario analysis, as part of the NEC methodology and the Environmental pillar impact issuers' SPICE rating and asset valuation in our SycoValo tools.
3. The NEC is a selection criteria for two of our SRI funds, Sycomore Eco Solutions and Sycomore Selection Responsible.
4. The NEC is a reporting metric for all our open funds. Monthly reporting are available on our website and disclose the NEC of all our portfolios and their benchmarks' based on underlying holdings. We also annually disclose Sycomore AM's NEC. The NEC feeds our reflexion around company-wide ambitions and trajectory.

Inform active ownership

Describe

Climate-related scenario are used at two levels for active ownership:

- Indirectly as 2° and below scenarios are underlying to the NEC methodology to some extent and since we do have dialogues with companies and engagement based on the NEC results

- Directly in our dialogue with companies within some sectors or industries such as energy, power, mobility, steel and cement, the climate-related scenarios can be applied and compared with companies GHG performances and objectives.

Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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- Yes
- No

	Please explain the rationale
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As climate-risks depend on many interrelated factors, it is very difficult to model long-term comprehensive impact assessments that would provide insightful informations. Nonetheless, the long-term horizon and the 1.5°C and 2°C scenarios provides us with a vision for the long-term targetted economy that is usefull for engagement and trajectory anticipation.

SG 13.7 CC	Indicate whether a range of climate scenarios is used.
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- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

SG 13.8 CC	Indicate the climate scenarios the organisation uses.
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Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> PACTA underlying scenarios
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; padding: 2px;">Other (2) please specify:</div> TPI underlying scenarios
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Other social and environmental challenges: rising inequalities, gender equality, poverty, working conditions, human rights, digitalisation, urbanisation, biodiversity damages, water pollution and scarcity, air quality

- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			130	600	000
Currency	EUR				
Assets in USD			149	000	643

Specify the framework or taxonomy used.

French governmental Green Label: TEE4C (Energy and Ecological Transition for the Climate)
 Internal indicator: Net Environmental Contribution™ (NEC)

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Development and implementation of the Net Environmental Contribution (NEC) to measure alignment with and contribution to the environmental transition.

None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Developed an environmental impact metric (NEC) taking into account climate as well as 4 other categories of environmental impacts (please see above), including climate/carbon.

None of the above

SG 14.5 Additional information [Optional]

In 2018, we dediced that the NEC (Net Environmental Contribution) will become public through the NEC initiative, an open-source platform. Our historical partners I Care & Consult and Quantis will be founding partners of the initiaive together with Sycomore AM.

For more information, please see: <https://quantis-intl.com/net-environmental-contribution/>

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Support the climate change component for the NEC	functional units	LCA approach
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Support the climate change component for the NEC	functional units	LCA approach
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor exposure to assets at risk under a low carbon transition scenario and monitor our net contribution to the environmental transition	% of exposure and % of revenues	Based on the TEE4C label eco-activities taxonomy

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- ⦿ Process for climate-related risks is integrated into overall risk management

Please describe

We factor climate-related risks and strategies into our investment strategies or products.

Sycamore AM has publicly disclosed its Natural Capital Strategy available here: https://en.sycamore-am.com/5b34f956-Natural_Capital_Strategy_2018.pdf that provides an overview of the integration of climate-related risks into overall risk management.

Since 2015, Sycamore AM has invested a lot of time and resources in improving the way climate issues are integrated to the SPICE analysis model for any kind of activity. Climate is one of the 5 issues systematically reviewed in the Environment pillar and is also assessed within the Investor pillar as a component of companies' governance and business models. The SPICE analysis model now includes the specificities of article 173 and the recommendations issued by the TCFD, and in particular the following:

- The risks associated with the transition towards a low-carbon economy or *transition risk*, and broadly speaking, the issuer's strategic alignment with the 2° objective: these risks are systematically quantified using the Net Environmental Contribution (NEC) (more detail on question SG14.5) and are then integrated into the Environment pillar;
- The exposure to the physical consequences of global warming or *physical risks*: these are monitored in the Environment pillar, under the mid and long-term risk management section.

The environmental risk and opportunities assessment is completed in our SPICE fundamental analysis model which directly impacts asset valuation and risk management.

The NEC is a selection criteria for two of our SRI funds: Sycamore Eco Solutions and Sycamore Selection Responsible, and is a reporting metric for all our open funds. Compliance is monitoring that NEC-related rules are fulfilled. Monthly reporting are available on our website and disclose the portfolios and indexes NEC based on holdings.

The NEC is also calculated on Sycamore AM's aggregated holdings and is annually disclosed and reviewed by the steering committee as part of the overall environmental risk assessment and contribution to the environmental transition.

In 2018, we have pursued some research with the risk management team to explore the links between NEC, risk and performances that have been selected for the Financial Risks International Forum 2019.

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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- Yes
 No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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7

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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Energy efficiency / Clean technology

	Asset class invested
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Listed equity

	% of AUM
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0.8

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

	Brief description and measures of investment
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Sycomore AM invests specifically in this thematic area through Sycomore Eco Solutions. We have developed a proprietary environmental metric to assess companies' contributions to the ecological and energy transition (Net Environmental Contribution™), which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Eco

Solutions to companies contributing to energy efficiency or clean technologies.

Renewable energy

Asset class invested

Listed equity

% of AUM

0.4

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Eco Solutions. We have developed a proprietary environmental metric to assess companies' contributions to the ecological and energy transition (Net Environmental Contribution™), which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Eco Solutions to companies contributing to renewable energy.

Green buildings

Asset class invested

Listed equity

% of AUM

0.3

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Eco Solutions. We have developed a proprietary environmental metric to assess companies' contributions to the ecological and energy transition (Net Environmental Contribution™), which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Eco Solutions to companies contributing to green buildings.

- Sustainable forestry

Asset class invested

- Listed equity

% of AUM

0.1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Eco Solutions. We have developed a proprietary environmental metric to assess companies' contributions to the ecological and energy transition (Net Environmental ContributionTM), which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Eco Solutions to companies contributing to sustainable forestry.

- Sustainable agriculture

Asset class invested

- Listed equity

% of AUM

0.1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Eco Solutions. We have developed a proprietary environmental metric to assess companies' contributions to the ecological and energy transition (Net Environmental ContributionTM), which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Eco Solutions to companies contributing to sustainable agriculture.

- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Listed equity

% of AUM

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Shared Growth. The social contribution of products and services is integrated in the selection process of this fund, making health a key investment theme.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Shared Growth to companies of the health sector.

- Water

Asset class invested

- Listed equity

% of AUM

0.2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Eco Solutions. We have developed a proprietary environmental metric to assess companies' contributions to the ecological and energy transition (Net Environmental Contribution™), which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the average exposition of the fund Sycomore Eco Solutions to companies contributing to water.

Other area, specify

Human capital

Asset class invested

Listed equity

% of AUM

3

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

Sycomore AM invests specifically in this thematic area through Sycomore Happy@Work. We have developed an internal methodology to address the thematic of human capital management, which is integrated in the investment process of this fund.

NB: The % of AUM is an estimate based on the total contribution of the fund Sycomore Happy@Work to the total AUM.

No