



# Engagement policy

Sycomore Asset Management

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SYCOMORE ASSET MANAGEMENT

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This document constitutes Sycomore Asset Management's engagement and dialogue policy as an investor - whether a holder of stocks or bonds. It sets out the grounds for Sycomore AM's engagement and its objectives, along with the tools, processes and practices leading to its implementation.

### What is the role of engaged investors?

Sycomore AM firmly believes that a company can only create sustainable value if this value is shared with all of its stakeholders.

As investors, we have a crucial role to play in encouraging these companies to integrate environmental, social and governance (ESG) considerations in order to foster sustainable development.

### How does Sycomore AM define engagement?

Engagement is about encouraging companies to improve their ESG practices over the long-run through a constructive and structured dialogue. Monitoring progress and reporting change are important elements of such engagement practices.

Engagement takes root in the conviction that reliable ESG practices support corporations' sustainable performance as well as value creation for asset owners.

### Implementation

For Sycomore AM, engagement consists in:

- ✓ **Engaging in discussions with companies** held in our portfolios to fully grasp their ESG challenges;
- ✓ **Encouraging companies to publicly** disclose their ESG strategies, policies and performances;
- ✓ **Calling upon companies to be transparent** and **instigate adequate** and **sustainable corrective measures** following a controversy;
- ✓ **Getting involved in collective engagement initiatives** on a case-by-case basis;
- ✓ **Asking questions, refusing to approve** some resolutions or **supporting external resolutions** by exercising our voting rights;
- ✓ Deciding to sell a position if a lack of significant improvements persists.



Finally, we believe that a successful engagement approach lies in Sycomore AM's in-depth understanding of sustainable development issues specific to each company. Their progress depends, among others, on the type of challenges faced, the responsiveness of top management and investors' persuasiveness and perseverance. An engagement approach is often staged over several years.

### Scope and themes covered

Our engagement policy covers all companies in our investment universe. We make it clear to the companies we are in contact with whether we are shareholders or bondholders.

This policy covers the ESG themes described in our SPICE proprietary analysis model (S for Suppliers, Society and States; P for People; I for Investors, including corporate governance; C for Clients; E for Environment). Sycomore AM's investment team collects data covering over 80 criteria.

The analysis of these criteria provides a fundamental risk rating that has a direct impact on company valuation.

### Reporting

Our *Sycoway as an investor* Annual Report includes information on the engagement conducted during the year and on the progress made by the companies for which we had earmarked areas for improvement two years prior.