

2019
RE
PORT

RESPONSIBLE
INVESTOR REPORT
SYCOWAY AS A COMPANY



SYCO
MORE
am



INTRODUCTION

Since 2016, our teams have come together and bought our corporate mission to life: to give a human dimension to investment. 2019 was a new milestone on our road as an engaged player; we worked on the integration of our mission statement in the company's articles of incorporation, and settled, in agreement with our board of directors, on the following phrasing:

"We invest to develop an economy that is more sustainable and inclusive and to generate positive impacts for all of our stakeholders. **Our mission: make investment more human**".

This mission embodies our vision of our role as asset managers: to take a long-term perspective and work hand in hand with the companies we own as one of their stakeholders - alongside their employees, clients, suppliers and society in its broad sense.

Hence the need for us to take a close look at our own practices and behaviour with regard to our stakeholders, and act responsibly with each and every one of them. Our goal is to set an example for the companies in which we invest: it is important that we be exemplary in order to guarantee the consistency and credibility of the standards we, ourselves, expect of our portfolio companies. This "Sycoway as a Company" report follows on from the CSR reports we have published since 2011. It offers an update at a specific moment in time and exposes the progress we have made so far on the road to achieving our mission.

One of the highlights in 2019 was the launch of the Sycomore Next Generation fund, an SRI-labelled multi-thematic flexible fund investing in issuers addressing societal and environmental issues for the benefit of future generations. As advocates for SRI in Europe, our five SRI funds received the Belgian "Towards Sustainability" label. We are also a founding partner of the Good in Tech Chair run by the Institut Mines-Telecom Business School and Sciences Po's Management and Innovation school: this commitment is consistent with our partnership with Gaia Capital Partners, and more broadly, with our research work on corporate responsibility and on the societal and environmental contribution of Tech companies. Finally, Generali's acquisition of stakes in Sycomore Factory was an opportunity to open up the capital to more staff members: we believe that employee share ownership is a key tool in enabling staff to share in the success of our corporate project.

This "Sycoway as a Company" report is a further step in our drive to lead by example. The publication provides detailed information on our actions, progress reports and insights into our ambitions going forward. It is complementary to our "Sycoway as an Investor" report which focuses on our approach as a responsible investor.

We wish you a pleasant read and look forward to receiving your comments and feedback!

Emeric Préaubert
Chairman

SUMMARY

01	<i>Make INVESTMENT more human</i>	P4-10
02	<i>The SYCOWAY barometer</i>	P11-13
03	GOVERNANCE	P14-18
04	CLIENTS	P19-26
05	PEOPLE	P27-33
06	SOCIETY & SUPPLIERS	P34-40
07	ENVIRONMENT	P41-43

Founded in 2001, Sycomore Asset Management is an entrepreneurial asset management company specialised in investments in listed companies. Since our launch, the team has been committed to delivering sustainable performances by identifying the levers that create long-term value.

Sycomore AM's expertise, which focuses on stock picking, is driven by a field-approach and a proprietary fundamental research methodology, which includes financial and extra-financial criteria. Driven by its ambition to combine purpose and performance, Sycomore AM has become a leading player in the socially responsible investment space.

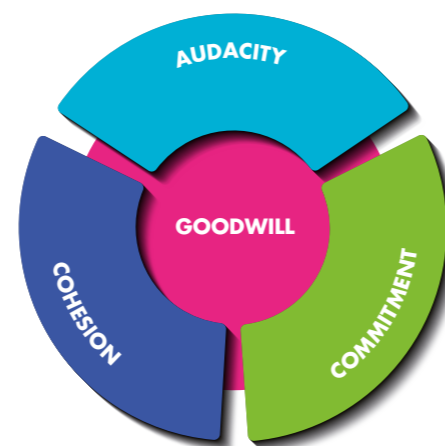
Our VALUES

To steer us in our daily business operations and fulfil our objectives, we focus on **three key values** chosen by Sycomore AM's employees: **audacity, cohesion and engagement**. To ensure these values come to life in our daily work, we have converted them into "principles for action".

- ▶ **Audacity** is about cultivating a spirit of open-mindedness and intellectual curiosity in order to break with industry standards and set ourselves apart. We encourage risk taking and accept failure.
- ▶ "If you want to go fast, go alone. If you want to go far, go together." Thanks to our group **cohesion**, we share the successes and learn from our failures together.
- ▶ Our full and individual engagement acts as a common performance driver. **Engagement** means we can build the future through our daily actions.

Beyond our value system, we advocate a **specific mindset: goodwill**. We put ourselves in another's shoes and care about his or her wellbeing. We build relationships based on trust.

The formalisation of this value system, which encourages us all to act, is consistent with Sycomore AM's corporate project and enables us to stay the course with a view to achieving our mission.



The FACTS

THE NEED FOR A MORE SUSTAINABLE AND INCLUSIVE ECONOMY

According to the Brundtland report, a sustainable economy is an economy that "meets the needs of the present without compromising the ability of future generations to meet their own needs"⁽¹⁾.

To be viable for future generations, an economy depends on the resources of healthy ecosystems - fresh water, clean air, robust biodiversity, productive land - and on the stability of just societies⁽²⁾.



Over the past 50 years, we've witnessed a dramatic and unprecedented progress in human indicators⁽³⁾. However, deep fractures are beginning to show. As laid out in the 2030 Agenda for Sustainable Development⁽⁴⁾, we are meeting at a time of important challenges to sustainable development. Billions of citizens continue to live in absolute or relative poverty, while inequalities are rising within and among countries. Gender inequality remains a key challenge. Unemployment is a major concern, while many countries lack the human capital needed to advance as a knowledge society⁽⁵⁾.



Climate change is one of the greatest challenges of our time and its adverse impacts undermine the ability of all countries to achieve sustainable development. Intense natural disasters and global health threats, more frequent, threaten to reverse much of the development progress made in recent decades. Natural resource depletion and negative impacts of environmental degradation, including fresh water scarcity and loss of biodiversity exacerbate the list of challenges faced by humanity.

As the 2030 Agenda concludes, "the survival of many societies, and of the biological support systems of the planet, is at risk".

(1) Report from the UN's World Commission on Environment and Development chaired by Norwegian Gro Harlem Brundtland, and written in 1987: "Our Common Future"

(2) Yvon Chouinard, Jib Ellison and Rick Ridgeway "The Sustainable Economy", Harvard Business Review: <https://hbr.org/2011/10/the-sustainable-economy>

(3) Human Development Index trends between 1990 and 2018: <http://hdr.undp.org/en/content/table-2-human-development-index-trends-1990%E2%80%932018>

(4) UN's 2030 Agenda for sustainable development: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

(5) BCG, Comblent le déficit de compétences dans les pays en développement : <https://www.bcg.com/publications/2016/bridging-the-skills-gap-in-developing-countries.aspx>

The role of **INVESTORS**

HELPING TO BUILD A MORE SUSTAINABLE AND MORE INCLUSIVE ECONOMY

In this context, the financial sector - in its role as a capital provider - can contribute to achieving the ambitious vision depicted in the 2030 Sustainable Development Agenda. It is estimated that between \$5-7 trillion per year is needed to achieve the Sustainable Development Goals. With global assets under management expected to reach around \$145 trillion by 2025, there is a need and an opportunity to mobilize more mainstream private capital as a force for positive SDG contribution, while ensuring this same capital is not supporting activities that damage the efforts to reach the SDGs. Investors, in their role as capital providers, have several levers at their disposal to do achieve this, including:

- ▶ **Integrating environmental, social and governance (ESG) factors**, including human rights throughout the investment lifecycle in order to assess and mitigate the real and potential adverse impacts of investments on people and planet, and to direct capital towards responsible businesses.
- ▶ **Developing reliable and transparent indicators** to evaluate the extent to which investments contribute to SDGs and be accountable for the assets financed.
- ▶ **Encouraging companies** to mitigate the negative impacts of their activities through constructive dialogue, while adopting virtuous practices contributing to the SDGs.
- ▶ **Adopting longer investment horizons** allowing companies to implement the investments necessary to ensure the sustainability of their activities in the long term.
- ▶ **Collaborating with civil society and the private and public sectors** to produce the necessary changes needed to meet key sustainable and inclusive development targets.

Our **MISSION**

As an engaged player and in keeping with our approach as a responsible investor, we have chosen the following wording for our mission:

“We invest to develop an economy that is more sustainable and inclusive and to generate positive impacts for all of our stakeholders. Our mission: make investment more human”.

We are convinced that the financial world has a key role to play in the development of a sustainable economy capable of addressing major environmental, social and societal challenges: we are responsible for ensuring that our investment decisions serve a sustainable economy and for encouraging companies as they transform to address these challenges.

This mission embodies our vision of our role as asset managers: taking a long-term approach, working close to companies as one of their stakeholders, close to their employees, their clients, suppliers, society and the environment in its broadest sense.

We examine our practices and our behaviour with respect to each of our stakeholders and act responsibly. We work on behalf of our clients while seeking to deliver on our commitment to invest responsibly. We strive to be an employer that listens to its staff. Our goal is to set an example for the companies in which we invest: it is important that we be exemplary in order to guarantee the consistency and credibility of the requests we make on portfolio companies.

In order to monitor the implementation of our mission, we have set - for each of our stakeholders - priorities and measurement tools that will enable us to report on the impacts of our activities on our stakeholders:

- ▶ **Environment:** our impact on the environment is primarily produced by our investments. Our priority is to contribute, through our investments, to the environmental and climate-driven transition. As described in our Natural Capital strategy, our approach when assessing the contribution of a company's business model to this transition is based on physical impacts - positive and negative - throughout the entire lifecycle; we naturally examine impacts on the climate, but also on biodiversity, resources/waste, water and air quality. To this end, we have created a specific scientific metric, the NEC – for Net Environmental Contribution, which offers full transparency and is supported by the NEC Initiative's group collaboration on www.nec-initiative.org. We are committed to supporting the NEC Initiative, monitoring the NEC within our funds, and improving Sycomore AM's own NEC.





► **Society:** our main lever for contributing positively to society is through our investment strategies. We are currently developing our methodology for measuring the net societal contribution of a company, which will include the following factors: access and inclusion, health and safety, economic and human advancement, and employment. We commit to reporting on this metric and on developing investments with positive contributions through our investments. Our societal contribution also involves sharing some of the value we create through the Sycomore Foundation and by channelling some of the management fees generated from our thematic funds to charities (as announced early 2020 for Sycomore Shared Growth).



► **Clients:** since the creation of Sycomore AM, our commitment has been to offer our clients performance with purpose. We report on the financial and "sustainable development" performances of our investments on D+1 at the end of each month. In addition to developing metrics aimed at assessing the societal and environmental contributions of our investments, we have committed to obtaining the government-backed SRI label for our entire "Long Only" equity fund range. We are focusing our development projects on socially responsible investment products and on generating positive impacts.



► **Employees:** we firmly believe that fulfilment at work is an essential factor for fostering employee engagement and thereby ensuring the successful achievement of the corporate project; we make sure our staff are offered a quality working environment and are attentive to their needs and requests. We conduct regular engagement surveys and take actions based on their outcome. Employee stock ownership is also a key tool in ensuring staff feel truly involved with the success of the company: more of our team members have become shareholders since 2020.



► **Suppliers and sub-contractors:** our different activities also involve a large number of partners within the financial ecosystem - financial and extra-financial research, trading, brokerage, custodian banks - as well as service partners - reception, audit and consultancy services, cleaning, supplies, etc. We have committed to implementing equitable and transparent selection procedures and to developing trust-based relations with our partners. We apply our responsible procurement policy, through which we select, where possible, partners displaying a responsible corporate approach.



► **Shareholders:** our approach to investing stems from our conviction that a company can only create sustainable value if this value is shared among all of its stakeholders. As a result, all of the commitments we make with respect to our stakeholders contribute to creating sustainable value for our shareholders. Our business model is based on our approach as a responsible investor, which our shareholders are also keen to support. We commit to ensuring that our strategic priorities continue to make this approach even stronger.

Our

COMMITMENTS

The formal definition of our mission, with a view to integrating the wording into the firm's articles of incorporation, does not call into question the commitments we had made earlier. These provide details, beyond the strategic priorities listed above, on a set of a principles to be met within each of the firm's three main divisions:

| Business development

- We present Sycomore AM's mission before talking about our products.
- We use a quirky tone consistent with our values of simplicity/humility.
- We prefer to set team targets.
- We rely on the expertise of other teams within the firm and put these people forward during our client meetings.
- We are transparent and honest in our communications.
- We are sensitive to the specific requirements and needs of our clients in order to provide them with the best solutions.

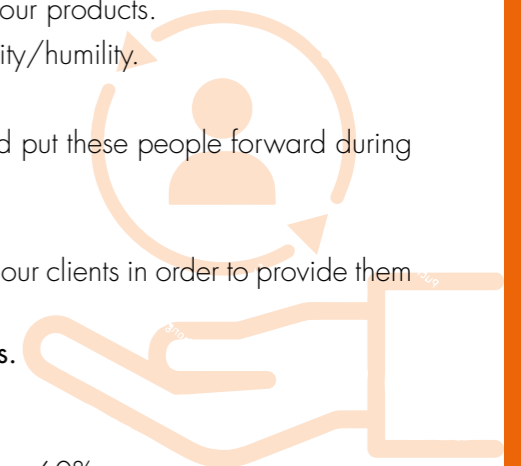
Our goal is to build durable relationships with our clients.

| Investment

- We are active fund managers, with an 'active share' above 60%.
- We like to invest off the beaten track and are sceptical of passing trends.
- We value diverse backgrounds within the team and encourage the sharing of skills.
- When communicating, we value transparency and responsiveness.
- We believe that a company should be managed in the interest of all its stakeholders.
- We engage with companies in order to instil more accountability with respect to their practices.

| CROS (Compliance, Risk, Operations and Systems)

- We are sensitive and open to our in-house and external clients' needs in order to find a suitable solution within a short timeframe.
- We conduct active benchmarking and seize opportunities that will help us better anticipate future changes and needs.
- We identify and manage potential risks for Sycomore AM.
- We work hand in hand with all stakeholders, based on mutual trust, to ensure successful outcomes.
- We say what we do and do what we say..
- Our in-house and external client service should set the industry standards.
- Reliability and accuracy are our keys to success.



Our

APPROACH

SYCOWAY, AN APPROACH OF OUR MISSION AND OUR STRATEGY

As an investor, Sycomore AM examines companies based on a responsible, global and integrated approach; this 360-degree view stems from our analysis of a company's interactions with its stakeholders. In order to encourage and disseminate best practices while maximising positive impacts, we engage with the companies under review and support them on their road to progress.

As a company, our approach to our own stakeholders (employees, clients, suppliers...) is governed by sustainable development considerations and these are central to our four areas of strategic focus. In light of the strict standards we set for our company portfolios, it is important that we lead by example in our interactions with our own stakeholders.

This "Sycomore as a Company" report enables us to communicate on our in-house actions on a voluntary basis. Considering our dual reach as a company and as an investor, this report is complementary to our "Sycomore as an Investor" report, which describes our **approach to responsible investment**.

We took advantage of the work conducted on our corporate mission in 2019 to add more details to the strategic priorities listed above and to provide more information on the measurement tools we use to monitor our progress. Our objectives and action plans are described in this report - in the relevant section below (Barometer, page 12) - where we also discuss the material implementation of our mission.

*Our*

STRATEGIC PRIORITIES

- ▶ To become an authority on Socially Responsible Investment (SRI).
- ▶ To develop our human capital.
- ▶ To diversify our product strategy.
- ▶ To diversify our client segments.

4

PRIORITIES

REFERENCE
DEVELOP
Diversify

Our mission sets out our vision as an investor and as a company committed to developing a more sustainable and more inclusive economy.

In order to guide our decision-making in the near and mid-term, we have defined four strategic priorities: **these support the development of our activities, while fully integrating the priorities identified via our mission, for each of our stakeholders.**

As an illustration, the diversification of our product strategies or client segments is designed to strengthen our investment solutions, while maintaining a clear positioning on responsible investment and pursuing impacts.



BAROMETER

SUSTAINABLE DEVELOPMENT GOVERNANCE AT SYCOMORE AM: CREATION OF THE MISSION AND SUSTAINABLE DEVELOPMENT COMMITTEE

The Mission and Sustainable Development committee, created in 2018, is the governance body responsible for monitoring the effective implementation of the mission. The committee - which includes members representing different business units at Sycomore AM – sets and monitors the firm’s commitments and objectives. It reports to Sycomore AM’s Steering Committee, which ensures the strategy is aligned with the corporate mission.

To assess our performance from a sustainable development angle, our research process has been formalised based on our SPICE model.

The proprietary SPICE model is used to assess the companies featuring our investment universe, to research the resilience of business models and to examine social, societal and environmental impacts. Convinced that a company can only create sustainable value if this value is shared with all of its stakeholders, we have structured the SPICE model around its interactions with the latter: S for Society & Suppliers, P for People, I for Investors, C for Clients, and E for Environment.



The barometer opposite shows the results of our SPICE assessment, the link between our stakeholders and our strategic priorities, as well as the 2019 highlights which have contributed to our stronger positioning on key challenges. The barometer records the progress made with regards to the objectives listed in last year’s report and provides details on our goals for 2020.

STAKEHOLDERS	2019 Sycomore AM rating	Ambitions communicated in the 2018 report	2019 highlights	Our goals for 2020
<p>S</p> <p>P</p> <p>I</p> <p>C</p> <p>E</p>	To become an authority on SRI			
	3.5/5	<ul style="list-style-type: none"> - Add our mission - Make investment more human - in the articles of incorporation - Expand our SRI assets under management - Widen our range of SRI-labelled funds 	<ul style="list-style-type: none"> - Mission defined and approved by the Supervisory Board - SRI AUM rose from 40% at end 2018 to 51% at end 2019 - Launch of a new SRI fund: Sycomore Next Generation - Towards Sustainability Label For our 5 SRI funds - Launch of a new metric measuring a company’s contribution to employment: The Good Jobs Rating - Founding partner of the Good in Tech research chair, run by the Institut Mines-Télécom Business School and the School of Management and Innovation at Sciences Po 	<ul style="list-style-type: none"> - Add our mission to the articles of incorporation - Obtain the BCorp certification - Receive the SRI Label for all of our long-only SRI equity funds - Continue expanding our range of SRI funds with the creation of a Responsible Tech fund - Receive the FNG label for our 5 SRI funds - Finalise the first version of the sector benchmarks for assessing a company’s societal - Work on our Human Rights approach as a company and as an investor - Increase the impacts of our thematic funds by redistributing some of the management fees to charity organisations
	To develop our human capital			
	4.2/5	<ul style="list-style-type: none"> - Open up the capital to a larger number of employees - Draw up an in-house manifest against discrimination 	<ul style="list-style-type: none"> - Employee stock ownership extended to 14 additional members of staff - One extra week of annual leave 	<ul style="list-style-type: none"> - Carry out a staff engagement survey - As part of our efforts on human rights, draw up an in-house manifest against discrimination
	To develop our human capital and diversify our product strategies			
4.0/5	<ul style="list-style-type: none"> - Publish the pay gap ratio - Strengthen the whistle-blowing reporting mechanism 	<ul style="list-style-type: none"> - Calculation of gender equality index for publication early 2020 in compliance with regulatory requirements 	<ul style="list-style-type: none"> - Publish the pay gap ratio - Strengthen the in-house whistle-blowing mechanism 	
To diversify our client segments and our product strategies				
3.5/5	<ul style="list-style-type: none"> - Develop our international retail investors’ appetite for SRI 	<ul style="list-style-type: none"> - Towards Sustainability Label for our 5 SRI funds - Membership to the Italian Forum for Sustainable and Responsible Investment - Launch of the Sycomore Next Generation fund 	<ul style="list-style-type: none"> - Obtain the FNG Label for our 5 SRI funds - Continue expanding our range of SRI funds - Improve our reporting on the impact of our investments in relation to the SDGs - Keep up with our annual client satisfaction survey and publish the main findings 	
To become an authority on SRI				
3.6/5	<ul style="list-style-type: none"> - To set a NEC target for all of our assets under management 	<ul style="list-style-type: none"> - Support the launch of the NEC Initiative - Review the Environment model within SPICE, to improve how the NEC is accounted for as well as the identification of transition and physical risks 	<ul style="list-style-type: none"> - To set a NEC target for all of our assets under management - Take part in the governance and development of the NEC Initiative - Deploy a NEC data offer with partners - Contribute to industry think-tanks to better reflect biodiversity issues 	

In 2019, Sycomore AM is majority-owned by the Generali Group, by its founding partners and employees, through the Sycomore Factory holding company.

Sycomore AM's executive team is structured around two governance bodies: the Executive Committee, with assistance from the Steering Committee, and the Board of Directors.

Our COMMITTEES



► **The Executive Committee**, which includes the three founding partners, is in charge of the daily running of the company. The complementary background of its members helps the firm's collegial-style management and the division of roles - Cyril and Emeric run the Investment side while Christine heads Strategy & Development - as well as the decision making-process: all decisions require a majority.

► **The Steering Committee**, which includes the Executive Committee plus five managers - representing Sycomore AM's main business units (CROS*, Human Capital, Sales, Investment) - meets twice a month to approve key strategic decisions for business development and to facilitate internal communications.

24 meetings per year for the Executive and Steering Committees

*CROS: Compliance, Risks, Operations & Systems

► **The Board of Directors**, which includes 5 members at end 2019 – as shown in the table below, sets the overall strategic direction for the company, its budgets and investment policies. It also ensures that these policies are duly implemented.

The Board of Directors carries out as many audits and checks as deemed necessary. It also meets to close the company's accounts and to validate any changes made to the UCITS.

Directors	Status	1 st mandate	End of mandate
Laurent Deltour	Board Member	2001	2020
Komalix represented by Christine Kolb	Director, Business Development	2001	2020
Cyril Charlot	Deputy Managing Director	2001	2020
Emeric Préaubert	Deputy Managing Director	2001	2020
Sycomore factory represented by Christine Kolb	Director, Business Development	2019	2020
Gérard Jousset	External member	2006	2020

The structure of the Board of Directors will change in 2020, notably to account for the stakes bought by Generali in Sycomore Factory's capital.

3 Meetings for the Board of Directors in 2019

ZOOM on

ITS SUPERVISORY BOARD AND SHAREHOLDERS

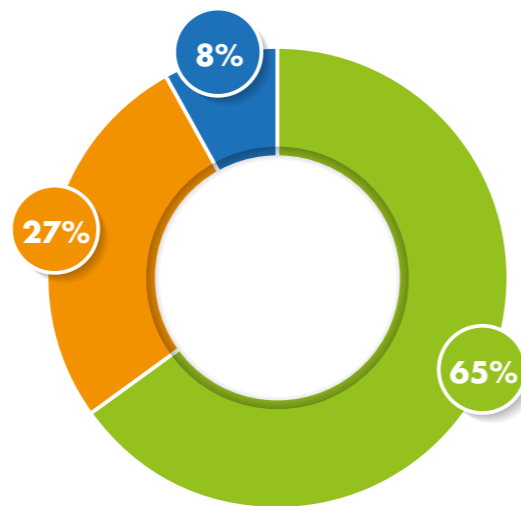
Sycomore AM is required to report on its business activities during the annual Supervisory Board held for Sycomore Factory - the holding company that owns 100% of Sycomore AM and Sycomore Market Solutions.

Within Sycomore Factory, the Supervisory Board includes the four founding partners as well as eight Generali employees.

At the end of December 2019, Sycomore Factory's capital is majority-owned by Generali (65%); the remainder is owned by Sycomore AM's founding partners (27%) and employees (8%).

SYCOMORE FACTORY'S CAPITAL STRUCTURE

- Sycomore AM's founding partners and partners
- Generali
- Employees



Sycomore AM's ecosystem

In 2019, Sycomore AM's ecosystem expanded with the arrival of Gaia and Lita.co.



Gaia Capital Partners is a new investment firm at the heart of Sycomore AM's ecosystem. It is dedicated to supporting the new generation of responsible entrepreneurs in the fields of technology and innovation in Europe. Elina Berrebi and Alice Albizzati are the co-founders and Sycomore AM owns 40% of the capital.

Since 2019, Sycomore AM has also been a minority shareholder (with stakes of 5%) in the Positive Impact Fintech, Lita.co. The company's long-term ambition is to become a neo-responsible bank. Sycomore AM will support Lita.co in its development, notably thanks to the presence of Christine Kolb on its strategic committee.



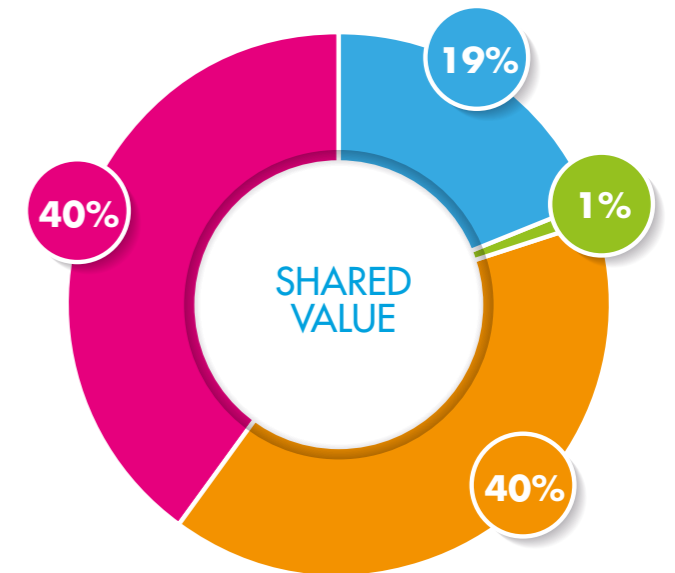
Our AMBITION

TO SHARE THE VALUE WE CREATE WITH ALL OF OUR STAKEHOLDERS

A company can only create sustainable value if this value is shared with all of its stakeholders. Driven by this conviction, Sycomore AM pays considerable attention to the distribution of the value it creates among all of its stakeholders, both in terms of its own operations and through its investments. Around 40% of the value created by Sycomore AM is redistributed to employees in wages and bonuses; around 19% goes to the State as taxes; close to 1% of the operating income is allocated to the Sycomore Foundation and the remainder, around 40%, is distributed to shareholders (all shareholder types, paid-out as dividends).

HOW SYCOMORE AM SHARED ITS VALUE IN 2019

- State (taxes)
- Sycomore AM Shareholders
- Sycomore AM Employees
- Fondation Sycomore



Employee stock ownership what better way to share the value created by the company?

As a believer in share ownership as a major driver for motivation and performance, Sycomore AM places a great emphasis on employee stock ownership. At end 2019, 35% of the firm's capital was owned by the founding partners and employees (partners and non-partners).

For more information on our vision on employee stock ownership, follow this link: <https://www.sycomore-am.com/Notre-magazine/2017/11/438-Lassociation-au-capital-des-salaries-temoin-du-partage-de-la-valeur-ajoutee-dune-entreprise>.

3.5 Ethical considerations lie at the heart of our business

As a responsible company, Sycomore AM pays constant attention to the practices of its teams and partners to ensure these are exemplary with regards to the firm's stakeholders. Compliance with ethical principles and requirements is therefore of utmost importance to us. The principles are laid out in our **Ethics Code** which applies to all members of our staff.

Our BUSINESS ETHICS

The **Ethics Code** is a tangible expression of the company's commitments in this area and enables our teams to develop a holistic understanding of the rules of good conduct applicable to all.

The Code also lists the rules applicable to personnel in terms of personal transactions, market trades, the use of IT tools and corporate communications. The Code is accessible to all via intranet and is signed by all new members of personnel.

The Chief Compliance Officer (CCO), who reports to Christine Kolb in her role as a non-investment executive director, and to the Board of Directors, is responsible for ensuring the Code is duly applied.

Team members who trade in financial instruments must hold the AMF certification which guarantees their full grasp of the important regulatory and ethical issues specific to our profession. Overall, the percentage of certified employees was 75%. The remaining 25% were either preparing for the exam in 2019 or do not need the certification to perform their duties within the firm.



4.1 Our approach to business development

*"Whatever you can do or dream you can, begin it now.
Boldness has genius, power and magic in it."
J.W.Goethe*

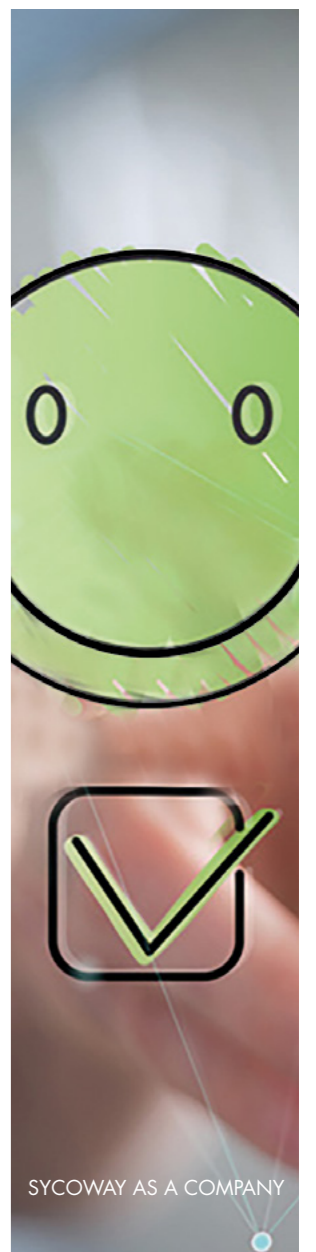
Our APPROACH

AN APPROACH GEARED TOWARDS SERVING OUR CLIENTS AND OUR MISSION

Investors are key stakeholders within our SPICE analysis model. Sycomore AM naturally embodies the Investor stakeholder, but only insofar as **we serve our clients**, who are also investors.

Our mission, which is "make investment more human" is about restoring the economic and social role of investment where it belongs - at the heart of society, and away from the boundaries of the financial ecosystem. Investors, companies and capital flows are now international - proof that a global perspective is necessary for us to achieve our goal. We believe that by disseminating our approach in France and in Europe, we will strengthen our legitimacy: "To bring a human dimension to investors" in France, Germany, Italy or Spain. For our sales professionals, this involves traveling to meet these investors, listening to their needs, and developing relationships while remaining sensitive to cultural specificities in different countries. Beyond delivering performance, we aim to offer **high quality and bespoke client service**. This involves meeting our clients' daily expectations in terms of risk monitoring, regulatory matters and reporting.

Addressing these needs contributes to building **durable relationships** with our clients: in a highly competitive industry, fostering customer loyalty is key to our business development strategy.



04 CLIENTS

4.2 A structured sales force serving our business development

Our TEAMS

Developing business at Sycomore AM is more than a sales job - it's about interacting with an entire community dedicated to addressing our clients' needs. While human considerations guide our exchanges with clients, they also drive our teams in their daily work.

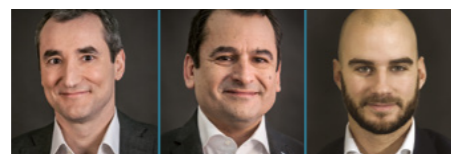
- ▶ The organisation of our sales force is perfectly aligned with the diversification strategy applied to our client segments, with the team structured into three complementary units: institutional investors, international development and distribution partners.

The team dedicated to serving institutional investors is primarily focused on French clients, while our international development team covers our foreign-based clientele. The team's main role is to serve and provide sales support to banks, insurance companies and pension funds in France and other European countries; it also plays an essential part in developing specific investment mandates.

The key mission of our Distribution Partners team is to offer the highest quality of service to Independent Financial Advisors, family offices and regional private banks. The team promotes and develops our product offer targeting agents and brokers. Its members are present at industry trade fairs and run our regular Partner Meetings.

INSTITUTIONAL INVESTORS

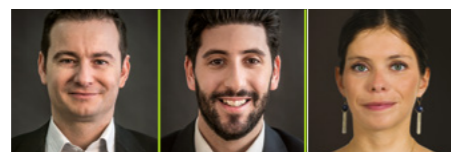
The team



Christophe Hourtoulle | Jean-Pierre Grignon | Laszlo Banier

DISTRIBUTION PARTNERS

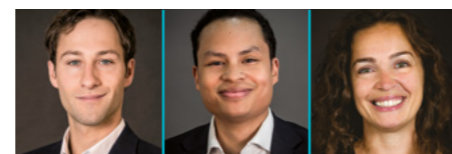
The team



Olivier Chamard | Mathieu Quod | Laurence Cavallaro

INTERNATIONAL DEVELOPMENT

The team



Maximilian Riesser | Fidy Ramamonjisoa | Francesca Mozzati

CLIENT SERVICE

The team



Camille Camou | Mélanie Bonfils | Audrey Duverger

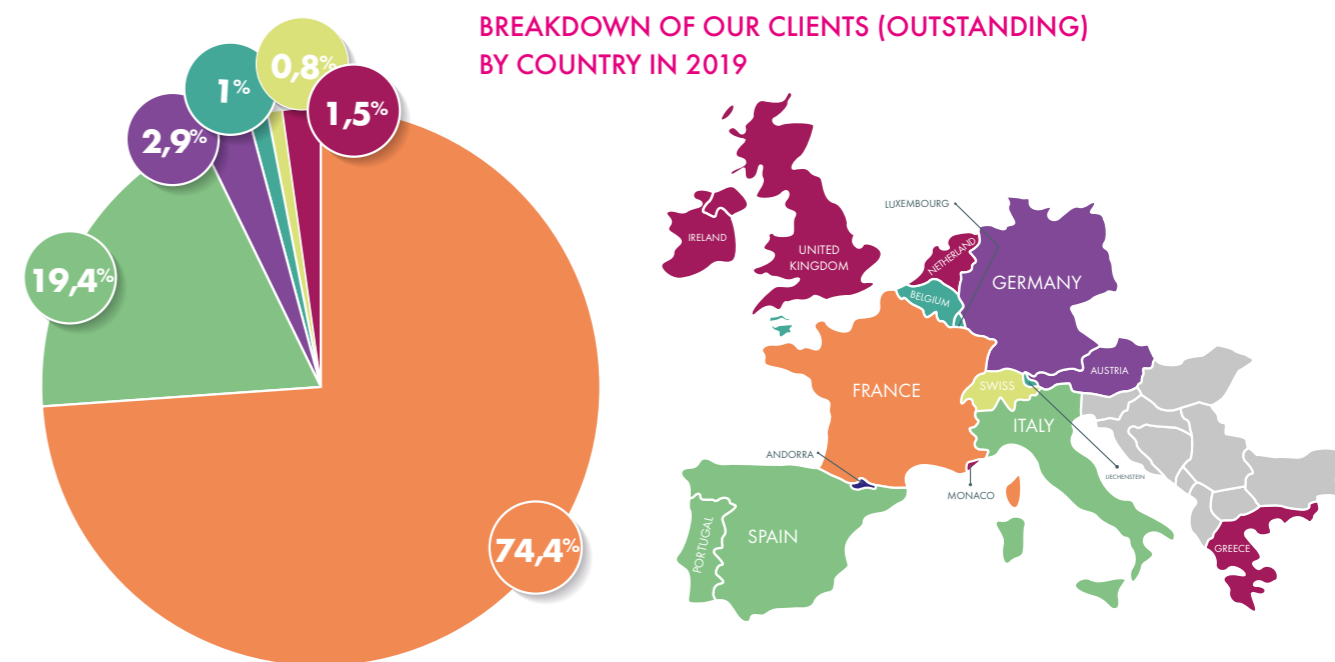
Our RESULTS

Despite the stock market rally, 2019 was a mixed year for active fund managers. Most of the inflows – excluding money market funds – were captured by passive solutions and as was the case for many French asset managers, Sycomore AM recorded net outflows of €1,095 million.

France remains a strong growth driver (75% of our

AM at end December 2019), and Italy, following Generali's acquisition of stakes in the company, now accounts for 18% of total inflows.

Institutional clients continue to weigh 75% of our AUM and international investors have grown from 15% to 25%, proof of our ambition to develop business outside of France.



INTERVIEW WITH FIDY RAMAMONJISOA

Head of International Business Development

“Becoming a leader in the responsible investment space is a real challenge. At the cutting edge of research and development on issues of impact and ESG, our team of analysts and fund managers works relentlessly to deepen our knowledge of companies and deliver sustainable performances. The business development teams are also fully engaged. Our goal is to translate the long-term opportunities that emerge into investment solutions.”

“These leadership ambitions play out in France, but also abroad, where responsible investment is enjoying considerable growth, in keeping with the aspirations of private investors wishing to put their money to work with more purpose and transparency. Against this backdrop, Sycomore AM's international development lies at the heart of the company's strategy.”

“Over the past few years, we have deployed considerable means in order to increase our coverage and enable international investors to gain a better understanding and improved access to our strategies. Our funds are now available to institutional and retail investors in the main European countries, and since the end of 2018, in Chile. We are also keeping a close eye on demand in Asia, where innovative investment solutions are increasingly sought after.”



04 CLIENTS

4.2 A structured sales force serving our business development

Our SALES FORCE

Our sales force relays all of our clients' needs and expectations. All teams are aware of the importance of providing high standards of customer service, as a prerequisite for developing long-term relationships. The synergies at play between the sales force, the investment team, risk control, compliance, marketing and IT ensure our responsiveness as a firm, which largely contributes to the quality of the service we provide. In our effort to lead by example in matters of transparency, we guarantee that our monthly reports are sent out on D+1 after month end. We provide regulatory reports and honour requests for specific reports.

The rewards and accolades we receive are a reflection of our very high standards and a testimony to our commitment to align our interests with those of our clients.



► We applied for our first assessment by Fitch Ratings in 2008 and were awarded the High Standards rating until 2017. Since 2018, our rating has been upgraded to "Excellent", the highest possible Distinction.



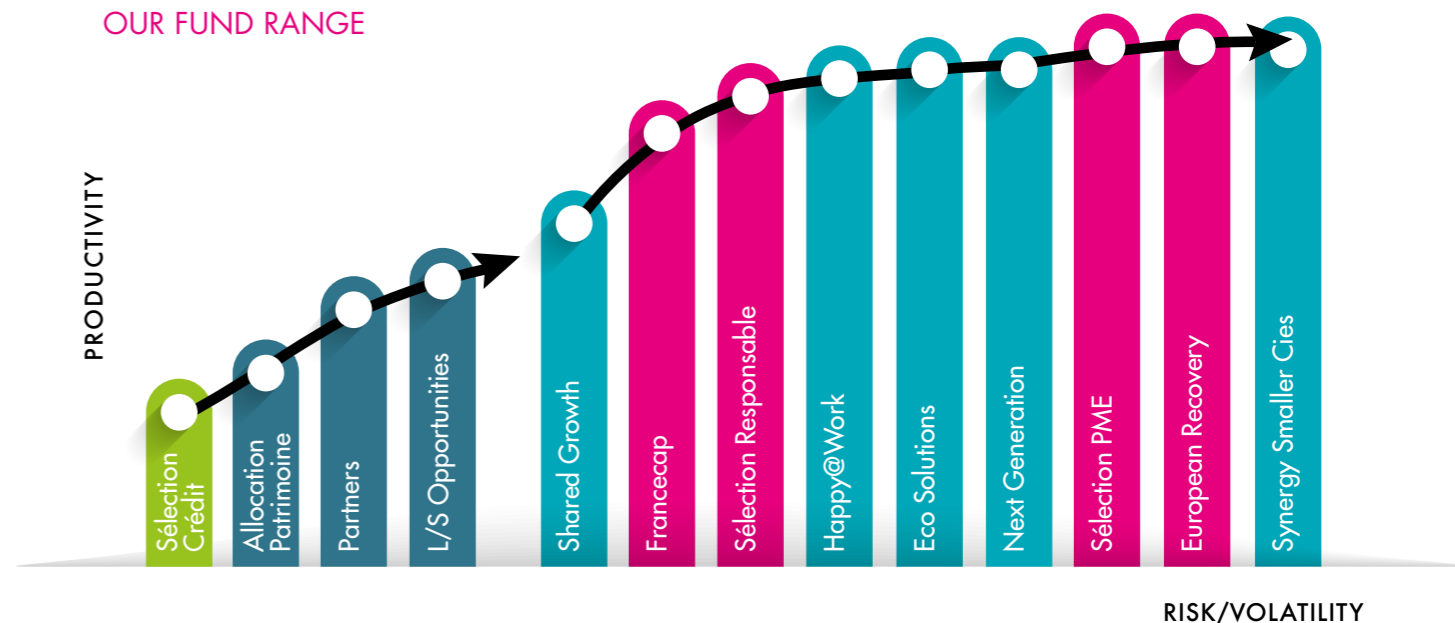
Our OFFER

A product offer developed to meet our clients' needs and expectations

Designed to offer both purpose and performance, our investment expertise - which seeks to identify durable levers for growth - is split into four main strategies: Sustainable equities, Thematic equities, Flexible strategies and Credit crossover SRI.

- **SUSTAINABLE EQUITIES:** we invest in companies that offer sustainable growth levers. Our benchmark-agnostic approach is opportunistic and applies to all equity strategies: Sycomore Francecap, Sycomore Sélection Responsable, Sycomore European Recovery and Sycomore Sélection PME.
- **THEMATIC EQUITIES:** the world is changing, causing new investment opportunities to emerge. Our objective here is to identify the challenges of the future and to translate them into sustainable performance drivers. The Sycomore Happy@Work, Sycomore Eco Solutions, Sycomore Shared Growth, Synergy Smaller Cies are managed in this spirit, as is Sycomore Next Generation, a new fund within the range. The objective of this strategy is to invest in companies that are addressing societal and environmental issues for the benefit of future generations.
- **FLEXIBLE STRATEGIES:** we believe that volatility creates investment opportunities. Our flexible funds are designed to deliver attractive returns, while limiting the drawdowns. These strategies are Sycomore Partners and Sycomore Allocation Patrimoine. The Sycomore Long/Short Market Neutral fund was absorbed by Sycomore Long/Short Opportunities at the end of 2019.
- **CREDIT CROSSOVER SRI:** we select corporate bonds with no rating or size constraints, in the aim of delivering a steady yield and low modified duration. The Sycomore Sélection Crédit fund is managed based on this approach.

OUR FUND RANGE



Our AWARDS

In 2019, our main awards were the following:

► Sycomore AM received the Fundclass award in recognition of the quality of its investment expertise, as part of the European Funds Trophy. The companies eligible for this award must have managed a range of funds in Europe for at least seven years.



► Sycomore AM was awarded the 2019 SPECIAL IMPACT INVESTING PRIZE FOR ASSET MANAGEMENT COMPANIES. This prize acknowledges Sycomore Asset Management’s achievements in measuring the positive and negative environmental impacts of the companies under analysis, using a dedicated tool: the Net Environmental Contribution (NEC).

► Sycomore Allocation Patrimoine received the “Label Excellence” as part of the Grands Prix Mieux Vivre Votre Argent. This label is granted to funds that have delivered the strongest and most consistent returns over 5 years.



► Sycomore Allocation Patrimoine received the Pyramid within the “Mutual Funds - Flexible Wealth Management” category. This award recognizes the highest performing, most innovative and most appreciated asset managers (by Independent Financial Advisors).

Our digital APPROACH

Sycomore AM’s digital capabilities were strengthened at the end of 2016 with the recruitment of a digital Marketing Officer to support our business development strategy. Our objective was to consolidate and develop the ecosystem (social media, CRM e-mailing, attractive website...) while strengthening, both quantitatively and qualitatively, our brand presence on the web (benchmark, new contents, influence marketing...). Since, Sycomore’s Twitter and LinkedIn accounts have been among the most active and engaging within the industry, regardless of firm size.

In 2019, indicators measuring the performance of our communication campaigns on social media remained at

good levels, despite a broad decline in reach (number of impressions) that has been affecting all platforms. The management of our pages and accounts is driven by quality contents that are well-suited to our fanbase: market views, replays of TV interviews with our fund managers, in-depth articles on ESG issues, events, etc. Furthermore, the firm’s contents publication is supported by a strong employee advocacy in-house policy, which encourages Sycomore AM’s staff to become spokespeople for the company. We therefore maintained a high level of visibility on Twitter, with an average 234,000 views per month; on LinkedIn, the number of subscriptions increased by 45% with almost 6,000 followers at end 2019 and a monthly average of 28 posts.

	in		Twitter	
	2018	2019	2018	2019
Monthly publications	26,3	28,8	60	42
Impressions (reach)	47K	30K	302K	234K
Followers	3 821	5 723 (+45%)	4 768	4 877 (+2%)
Interactions	1 072	1 310	691	340

Our **EVENTS**

In order to present and promote our range of products, we organise or take part in a number of industry events; these offer venues for our sales and investment teams to reach out to clients, to communicate clearly on our different investment strategies and to nurture close relations with our partners.

We are present at industry trade fairs, both in France and abroad, where we are also happy to discuss our vision of finance. In Paris or other regions of France, we run thematic lunch meetings with a small number of participants, where clients and fund managers can enjoy valuable and insightful exchanges.

- ▶ **Annual conference:** every year, we organise a conference for all of our clients. This year, highlights of the conference - on the theme of **“Sustainable Innovation: Purposeful Finance, Impact Investing”** included an address from Jean-Pascal Tricoire, Chairman of Schneider. This event brought together many influential and inspiring company executives able to discuss tangible examples of the progress made over the past 10 years and the key challenges for the next decade.



- ▶ In keeping with our commitment to raise awareness with clients and our stakeholders on our approach as a responsible investor, Sycomore AM, in partnership with the think & do tank Prophil, KPMG France and the Croissance Responsible Foundation, organised the first-ever simulated Shareholders' Meeting of a fictitious listed company wishing to become "mission-led". **Tomorrow's AGM** was the first conference-show to raise questions over the corporate world's contribution to the common good and the role of shareholders going forward. 700 shareholders attended this unique evening at the Théâtre du Gymnase. The event was organised with support from media company Usbek et Rica. In addition to on-stage presence, Sycomore AM co-wrote the script with Prophil.

Our **VISION**



“In today’s world of data and algorithms, we value human capital.”

We are a group of women and men united around a common goal in our different professions: creating sustainable value.

We are convinced that a company can only create sustainable value if this value is shared with all of its stakeholders.

Our mission: make investment more human.

Our ambition: to generate performance while giving a sense of purpose to our investments.”

Our **MISSION**

Our mission first comes to life in our relations with our own employees. The firm’s values - Audacity, Cohesion, Commitment - were chosen by our team members, as was our corporate mindset, “Goodwill”.

GOODWILL

Amaury ELOY,
Head of Human Capital

We believe goodwill is the key to a company’s vitality. When this goodwill is sincere (i.e. upheld by senior management who epitomise these values in their relations with others) and when it is assimilated and disseminated throughout the company, this mindset enables each team member to feel free to be him/herself; it can liberate his or her creativity, intelligence and initiative, without fear of petty or authoritarian management practices. **Goodwill fosters trust, transparency, critical thinking and constructive feedback.** In essence, it prevents an organisation from becoming ‘fossilised’. It is a source of collective interest and personal fulfilment. Rethinking the way we work based on goodwill is a regenerating exercise for any Manager.



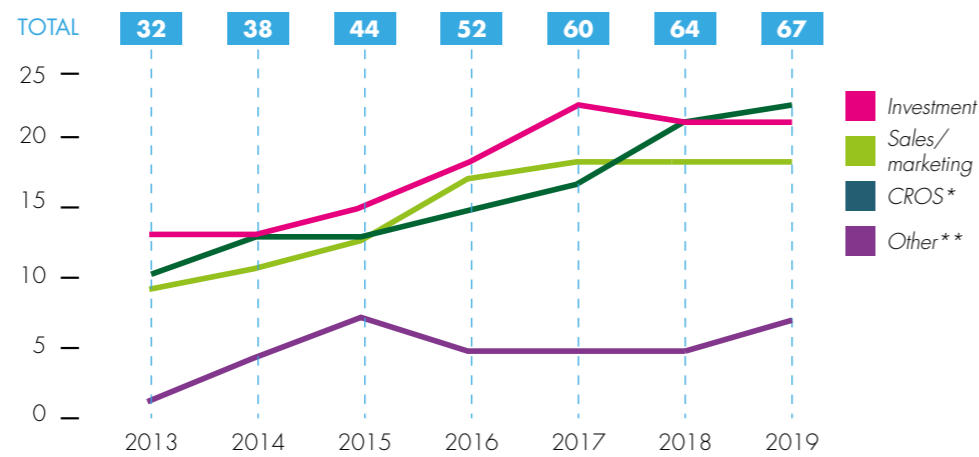
05 | PEOPLE

5.2 Who are our collaborators ?

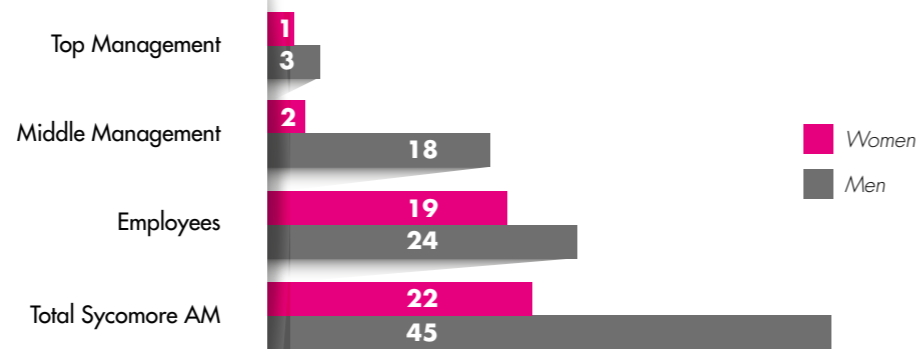
Our EMPLOYEES

Sycomore (Sycomore Factory, Sycomore AM and Sycomore Market Solutions) employed 67 people at the end of 2019. The headcount grew by 5% following several departures and the arrival of six new team members:

- ▶ Malik Bouziane (Co-Head of the Middle Office)
- ▶ Aure Pecout-Estragues (Middle Officer)
- ▶ Samuel Chlouch (IT Developer)
- ▶ Guillaume Sarrauste (Senior Cross Asset Trader)
- ▶ Cédric Deloziere (CFO)
- ▶ Félicie Perriot (Legal Officer)

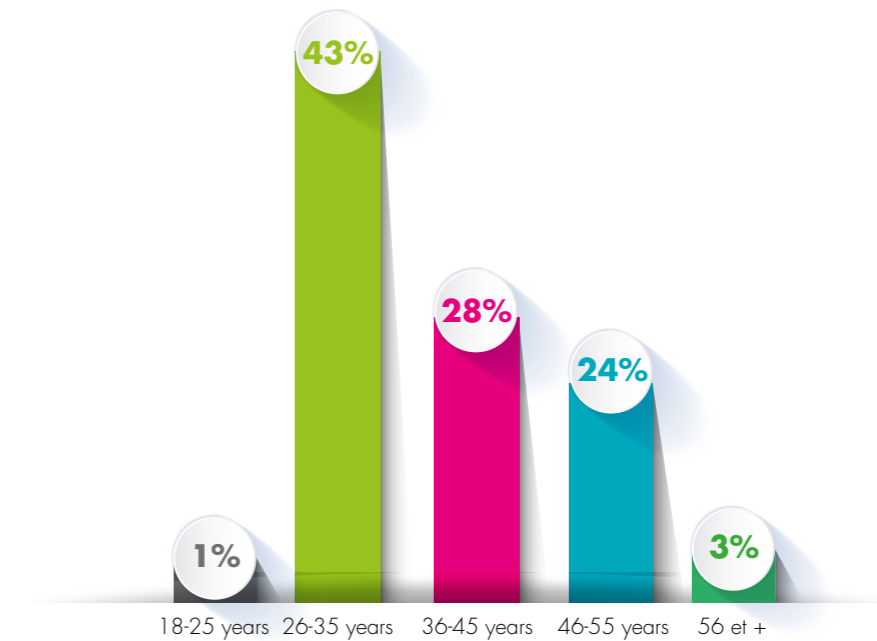


At end 2019, 33% of our employees were women. The breakdown of female employees at different echelons is the following:

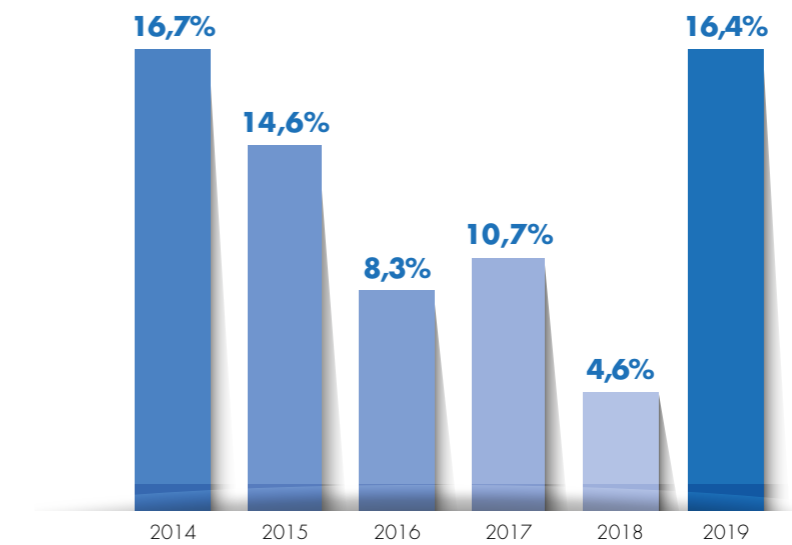


*CROS: Compliance, Risk management, Operations, IT Systems
 **Other: senior management, human resources, finance, reception

The average age is 39 years:



Staff turnover came in at 16.4 % in 2019⁽⁶⁾; this ratio is caused by turnover within different teams; the staff who left the company were mostly replaced with new recruits.



At end 2019, 100% of the staff were employed based on a French CDI contract (no duration) and with manager ("cadre") status.

We also offer 3 long-term internships (6 months) on average within our different units: through these internships, students discover our profession; our team members can pass on their knowledge and be assisted in their daily work.

(6) The turnover is calculated as follows: (departures + arrivals) / (headcount on 31.12.2018 + headcount on 31.12.2019)

WORKING CONDITIONS

We believe that fulfilment at work is essential for our employees to feel truly engaged and to ensure the success of our corporate project; we therefore offer a quality working environment and make sure we are attentive to their needs and aspirations.

In 2019, Sycomore AM was selected by the jury of "Choose my Company" as a HappyAtWork company (a good place to work, within the 50 to 499 staff category) and received this label with a special credit for its Agility.

In 2019, no work-related accidents with lost time were declared.

IN-HOUSE SEMINARS

Team building exercises can help to strengthen cohesion, one of our three key values.

In 2019, the investment team met up for a brain-storming seminar during which they discussed the organisation of the team, its challenges, its evolution and the changes this brought about.

The sales & marketing team also attended a seminar in Italy.

The CROS team held its own seminar in Marseille.



Created on May 4th 2018, the Social and Economic Committee (SEC) is chaired by a President, Amaury Eloy, representing Management, and three elected members of staff: Fatou Nicolas (Treasurer), Florence Jolin (General Secretary) and David Richard.

The Social and Economic Committee is a negotiating body between Sycomore AM's employees and their employer. The SEC acts as the main contact with the employer on individual and collective issues.

On a daily basis, the SEC contributes to staff fulfilment with the implementation of various actions that foster their well-being at work. It also promotes health and safety at work. In this respect, the SEC meets on a monthly basis to discuss these issues if necessary.

The SEC has its own operating budget which covers its running costs as well as a Social and Cultural Activities (SAC) budget. The latter is notably used to organise the Christmas party which brings together all staff and their families, and a Christmas lunch for employees only. These festive occasions strengthen our teams' Cohesion, one of Sycomore's three values. The SAC budget also enables the company to supply gift-cards and holiday vouchers, organic fruit baskets and to continue providing the sport sessions held from Tuesday to Friday during the lunch break.



CSE

TRAINING

At Sycomore AM, we care about the development of skills and careers and place an emphasis of training as a lever for employee fulfilment and performance. Some training modules are compulsory – such as the AMF certification for employees serving in specific positions. Other training needs were identified during the annual performance reviews, including foreign language skills, finance-specific (CFA) or management programmes. The training policy also enables team members to choose their own programmes (other than the compulsory modules). Thanks to a portal providing access to over 20,000 training programmes, designed in partnership with skillup.co, employees are able to benefit from training depending on his/her requirements or interests.

We also provide in-house training programmes designed to facilitate the transfer of knowledge and skills between staff members.

The training budget in 2019 accounted for 0.44% of the total payroll.

MOBILITY AND CAREER DEVELOPMENT

At Sycomore AM, the mobility rate remains low (2%) due to the size of the company and the high degree of specialisation of our staff.

However, whenever a job opportunity opens up within the firm, employees are informed first so that they are able to apply for the position. Internal applicants are given the same consideration as external applicants; but if **equally qualified, current employees will be given priority.**

ANNUAL APPRAISALS AND MANAGEMENT

Teamwork has always been an important feature of Sycomore AM's corporate culture. The physical organisation of our work areas, in open-space offices, facilitates direct management on a daily basis.

Our managerial support is also based on formal annual appraisals that are held in the first half of January for all members of staff with their direct manager. This meeting comprises two phases:

- ▶ A discussion around self-evaluation and the assessment of the past year.
- ▶ The joint definition of KPIs – quantitative and qualitative targets for the year to come, areas for individual improvement and aspirations for career development.



Sycomore AM has set up a compensation policy that is grounded in the principle of "shared value". Approximately 40% of the value created by the company is redistributed as fixed and variable salaries.

For more details on our approach, our remuneration policy can be downloaded from our website, on the regulatory information page (https://www.sycomore-am.com/5a86990c-Politique_de_remuneration_SAM_2018_publique.pdf).

To ensure that our remuneration remains attractive, we mandate the independent consultancy firm Mc Lagan (AON group) to conduct an analysis every 4 years.

In 2019, we set up the male/female wage equity index with a view to a publication early 2020, in compliance with the regulation. For smaller companies, the index is based on 4 indicators:

- 1 Gender wage gap
- 2 Gap in annual rises
- 3 The percentage of female employees that received a rise upon their return from maternity leave
- 4 The number of men and women within the top 10 wages

At end 2019, Sycomore AM scores 76.6 points/100.

ADDED VALUE
SHARING
Encouragement
EQUITY REMUNERATION

06 | SOCIETY & SUPPLIERS

6.1 Our approach as responsible investors

Our first strategic priority - to become an authority in responsible investment - is critical in enabling us to achieve our mission. Our "Sycoway as an Investor" report describes how we have embedded sustainable development criteria into our investment approach and how we assess the performance of our investments based on sustainable development criteria. Published on June 30th 2020, this report complies with the requirements of Article 173-VI of Law 2015-992 of August 17th 2015 on the "energy transition for green growth", for the year 2019.

At the heart of our mission as asset managers, our approach as a responsible investor relies on our **fundamental analysis model** which is applied to our investment universe and which fully integrates sustainable development considerations. We believe that **a company can only create long-term value if this value is shared with all of its stakeholders, and therefore have structured our fundamental research model, SPICE, around five stakeholder groups: Society & Suppliers, People, Investors, Clients, Environment.**

S

P

Our **global and integrated approach** aims at developing a better understanding of the risks and opportunities faced by the companies within our investment universe.

I

We make constant improvements to our model, with adjustments based on the maturity of sustainable development issues. In 2019, we conducted an exhaustive review of our SPICE analysis model: among the adjustments that were made, we **improved our integration of digital issues** within the Client stakeholder category (user rights and data privacy, cybersecurity...) and **amended the Environment model to ensure it is aligned with the TCFD** (Task Force on Climate-Related Financial Disclosures) **recommendations.**

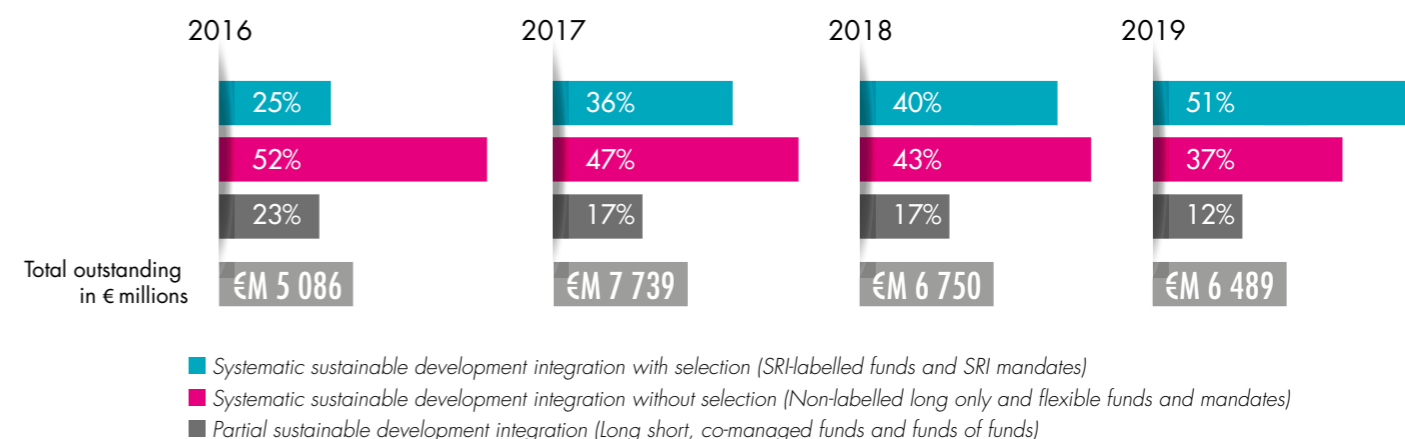
C

E

We continued to develop sector references for measuring the societal contribution of a company's products and services and **finalised the metric used to assess the societal contribution of a company** as an employer, The Good Jobs Rating, which we developed in partnership with The Good Economy.





We have continued to expand our range of **Socially Responsible Investment (SRI) certified funds**: the chart (opposite) shows the AUM by level of sustainable development integration. In 2019, the percentage of sustainable development selection funds increased from 40% at the end of 2018 to 51% by the end of 2019. While assets under management generally declined by 4%, our SRI assets rose thanks to positive inflows into our thematic strategies (Sycomore Eco Solutions, Sycomore Shared Growth and Sycomore Happy@Work), our Sycomore Sélection Crédit fund, and following the launch of Sycomore Next Generation.

BREAKDOWN OF AUM BY LEVEL OF SUSTAINABLE DEVELOPMENT INTEGRATION



Beyond their labels, our SRI open-ended funds employ investment strategies able to include the "pursuit of impacts" within their objectives. The different levels of impact objectives within our range of open-ended funds are presented in chapter 4 'Seeking Impacts' of our responsible investor report.

ZOOM ON THE LABELS AWARDED TO OUR SRI-CERTIFIED UCITS ALSO REFERRED TO AS "SUSTAINABLE DEVELOPMENT SELECTION" STRATEGIES.

LABELS	LABELISED OPEN-ENDED FUNDS	AUM at end 2019 in € millions	Percentage of total AUM	% of open-ended funds AUM
	Sycomore Sélection Responsable Sycomore Sélection Crédit Sycomore Happy@Work Sycomore Eco Solutions Sycomore Shared Growth Sycomore Next Generation	2 592	40%	51%
	Sycomore Sélection Responsable Sycomore Sélection Crédit Sycomore Happy@Work Sycomore Eco Solutions Sycomore Shared Growth	2 468	38%	48%
	Sycomore Sélection Responsable Sycomore Sélection Crédit Sycomore Shared Growth	1 820	28%	36%
	Sycomore Eco Solutions	302	5%	6%

We are active throughout our ecosystem and further, **advocating for a sustainable economy**: since the company's launch, Sycomore AM has systematically focused on deploying a responsible investment approach aligned with the best industry practices. We take part in initiatives aimed at promoting and developing SRI; we publish articles and organise events that highlight our engagement and our vision for the future. For more information on our engagement with national and international initiatives, and our involvement within these projects, please read pages 14 to 18 of our [Responsible Investor report](#).

Our involvement with students

We believe in training students in the field of responsible investment. In 2019, our analysts were invited to speak at Kedge Business School, ESSEC, HEC, Ecole Polytechnique, Dauphine and ENSAE.



06 | SOCIETY & SUPPLIERS

6.2 Sycomore Foundation

Our

FOUNDATION

Sycomore's corporate Foundation is a tangible expression of our firm commitment to corporate citizenship.



ITS HISTORY

Created in 2013, the Sycomore Foundation aims to build bridges between the young generations and the corporate world. Aware that today's children are tomorrow's decision-makers, and driven by our conviction that human considerations are central to developing a sustainable economy, we have chosen to focus our

Foundation's work on secondary school pupils: from their school days and career choice decisions until they start their first jobs.

The Foundation is funded using a percentage of Sycomore AM's profits (1% of its operating income) and donations from Sycomore Corporate Finance and Sycomore Family Office.

ITS PROJECT

Through their years of work and experience, Sycomore AM's team members have developed a sound understanding of the corporate world and of the European economic landscape. The Foundation's ambition is to share this expertise, network and experience with the younger generations. By enabling children, teenagers and young adults to discover the business world by meeting entrepreneurs and listening to their experiences, we hope to help them fulfil their own ambitions and clarify their career choices. Thanks to the support given by the Foundation, these pupils have benefited from a valuable glimpse into the world of business.



STRUCTURING PARTNERSHIPS

► 'Mentors' to classes in the René Descartes secondary school (Tremblay-en-France)

For over 6 years now, the Foundation has worked in partnership with the College René Descartes at Tremblay-en-France: several days of meetings and discussions were organised, enabling the pupils to discover the world of business. This year, the Foundation organised a drama workshop, a visit to the offices of Akuo Energy and Danone Research, and a meeting with a professional chef. It also ran an Innov' EPA day with the students, focusing on a specific investment project. The pupils were also introduced to the roles of sales manager, IT manager, analyst, fund manager and entrepreneur by our employees, which gave them a more tangible perspective on the corporate world; they also made progress on group projects, applying what they had learned, with support from the "Crée ton Avenir" association.

► Simplon

Simplon.co is a company operating in the social and solidarity-driven economy that has received support from the Sycomore Foundation over the past 5 years. It offers long-term unemployed free training programmes in website and mobile app development or systems integration – positions which companies are actively looking for. In 2019, Sycomore staff were able to visit the headquarters located in Montreuil, close to Paris. Simplon.co has 111 facilities throughout the world (France, Belgium, Senegal, etc.) and has already trained over 7,000 Simplonians.



► Entreprendre pour Apprendre

On July 4th 2019, the Sycomore Foundation, partner of the "Entreprendre pour Apprendre" association, travelled to Lille for the French mini-company final presented by young entrepreneurs.

Over 500 mini-entrepreneurs and employees, company directors, volunteers, and mentors met for this final, the aim of which is to foster an entrepreneurial culture among the young. During the event, the Foundation handed out the Corporate Social Responsibility (CSR) Award to the mini-company AAPIDEE from the Saint François high school – a truly responsible investor, with its selective trap for Asian hornets.

06 | SOCIETY & SUPPLIERS

6.2 Sycomore Foundation



► Sport dans la Ville (Sport in the City)

The Sycomore Foundation is also a partner of Sport dans la Ville, an association whose aim is to facilitate the social and professional integration of young people through sport. A football tournament between the teenagers and Sycomore AM employees is organised each year. In 2019, the tournament was held on November 27th and was followed by a snack shared by the young players and Sycomore AM team members.



► Exciting discussions with charity organisations

Throughout the year, the Sycomore Foundation was fortunate to be able to meet some of the many charities it supports, either in our offices or in their own facilities. These included Chemins d'avenirs, 20 ans 1 projet, Orange Rouge, Entr'Autres, Cultureprioritaire, ESA (Entraide Scolaire Amicale) and PTCE Vivre les Mureaux. The organisations presented their projects and shared their passion with some of our team members.

ZOOM ON THE SYCOMORE FOUNDATION

Find out more about the history of the Sycomore Foundation and its missions through the testimonies of Christine Kolb (Chairman of the Foundation and Founding Partner of Sycomore AM), Christine Tarbouriech (Managing Director of the Foundation), Caroline Pilczer (Marketing Officer at Sycomore AM) and François Bonnel (Marketing Officer at Sycomore AM) on the Foundation's website: <https://www.fondation-sycomore.com/>



THE FOUNDATION'S AMBITIONS FOR 2020

The Sycomore Foundation will continue its actions and renew historical partnerships, relying on regular support from Sycomore's employees.

Our ambition for 2020 is to redesign our website in order to offer a better user experience, a clear and restructured navigation, and improved readability on the initiatives we conduct on a daily basis with the young.



FIELD PROJECTS IN 2019

JANUARY 17TH

Drama workshop run by Tamerantong with high school pupils and Sycomore team members, followed by a presentation of their sustainable development projects.

FEBRUARY 12TH

Career Fair run with Sycomore staff, followed by a meeting with a professional Chef and discussions with employees from Akuo Energy.

MARCH 1ST

16 high school students – interns spent the day in our offices for an insight into the corporate world. The visit was co-run by the Crée ton Avenir organisation. Their findings were then reported through their Fil Rouge project.

MAY 21ST

We ran the Innov/EPA day at the René Descartes high school at Tremblay. The students were happy to work in groups with our team members on a specific investment project.

JUNE 6TH

Visit of the Danone Research Center with high-school pupils, before moving to Simplon, to discover a company operating within the social and solidarity-driven economy.

JULY 4TH

The Foundation was part of the jury in the national final of EPA (Entreprendre pour Apprendre) and handed out the Corporate Social Responsibility (CSR) award this year.

NOVEMBER 27TH

Football tournament opposing teenagers and our own employees, as part of an outing run by the Sport dans la Ville organisation.

In 2017, we set up a working group whose mission was to draw up a responsible procurement policy aligned with our approach to sustainable development. The objective of the policy is to develop an environmental and societal dimension through the measurement and reduction of our environmental impacts (use of environmentally-friendly products, energy-efficiency, waste management...), but also to optimise costs and involve our partners, team members and all of our stakeholders.

In 2018, we formalised this policy and set up a responsible procurement committee. This committee includes 4 members from the CROS unit, facilities management and the Mission and Sustainable Development committee. The role of the committee is to ensure that the responsible procurement policy is duly implemented: it meets to approve any sales commitment above €10,000 and conducts random and spot checks on our long-term sales relationships. The committee also ensures that our suppliers adopt a responsible approach, where applicable.

In 2019, our Responsible Procurement Committee did not have the opportunity to meet as no purchases were made for amounts exceeding €10,000 (with the exception of recurring contracts). However, the committee remains fully operational and carries out its mission alongside the Mission and Sustainable Development committee, in keeping with the commitments that were formally made in 2018.



Our
STRATEGY

The environment is a “common capital” that includes all public goods that supply ecosystem services, as defined by the Millenium Ecosystem Assessment in 2005. Since 2016, Sycomore AM has publicly adopted a natural capital management strategy based on a scientific, holistic and transparent approach. This approach takes into account the main environmental issues: climate, water, resources and waste, biodiversity and air quality, with no particular order of priority.

Sycomore AM’s most significant environmental impacts are indirect and caused by the businesses we finance through our investments. We therefore pay considerable attention to improving our understanding, assessment and management of the risks, opportunities and impacts that are created.

Furthermore, aware that we have a duty to set an example, we also make efforts to manage our own direct environmental impacts. The main direct impacts are home-office commutes, business travel, energy consumption and the waste generated within our offices.

Our
CHALLENGES

Environmental considerations are fully embedded within our approach as responsible investors. In this respect, the “Sycoway as an Investor” report (pages 39 to 42) explains how we take into account environmental issues via our SPICE model, and discloses the net environmental contribution assessment of our investments (page 37). The key aspects of our approach and 2019 highlights are the following:

- Based on the letter E for Environment, our SPICE fundamental research model assesses the company’s performance with respect to natural capital, both in terms of our own in-house management of environmental issues and of the positive and negative externalities of our business model. In 2019, we revised and simplified our E analysis model in order to improve its alignment with the TCFD’s recommendations^[7] and added two criteria based on the trajectory and alignment with the Paris Agreements and the European taxonomy. This process led to 4 ratings and 9 criteria, split into three parts: integration of environmental issues within the company, transition risk and physical risks.

[7] Task Force on Climate-related Financial Disclosures: global taskforce of the Financial Stability Board, created upon request from the G20 during COP21, and that issued recommendations in 2017 on the financial transparency of company disclosures on climate-related matters.

7.2 Integrating environmental issues, as responsible investors



► In 2015, we launched a thematic fund investing exclusively in companies that contribute to the energy and environmental transition: Sycomore Eco Solutions, a Greenfin-certified fund⁽⁸⁾. After Sycomore Sélection Responsable and Sycomore Sélection Crédit, the Sycomore Shared Growth fund also received the Austrian environmental Umweltzeichen label⁽⁹⁾. Finally, our funds that were granted to French SRI label are now also certified in Belgium ("Towards Sustainability Label")⁽¹⁰⁾ with the exception of Sycomore Next Generation, which will receive the label in early 2020. New environmental exclusions were set in order to prevent the funds from investing in energy sector companies that are not aligned with the objectives of the Paris Agreement⁽¹¹⁾.



► 2019 also saw the launch of the NEC initiative, a collaborative platform accessible on-line: <https://nec-initiative.org/>. Operated by Quantis, the international specialist in smart and sustainable environmental solutions, the platform is open to all financial industry players wishing to work together around the NEC – the Net Environmental Contribution, a compass for navigating the environmental transition. By the end of 2019, BNP Paribas Cardif, Comgest, Groupama AM, Lita.co, Novethic and Institut Louis Bachelier had already joined the initiative.

► At end 2019, the overall NEC of our investments stood at 7%⁽¹²⁾, up compared to 2018 (NEC 1.0 as of 31/12/2018: + 4%). The NEC of European indices range between 2% and -3%, while the NEC of the CAC40 stands at -5%. These results demonstrate that our investments are moderately positioned in favour of the energy and environmental transition and reflect our benchmark-agnostic investment style.

► We continue to take part in environment-related initiatives. In 2019, we joined Climate Action 100+ as a signatory and made shareholder engagement recommendations with targeted companies. Launched in 2017, this initiative has formed a group of investors keen to encourage companies producing the highest levels of CO₂ emissions to take necessary actions in the fight against climate change.

⁽⁸⁾ More information on the French Greenfin label can be found here: <https://www.ecologique-solidaire.gouv.fr/labelgreenfin>
⁽⁹⁾ More information on the Austrian Umweltzeichen label can be found on this website: <https://www.umweltzeichen.at/en/products/sustainable-finance>
⁽¹⁰⁾ More information on the Belgian Towards Sustainability label can be found here: <https://www.towardsustainability.be/fr>
⁽¹¹⁾ Our new SRI Exclusion Policy can be found on our website: https://en.sycomore-am.com/5d4fd4e7d-SRI_exclusion_policy_Sycomore_AM_Nov_2019_VENG.pdf
⁽¹²⁾ NEC 1.0 calculated by Sycomore AM on the basis of 2017, 2018 and 2019 data. This calculation does not cover long/short funds, funds of funds, or co-managed funds which account for 12% of our assets under management at end 2019. We only calculate the NEC of stocks and bonds. No NEC is calculated for non-invested portfolio sections, investments in currencies or indices or funds of funds.

7.3 Managing our direct impacts

Alongside our investments, the efforts we are deploying to reduce our direct impacts are becoming increasingly tangible. Highlighting the importance of our actions helps us set an example with a view to raising awareness among our employees and all entities potentially involved in our corporate project. The key initiatives developed in 2019 are described below:

DIRECT IMPACTS ACHIEVEMENTS IN 2019
BY SYCOMORE AM

SORTING
Sycomore AM improved the readability of the recycling bins (yellow, white, green labels) for staff in order to increase our daily sorting and recycling.

CREATIVE RECYCLING
180 kg of marketing material were recycled into new products to give them a new lease of life.

SAVE OUR FORESTS
Sycomore AM contributed to the SHRED-IT recycling programme and prevented the felling of 26,160 trees in 2019.



14 AVENUE HOCHÉ
75008 PARIS

WWW.SYCOMORE-AM.COM



Document imprimé en France
par Goubault Imprimeur,
certifié ISO 14 001