



CLIMATE TRANSPARENCY REPORT 2020

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-F73A69AB-9212-4359-ABEB-ADD0E7C6F93A/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC | ✓ | Public | | | | |
| SG 01.7 CC | ✓ | Public | | | | |
| SG 01.8 CC | - | Public | | | | |
| SG 01.9 CC | ✓ | Public | | | | |
| SG 01.10 CC | ✓ | 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 14.6 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.

| | | | | |
|----------|-------------------------------------------|--------|-------------|---------|
| SG 01 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|-------------------------------------------|--------|-------------|---------|

SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

As an asset manager based in Paris and renting its office, climate-related transition and physical risks are related to companies we invest in through equities and bonds. As a consequence, Sycomore Asset Management measures and assesses transition risks related to its underlying investments since 2015. The associated metric and methodology are now fully embedded into our fundamental analysis tool. Physical risks are also assessed at the company (investee) level through our fundamental analysis, under the Environment pillar. Both physical and transition risks embedded into underlying investments are very heterogeneous and are therefore assessed at the investment level while the aggregated portfolio risk is looked at once a year from a transition risk standpoint (through our Net Environmental Contribution (NEC) metric and exposure to potential stranded assets).

The Net Environmental Contribution (NEC) is a user-friendly, advanced metric that enables investors to measure to what extent a given business model is strategically aligned with the energy and environmental transition. Using tangible physical data, taken from the whole value chain, it provides a snapshot of an activity's net environmental contribution and can be aggregated at a company, portfolio or index level. To assess an environmental impact, the NEC uses a multi-criteria approach and considers at least two of the following five issues: climate, water, resources and waste, air quality, and biodiversity, in order to capture a comprehensive environmental footprint. The indicator is calculated on a scale from -100%, for the most damaging activities, to +100% for clear environmental solutions that fulfill the same given function. It is meant to provide an order of magnitude of the net impact. The 0% point is given for the average environmental impact of the function that the given activity is trying to fulfill. The intensity of the contribution is expressed analyzing a company activity by activity, and computing underlying contributions using their relative economic weight. For more information, please visit ww.nec-initiative.org.

The investment time horizons vary from one product to another but most of our products imply a minimum investment horizon of five years. Various time horizons are used in our SPICE analysis with a few selected criteria, such as "Alignment and Trajectory", assessed over a very long period (i.e. by 2100 for the latter).

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

Sycomore Asset Management relies on existing publicly-available climate related scenarios to assess the implications of transition and physical risks on our investments. Two major sources serve as a basis for our assessments: IEA scenarios (Stated Policies Scenario, Sustainable Development Scenario and Current Policies Scenario) for transition risk and IPCC scenarios for physical risks (RCP 8.5, RCP 6.0, RCP 4.5 and RCP 2.6). Each of them relies on its given own likelihood and implies a range of impacts that support our risk analysis, whereas we do not probabilize ourselves likelihood in itself.

As climate risks may not be modelled without considering all the environmental challenges (biodiversity, resources, water, air) we have chosen a multi-criteria approach regarding natural capital and ecosystems rather than a climate-only approach.

SG 01.8
CC

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

SG 01.9
CC

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

- Yes

Describe

Sycomore AM identifies climate change and environmental challenges as having a significant impact on investments value. Sycomore AM has publicly disclosed its Natural Capital Strategy that provides an overview of the strategy in place to identify and manage material climate-risks and opportunities.

Our process for climate-related risks is integrated into overall risk management and in-depth assessment of companies that may become a portfolio holding. It is instrumental to our SRI investments strategies and is a key selection criteria for our green investment strategy and investment offering. Monthly and annual reporting include transition risk assessment data and information. Sycomore AM's aggregated NEC has been computed based on holdings. Results are publicly available on the website. The NEC at the entity level fuels reflexion regarding climate risks, future investment allocation and trajectory.

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

- **Transition risk assessment** or the risks associated with the transition towards a low-carbon economy, including the *contribution to the Paris Agreement goals and the long-term environmental objectives* and the *Alignment and Trajectory* i.e. the issuer's strategic alignment with the 2° objective by 2100 (and 2050 as an intermediary check point): 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**;
- **Physical risks assessment** or the exposure to the physical consequences of global warming: these are monitored in the **Environment pillar**, under the dedicated section.

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

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

The NEC is also fully integrated within the risk management tools and strategy. The risk team have performed various analysis of performance and risk according to various level of transition risks. Our key metric, NEC, is embedded to all risk management and reporting systems. Portfolio holdings are thereby monitored on a monthly basis.

Investment professionals (portfolio manager and analysts) have been trained on the Environmental pillar and on the NEC methodology consisting in 15 value chain frameworks and one general framework. Risk teams as well as sales people have also been trained on the NEC methodology with accurate level of granularity.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Our Natural capital strategy and Annual report named Sycoway as an investor available on our website. NEC methodology fully available at www.nec-initiative.org

- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

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 heads of departments

- 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

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

Dedicated responsible investment staff

- 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 that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Sycomore AM's board members and founders 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, which is at least discussed every quarter and they are updated on its implementation, in particular in 2019 (as in 2018) on the overall risk exposure to transition risk and on progress regarding our investments' environmental impact, through 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 targets.

Overall commitment toward the environment (as a stakeholder) and objective for Sycomore as a company are also discussed within the Sustainable Development Committee with final decision taken at the board level.

SG 07.7
CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Head of Environment Strategy is accountable for the environmental strategy and its implementation, it includes climate-related issues but also biodiversity, water, resources and waste and air quality issues.

The whole ESG team (7 professionals at end-2019) is involved in the roll-out of our environmental impact metric (NEC), supported in this by fund managers and analysts.

The risk management team is responsible for the integration of climate transition risk into risk management tools and into reporting tools (monthly for SRI open-ended funds and annually for all Sycomore AuM). The risk team, together with the ESG team also works on better assessing and monitoring climate-related physical risks.

The Environmental Steering committee, which is a multi-stakeholder group of external experts representing academics, NGOs, investment professionals, industrial and environmental experts, meets twice a year. In 2019,

main topics discussed were about risks, environmental contribution, scenario analysis and temperatures.

Overall commitment toward the environment (as a stakeholder) and objective for Sycomore as a company are also discussed within the Purpose and Sustainable Development Committee with final decision taken at the board level.

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| SG 07.8 CC | Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation. |
| <input type="checkbox"/> Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar) <input type="checkbox"/> Request incorporation of TCFD into regular client reporting <input type="checkbox"/> Request that external managers complete PRI climate indicator reporting <input type="checkbox"/> Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide <input type="checkbox"/> Other <input checked="" type="checkbox"/> We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation | |

ESG issues in asset allocation

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| SG 13 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SG 13.1 | Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.). |
| <input type="checkbox"/> Yes, in order to assess future ESG factors <input checked="" type="checkbox"/> Yes, in order to assess future climate-related risks and opportunities | |

| | |
|--|----------|
| | Describe |
|--|----------|

Sycomore Asset Management relies on existing publicly-available climate-related scenarios to assess the likelihood of transition and physical risks. The scenario analysis is performed at the investee company level as for now.

No, our organisation does not currently carry out scenario analysis and/or modelling

| | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 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

Scenarios are also the basis for assessing the criteria named "Alignment and Trajectory" with Transition risk and for assessing the criteria "Physical risks" which are both integrated in the Environment pillar.

2°C and below scenarios have been integrating in the design of the Net Environmental Contribution (NEC) methodology such as for the energy-related frameworks (fuel, heat and electricity) in which an over-2°C budget has been modeled and apply to the various sources of energy by nature and by type of extraction. The NEC methodology is publicly available through the NEC initiative: www.nec-initiative.org

Climate, energy and economic scenarios have also motivated several criteria 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, non conventional oil&gas extraction).

| | | | | |
|----------|-------------------------------------------|--------|-------------|---------|
| SG 13 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|-------------------------------------------|--------|-------------|---------|

| | |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SG 13.4 CC | Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans. |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Initial assessment

| |
|----------|
| Describe |
|----------|

Sycomore Asset Management relies on existing publicly-available climate-related scenarios to assess the likelihood of transition and physical risks. Two major sources serve as a basis for our assessments: IEA scenarios (Stated Policies Scenario, Sustainable Development Scenario and Current Policies Scenario) for transition risk and IPCC scenarios for physical risks (RCP 8.5, RCP 6.0, RCP 4.5 and RCP 2.6).

2°C 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:

1. Bottom-up assessment of **transition risk**:

- a. 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 four-year research program led by Sycomore AM, the Net Environmental Contribution (NEC) metric has been developed and applied to more than 1,300 companies in our investment universe.

The NEC measures the degree of contribution to the energy and environmental transition of any product, service, company, portfolio or index. It is an approach based on scientific physical data from life-cycle analysis by function, sourced from academic tools, third-party studies and branch initiatives. The approach is multi-criteria and goes "beyond carbon" by integrating 5 key 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 environmentally damaging activities to +100% for environmental solutions clearly 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 an insightful measurement of companies' contribution to the environmental transition. It is used as part of the transition risk assessment, for investment decisions and as a reporting metric for Sycomore AM.

Scenario analysis helps us build our Net Environmental Contribution (NEC) frameworks and assessing positively and negatively contributing activities, such as: building materials (e.g. cement activities have a NEC of -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%).

- b. Each potential investment review includes an assessment of the "**Trajectory & alignment**" criteria

This criteria covers the scenario analysis and analyses the alignment to a 2°C or lower future. It is based on various scenarios and publicly available tools (such as SBTi, TPI, PACTA, CDP, FAIRR) and private initiative (SB2A methodology based on SDA) as well as on company disclosure. The "Trajectory & Alignment" assessment also encompasses other environmental objectives.

- 2. Bottom-up assessment of **physical risk**: Each potential investment review includes an Environment 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 generation that is not compatible with 2°C and below climate scenarios, such as that based on coal.
2. Scenario analysis, as part of underlying investment analysis through: a. the NEC methodology, b. the "Alignment & Trajectory" criteria, c. the physical risks criteria and as part of the financial model through the Environment pillar which is part of the SPICE rating which itself impacts asset valuation in our SycoValo tools.
3. The NEC is a selection criteria for three of our SRI funds, Sycomore Eco Solutions, Sycomore Selection Responsible, Sycomore Next Generation.
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 various levels for active ownership:

- Indirectly as 2°C and below scenarios are accounted for in the NEC methodology and we engage with companies based on NEC results.
- Indirectly into the physical risks assessment as different scenarios provide different levels of extreme and chronic risks for operations, supply chains and end-markets.
- Directly with the "Trajectory & Alignment" criteria since scenarios are the basis of the assessment which is key for engagement and could also impact the exercise of voting rights.
- 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. |
|-----------------------------|----------------------------------|

- 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 your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

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

The NEC (Net Environmental Contribution) is computed every month for all open-ended funds and every year for the whole Sycomore AM's AuM in order to understand the potential impact of transition risks for each fund and as a whole for the company.

The results are publicly available in fund-by-fund monthly reportings and on "Sycoway as an investor" reports (annual responsible investment reports) for futher analysis at the fund level and at the company level.

It provides the company with a mid-to-long term view beyond the investment horizon of most funds. It is also used as a fact for exclusion policies and for the implementation of company's targets for environmental contribution.

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

| Provider | Scenario used | |
|---------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| IEA | <input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS) | |
| IEA | <input checked="" 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 checked="" type="checkbox"/> BNEF reference scenario | |
| IPCC | <input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5 | |
| IPCC | <input checked="" type="checkbox"/> RPC 6 | |
| IPCC | <input checked="" type="checkbox"/> RPC 4.5 | |
| IPCC | <input checked="" type="checkbox"/> RPC 2.6 | |
| Other | <input checked="" type="checkbox"/> Other (1) | <div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> PACTA underlying scenarios |
| Other | <input checked="" type="checkbox"/> Other (2) | <div style="background-color: #0070C0; color: white; 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 |
|-------|-------------------------------------------|--------|---------------------|-------|

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 | | | 303 | 000 | 000 |
| Currency | EUR | | | | |
| Assets in USD | | | 333 | 997 | 293 |

Specify the framework or taxonomy used.

French governmental Green Label: Greenfin (ex Label TEEC)

Indicator developed internally and now available at <https://nec-initiative.org/>: 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 contribution metric (NEC) taking into account climate, water, biodiversity, resources and air
Exploring future temperature forecast at a stock and portfolio level

None of the above

SG 14.5

Additional information [Optional]

In 2019, the NEC (Net Environmental Contribution) became public through the NEC initiative, an open-source platform. Our historical partners I Care & Consult and Quantis are founding partners of the initiative together with Sycomore AM.

For more information, please see: www.nec-initiative.org

| | | | | |
|-----------------|------------------|---------------|--|----------------|
| SG 14 CC | Voluntary | Public | | General |
|-----------------|------------------|---------------|--|----------------|

**SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Climate-related targets | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | Assess climate-related risk and opportunities and Engage with companies | according to the relevant metric for the industry and business | LCA approach whenever possible, scope 1 and 2 only when relevant, scope 3 only when relevant |
| 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 Greenfin label eco-activities taxonomy and based on the EU taxonomy |

| | |
|-----------------------|---------------------------------------------|
| SG 14.7 CC | Describe in further detail the key targets. |
|-----------------------|---------------------------------------------|

| Targettype | Baseline year | Target year | Description | Attachments |
|---------------------------------------------------------------------------------------|---------------|-------------|-------------|-------------|
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |

SG 14.8
CC

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

- Processes for climate-related risks are integrated into overall risk management

Please describe

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

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 integration of climate-related risks into overall risk management.

Since 2015, Sycomore 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 the "Trajectory & Alignment" criteria 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 dedicated criteria that have recently evolved to better capture this risk.

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 three of our SRI funds: Sycomore Eco Solutions, Sycomore Selection Responsible and Sycomore Next Generation, 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 Sycomore 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. Since then, the risk management team is involved as a key stakeholder in integrating and monitoring the climate / environmental transition risk and as been instrumental on many projects in 2019 regarding a deeper and more systematic integration into our tools.

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9
CC

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

The NEC calculation provides us with relevant information to engage with companies on the environmental risks embedded in their business model. The dialogue and engagement may also rely on the EU taxonomy criteria and trajectory assessments.

All these 3 criteria support investment professional in pointing out the material and biggest environmental challenges a company faces over its whole value chain and the full LCA of the product and services it provides. It also highlights what are the major environmental issues (i.e. Climate, water, biodiversity, resources/waste or/and air quality).

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

| | | | | |
|-------|-------------------------------------------|--------|-------------|-------|
| SG 15 | Mandatory to Report Voluntary to Disclose | Public | Descriptive | PRI 1 |
|-------|-------------------------------------------|--------|-------------|-------|

| | |
|---------|-------------------------------------------------------------------------------------------------------------------------------|
| SG 15.1 | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas. |
|---------|-------------------------------------------------------------------------------------------------------------------------------|

Yes

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

| | |
|--|---|
| | % |
|--|---|

17

| | |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|--|------|
| | Area |
|--|------|

Energy efficiency / Clean technology

| | |
|--|----------------------|
| | Asset class invested |
|--|----------------------|

Listed equity

| | |
|--|----------------------------------------------------------------|
| | Percentage of AUM (+/-5%) per asset class invested in the area |
|--|----------------------------------------------------------------|

2.2

- 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 energy efficiency or clean technologies.

Renewable energy

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

1.1

- 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 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

Percentage of AUM (+/-5%) per asset class invested in the area

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

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

Percentage of AUM (+/-5%) per asset class invested in the area

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 sustainable forestry.

- Sustainable agriculture

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

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 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 sustainable agriculture.

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

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

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 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

Percentage of AUM (+/-5%) per asset class invested in the area

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

5.3

- 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