2025

sycomore

Sélection Midcap

Sustainability Performance and Shareholder Engagement Report

This report describes the fund's investment process, its sustainability performance, and its shareholder engagement in 2024, as required by the SRI label created and supported by the French Ministry of Economics and Finance.

SFDR[1] 8

Label ISR · INVESTISSEMENT SOCIALEMENT RESPONSABLE ·

Contents

01 The fund's **investment philosophy**

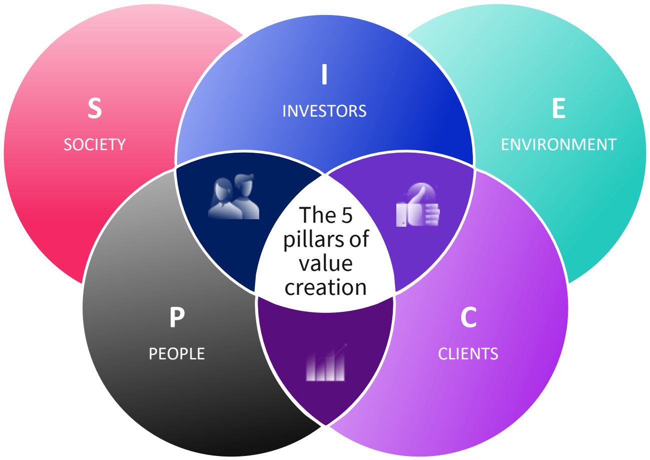
The **Sycomore Sélection Midcap** fund invests primarily in companies located in **European Union** countries, **with market capitalisations below €7 billion**, with no sector or style constraints, using a **socially responsible and multi-themed investment process**, in keeping with the United Nations' Sustainable Development Goals (SDG).

The fund has **several objectives**:

- It aims to **outperform its benchmark index, MSCI EMU SMID CAP NR**, over a minimum investment horizon of five years.
- It pledges to **maintain at least 50% of its assets in sustainable investments**, as defined by the SFDR, at all times.
- It aims to **outperform its benchmark index** in terms of Net Environmental Contribution (NEC) and Societal Contribution **of products and services** (SC) at all times.
- As of January 2025, it aims to **outperform its benchmark index in terms of Societal Contribution and Scope 1, 2 and 3 carbon intensity.**

The fund's **responsible investment approach** is based on:

1. **A fundamental analysis using Environmental, Social and Governance (ESG) criteria and our SPICE[2] model.** The analysis applies the European Commission's concept of double materiality: as such, it covers risks that are material to the company's business value, as well as the negative social or environmental impacts of its business activities on its stakeholders.



2. **An active shareholder engagement policy,** especially with companies undergoing an ESG transformation.
3. **Regular monitoring of the fund's sustainability performance,** based on both monthly and annual reporting, through this document.

[2] SPICE stands for Society & Suppliers, People, Investors, Clients and Environment. For details on the information taken into account in our SPICE fundamental analysis model, see our ESG Integration Policy .

1.1 Our **definition of a sustainable investment**

In anticipation of the entry into force of the SFDR's Regulatory Technical Standards (RTS) on 1 January 2023, Sycomore AM introduced a **common definition of a sustainable investment** to be used for every investment universe. The definition aligns with the one provided in the SFDR[3] and has three main components:

1 Identifying investments that make a positive contribution to the environmental and social issues listed in the definition.

- Since 2015, Sycomore AM has rolled out **two metrics** assessing the ability of a company's **products and services** to meet environmental and societal challenges, such as access to renewable energy, effective management of resources, and access to healthcare: the Net Environmental Contribution and the Societal Contribution of products and services.
- In partnership with The Good Economy, we have also developed a metric called The Good Jobs Rating, which assesses a company's ability, across its value chain, to create **long-term**, **high-quality jobs** that are **accessible to all,** especially in regions where the people need them most.
- Lastly, our **human capital assessment**, Happy@Work, has been in use since 2015 to identify the companies that provide a particularly **favourable environment for employee development**.

An investment is identified as having a positive contribution if meets the minimum score for **at least one of the four metrics**.

2 Avoiding investments that may cause significant adverse impacts

We rely on our existing exclusion and controversy management **policies,** our SPICE fundamental analysis model based on **ESG** criteria, and our Principal Adverse Impact policy.

3 Ensuring the implementation of good governance practices

An investment must achieve a minimum governance rating before it can be accepted as sustainable.

This definition can be summarised as follows:

1 Makes a positive contribution

NEC ≥ +10% — Effective measurement of overall environmental impact	or	SOCIETAL CONTRIBUTION ≥ +30% — Innovative metric for societal impact of products and services
or		or
THE GOOD JOBS RATING ≥ 55/100 — A company's ability to create sustainable, high-quality jobs for all	or	HAPPY@WORK RATING ≥ 4.5/5 — Fulfilment at work as seen by Sycomore AM

2 Does no significant harm

Exclusion policy	Controversy severity 3/3	SPICE rating <3/5	PAI* policy

3 Follows good governance practices

Governance rating ≥ 2.5/5

*Principal Adverse Impact.

Selectivity

Fewer than 50% of the large European indexes, such as the EuroStoxx, are considered "sustainable" by these criteria. This level of selectivity aligns with the average for French asset management companies, according to a survey conducted by the Association Française de Gestion in February 2023[4].

[3] The SFDR defines a "sustainable investment" as follows: "An investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."

[4] This level of selectivity aligns with the average for the French asset management companies that participated in the survey conducted by the Association Française de Gestion in February 2023.

1.2 Our ESG **screening** and **selection** criteria

Exclusion of significant sustainability risks or adverse sustainability impacts

The screening criteria aim to exclude companies with significant sustainability risks or adverse sustainability impacts, based on the European Commission's concept of double materiality. A company is therefore ineligible for the fund in the following circumstances:

- If it deals in activities excluded by our SRI Exclusion Policy for its controversial social or environmental impacts
- If its **governance practices are deemed insufficient** according to our exclusion policy
- If its SPICE rating is less than or equal to **3/5**.

The PAI policy applies to sustainable investments.

Inclusion of positive environmental or social contributions

Our four selection criteria support companies that provide sustainability solutions:

- **Business models with a significantly positive societal contribution**, as measured by an SC equal to or greater than +10%
- **Business models with a significantly positive environmental contribution**, as measured by an NEC equal to or greater than +10%
- **Companies with the best sustainability practices**, which earn a **SPICE rating greater than 3.5/5** (SPICE leadership) and can therefore make significant contributions, e.g. by providing quality jobs or showing leadership on sustainability issues
- **Companies implementing a clear transformation strategy that aim to achieve social or environmental objectives**, earning a **SPICE rating of between 3 and 3.5/5**, and receive our support through shareholder engagement. These companies cannot exceed 25% of the fund's net assets.

Sycovalo universe*

ESG screening

SPICE rating ≤ 3/5 and SRI Exclusion Policy: Controversy severity 3/3 and Governance rating ≤ 2.5/5

ESG selection

Societal Contribution of products and services ≥ +10% or Net Environmental Contribution ≥ +10% or SPICE leadership > 3.5/5 or SPICE transformation > 3 and ≤ 3.5/5

Sycomore Sélection Midcap

> 50% sustainable portfolio companies

* Set of more than 3,000 stocks analysed by our team of financial and non-financial analysts.

02 The fund's sustainability performance

The fund's sustainability performance is assessed by several indicators. Some of these are used as **selection criteria in investment decisions** and/or for setting **targets for benchmark outperformance**. Other indicators presented here are not linked to the fund's selection criteria. Their values can fluctuate upwards or downwards from one year to the next, depending on the companies in the portfolio.

OBJECTIVES		INDICATORS TRACKED	
Provide an overall view of the fund's ESG positioning		Share of sustainable investments	67%
		Weighted SPICE rating	3.6/5
		Exposure to SDGs	8 (14%) ; 7 (15%) ; 3 (18%)
Assess achievement of positive contribution targets and measure ESG performance	E	Net Environmental Contribution	+3%
	E	Carbon footprint Scopes 1 & 2	399 tCO_2e/€M
	E	Carbon intensity Scopes 1, 2 & 3	1,191 tCO_2e/€M
	E	Exposure to fossil fuels	4%
	S	Societal Contribution	+21%
	S	The Good Jobs Rating	50/100
	S	Growth in staff	18%
	S	Human rights policy	100%
	G	Women on executive committees	22%

Some of these performance indicators were developed by Sycomore AM (Societal Contribution of products and services, The Good Jobs Rating), while others are raw indicators from external sources and companies' annual reports (growth in staff, women on the executive committee, human rights policy, etc.). The NEC was co-developed by Sycomore AM and is currently developed by the NEC Initiative.

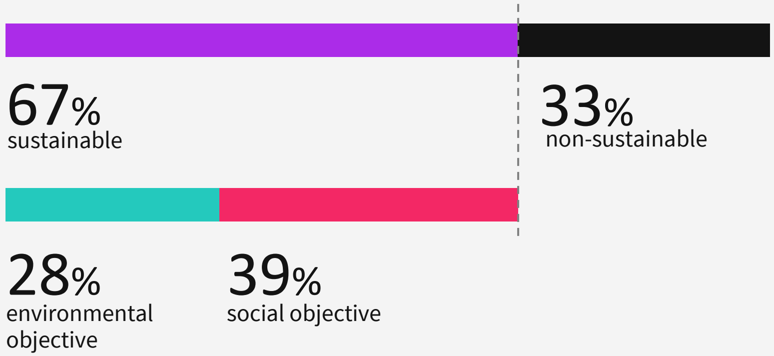
For more information on reporting methodologies and data sources, see our reporting protocol.

2.1 Sustainable investments

At the end of 2024, the share of the Sycomore Sélection Midcap fund in sustainable investments[5] was 67% (compared to 41% for the benchmark), exceeding the minimum share of 50% set in the prospectus. Of these sustainable investments, 28% were focused on environmental issues, with companies such as **Arcadis**, **Nemetschek** and **ERG**, and 39% were focused on social issues, with companies such as **ASR Nederland**, **Fineco Bank** and **Virbac**.

The non-sustainable investments were aligned with the fund's selection criteria described above but did not match the definition of a sustainable investment, either because their current product and service mix did not sufficiently address social and environmental needs or because their ESG practices did not meet the criteria set. For example, this was the case for **GEA Group, De'Longhi** and **Robertet**.

BREAKDOWN OF SUSTAINABLE INVESTMENTS IN THE FUND AT 13 DECEMBER 2024[6]



Fund exposure of 99% at 13 December 2024

[5] For more information on our definition of a sustainable investment, see our ESG Integration Policy. [6] For more information on our response to SFDR reporting obligations, see the appendix to the relevant fund management report. Data are presented as at 13 December 2024, prior to the merger with the Sycomore Francecap fund, in order to reflect the portfolio's composition for the 2024 financial year.

2.2 SPICE performance

> “The value created by a company is sustainable only if it is shared among all of its stakeholders: this belief guides our responsible investment approach.”

Because we seek sustainable performance for our clients, our fund manager-analysts examine not only a company’s finances but also how the company interacts with all its stakeholders, to evaluate the robustness of its business model and governance, as well as its environmental and social impacts. Our **proprietary fundamental analysis model**, called SPICE[7], enables us to measure the sustainability performance of our investments.

At the end of 2024, the weighted SPICE rating of investments held in the Sycomore Sélection Midcap fund **(3.6/5)** was **slightly lower** than in 2023 (3.7/5) and **higher than that of the benchmark index** (3.4/5). The top-rated companies in the portfolio were **ERG (4.23), Technogym (3.98)** and **Moncler (3.89).**

CHANGES IN THE FUND’S SPICE RATINGS COMPARED TO ITS INDEX

SPICE

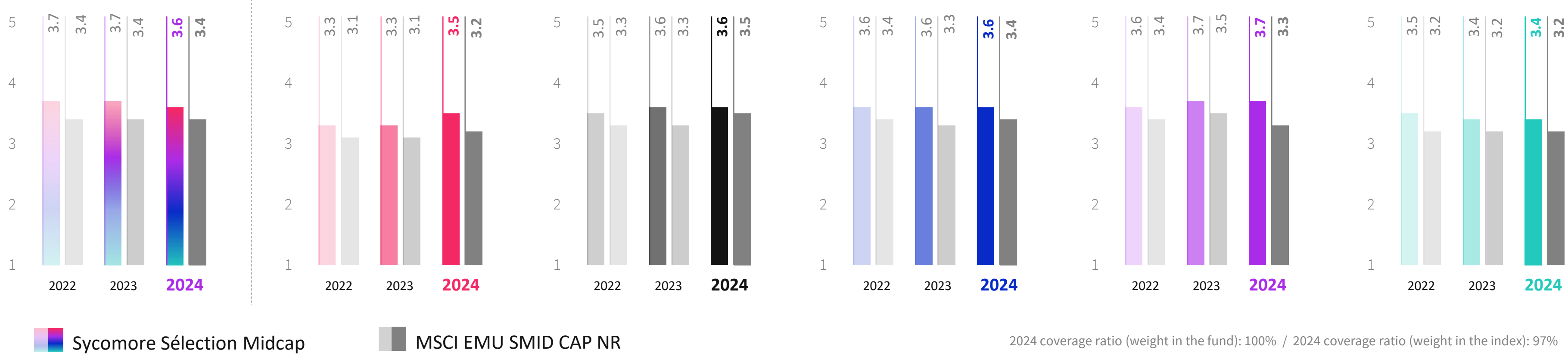
SOCIETY
Societal Contribution of products and services, job creation, corporate citizenship, human rights, control of subcontracting chains

PEOPLE
Efforts to cultivate employee fulfilment and a workplace that promotes talent development, measurements of engagement, diversity and equity

INVESTORS
Robust business model, ability to create value from the opportunities presented by a more sustainable and inclusive economy, good governance, alignment of all stakeholder interests

CLIENTS
Relevant, coherent sales strategy, inherent risks in products and services, digital responsibility

ENVIRONMENT
Integration of environmental issues in strategy, direct and indirect environmental impacts, transition risks, physical risks



2024 coverage ratio (weight in the fund): 100% / 2024 coverage ratio (weight in the index): 97%

[7] The SPICE rating is the weighted sum of the underlying S, P, I, C and E ratings with the following default weighting: 15%*S +15%*P +40%*I (with 50% of the I rating for the business model and 50% for Governance) +10%*C + 20%*E. This weighting varies according to the company’s business sector.

2.3 Exposure to Sustainable Development Goals

In this section, we show the exposure of portfolio companies to the 17 Sustainable Development Goals adopted by the United Nations in 2015 and, more specifically, to the 169 underlying targets. By exposure, we mean the opportunity for each company to contribute positively to the SDGs through its products and services[8].

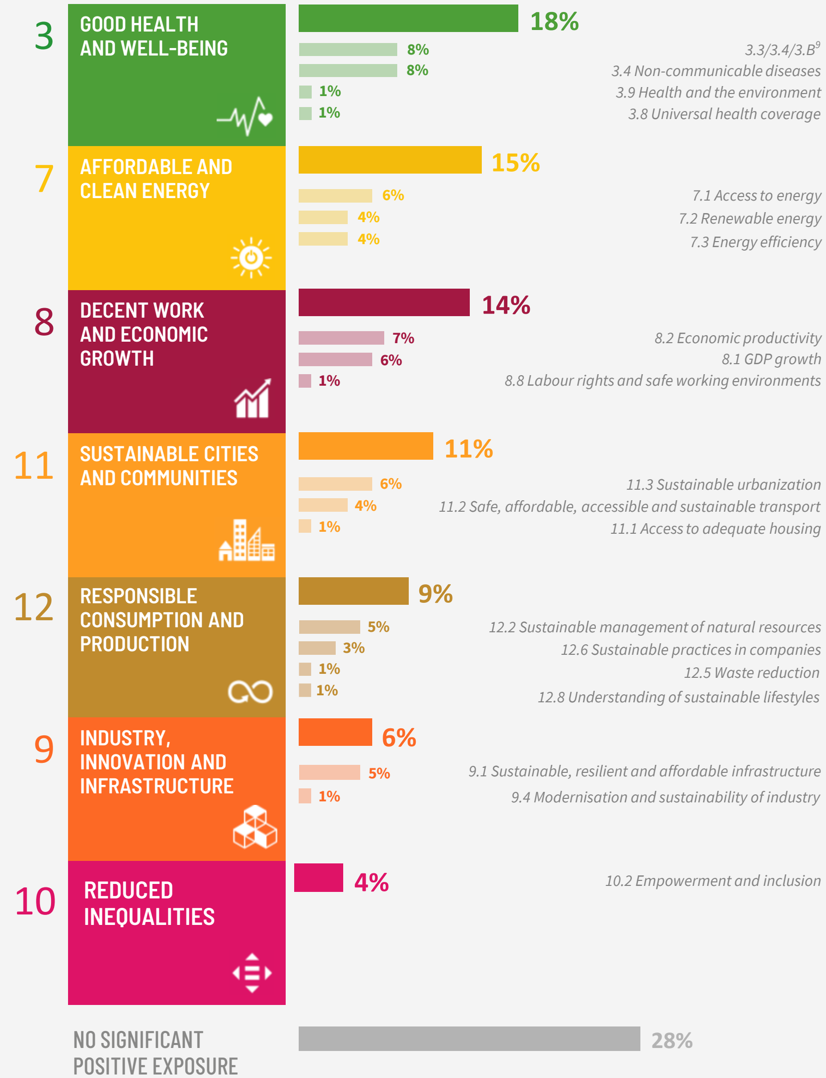
Our analysis is based on a list of activities:

For each activity, we identified **one to three targets the company is most likely to contribute towards positively**, notwithstanding the fact that it may contribute simultaneously to other SDGs or targets. **Each company is then analysed based on the activities it conducts.** Therefore, a company that operates different businesses can be exposed to several targets, in which case the exposure is weight-adjusted according to the percentage of revenue generated by each activity.

We also sought to **differentiate between companies based on their potential contribution**, by looking at how their current portfolio of products and services is effectively positioned. Put simply, the more the products, services and beneficiaries are aligned with those targeted by the SDG, the higher the degree of alignment: high, moderate or low. This analysis is qualitative and draws from information at our disposal, partly thanks to the data we collect when assessing the net societal and environmental contributions (SC and NEC). We have also identified activities, which according to our analysis have no significant positive exposure to the SDGs.

Finally, companies can also **contribute to the SDGs through their own corporate practices and the way in which they run their business**. This factor is not taken into account at this stage, as we focus on the exposure of their products and services to the SDGs.

[8] This undertaking is not designed to measure the effective contribution of companies to the SDGs – these are assessed by our net environmental contribution (NEC) and societal contribution (SC) metrics.



[9] Communicable diseases / Non-communicable diseases / Research, development and access to medicines

2.4 Sustainability indicators

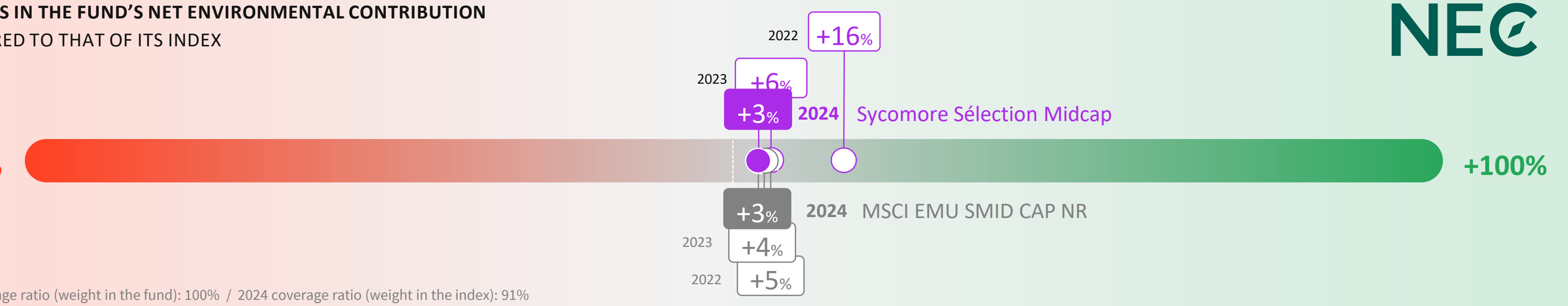
Environment

Net Environmental Contribution

We assess our investments' contribution to the ecological transition using the Net Environmental Contribution (NEC). **The NEC measures how a company's products and services help drive the ecological transition**. It ranges on a scale from -100% for activities that are highly destructive of natural capital to +100% for activities with a highly positive net environmental impact. In the middle of the scale, **0%** represents the average environmental impact of the world economy[10].

At the end of 2024, the NEC of the Sycomore Sélection Midcap fund stood at **+3%**[11], the same NEC as the benchmark index. The fund did not achieve its outperformance target. **Its NEC was slightly lower than in 2023** (+6% at the end of 2023), a decrease attributable to portfolio movements and the application of version 1.1 of the NEC methodology.

CHANGES IN THE FUND'S NET ENVIRONMENTAL CONTRIBUTION
COMPARED TO THAT OF ITS INDEX



2024 coverage ratio (weight in the fund): 100% / 2024 coverage ratio (weight in the index): 91%

Negative environmental contribution

Sanlorenzo (NEC -100%) and **De'Longhi (NEC -44%)** are two companies with a negative NEC. This is mainly due to the detrimental environmental impacts of high-end boat building, especially yachts, for the former, and of coffee for the latter.

Neutral environmental contribution

Ipsos and **ASR Nederland** are two companies with an **NEC of 0%.** The former specialises in market research and opinion polls, while the latter provides a diverse range of insurance services. The environmental impacts of their products and services, over their life cycle, is not material.

Very strong environmental contribution

ERG and **Befesa** are two portfolio companies whose **NEC is highly positive (+94% and +47%, respectively). ERG** produces renewable energies, such as from wind farms in Italy, while **Befesa** specialises in the recycling and treatment of hazardous industrial residues.

[10] For more information on the Net Environmental Contribution and underlying methodologies, please visit the NEC Initiative website. [11] NEC 1.1 calculated by Sycomore AM based on company-sourced data from 2021 to 2024.

2.4 Sustainability indicators

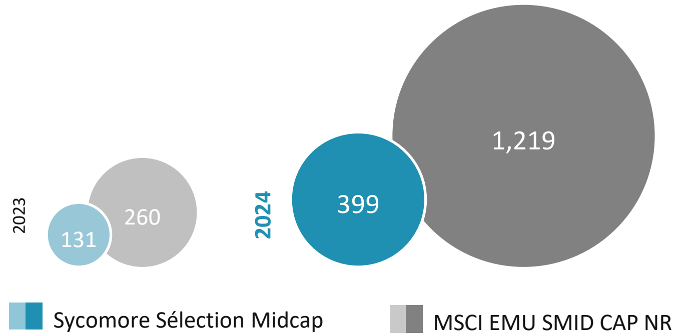
Carbon footprint

Since 2015, it has been our choice to publish the carbon footprint of our funds, exclusively for information purposes. This indicator does not directly influence our investment decisions. While being aware of a company's carbon footprint helps to measure and prioritise its reduction efforts, **the use of an aggregate carbon footprint has many limitations**, as explained in our Natural Capital Strategy.

At the end of 2024, the weighted average carbon footprint of Sycomore Sélection Midcap was **399 tonnes of CO_2 equivalent per million euros of enterprise value (EVIC)**, smaller than that of its benchmark index, which stood at **1,219 tCO_2e/€M** of enterprise value.

As of January 2025, the fund aims to maintain its Scope 1, 2 and 3 (upstream and downstream) carbon intensity below that of the benchmark. At the end of 2024, the fund's carbon intensity stood at **1,191** tCO_2e/€M compared with **1,104** tCO_2e/€M for the benchmark. This result is mainly attributable to the significant contribution of three companies – **Danieli & Co, GEA Group** and **Knorr-Bremse** – whose activities generate emissions that are 8, 4 and 3 times higher than the weighted average of the fund, respectively. The fund nevertheless remains committed to making the necessary strategic adjustments in 2025 to outperform the benchmark on this indicator.

EMISSIONS IN TONNES OF CO_2 EQUIVALENT



2022 and 2023 source: Trucost/S&P Global covering GHG Protocol Scopes 1, 2 and upstream 3.
2024 source: source changed to MSCI and downstream Scope 3 added.
2024 coverage ratio (weight in the fund): 95% / 2024 coverage ratio (weight in the index): 95%

Exposure to fossil fuels

The share of the Sycomore Sélection Midcap fund's assets in companies active in the fossil fuel industry, within the meaning of the SFDR, was **4% at the end of 2024** (0% at the end of 2023).

2.4 Sustainability indicators

Governance

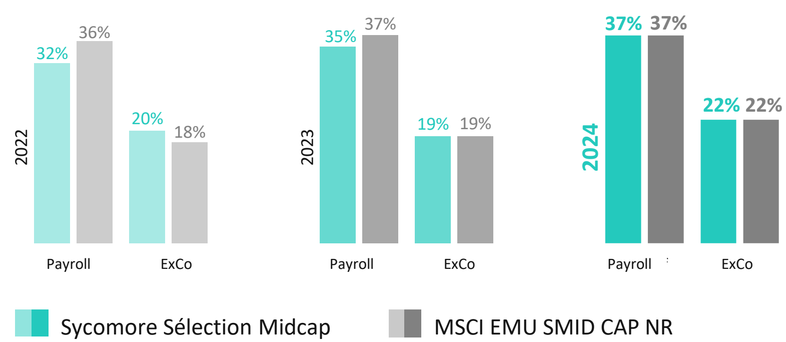
Gender equality

Diversity is a **key success factor of corporate governance** and decision-making. McKinsey Global Institute found that if each company achieved the level of gender equality of the most advanced country in its region, this would add **$12 trillion** to global GDP by 2025[12]. We therefore chose to examine the percentage of women on the executive committee and in the total headcount as an indicator of a company's ability to promote diversity and equal opportunity.

In 2024, the percentage of women on the executive boards of portfolio companies was **22%**, in line with the **benchmark index (22%)**. The percentage of women on the payroll stood at **37%,** also the **same** as the benchmark index (37%).

Women make up more than **40% of the management board** at some companies, such as **Trigano, Arcadis** and **Bankinter** . Other companies show significant gaps between the percentage of women on the payroll and the percentage of women on the executive committee. For example, at **Amplifon,** women make up 73% of total staff but only 7% of board members. We have been engaging with companies featured in our investment universe for several years now, in particular through our membership in the 30% Club France, to promote best practices in gender equality and support for female talent at all company levels.

WOMEN ON THE PAYROLL AND ON THE EXECUTIVE COMMITTEE (ExCo)



2024 coverage ratio (weight in the fund): 100% for the executive committee and 100% for the payroll
2024 coverage ratio (weight in the index): 100% for the executive committee and 98% for the payroll

[12] McKinsey Global Institute, "The Power of Parity: how advancing women's equality can add $12 trillion to global growth", 2015.

2.4 Sustainability indicators

Social

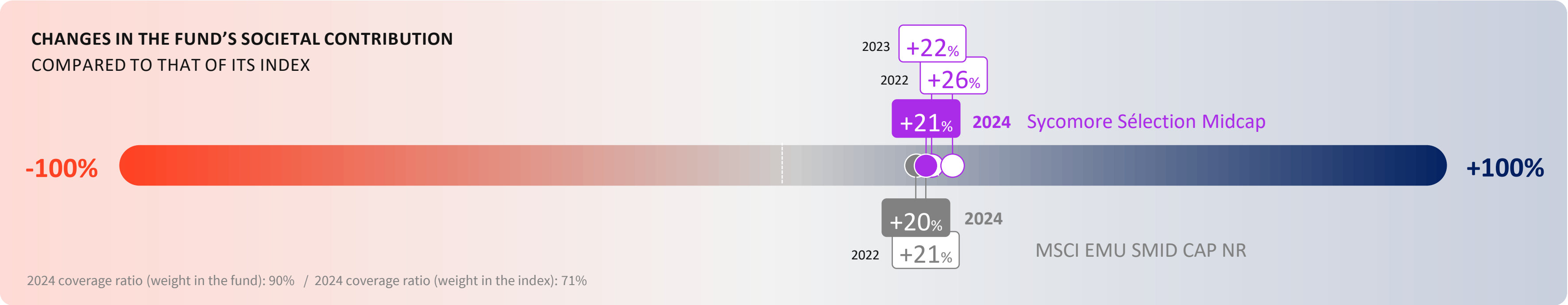
Societal Contribution of products and services

We measure our investments' impact on major societal issues using the Societal Contribution (SC). The SC is a **quantitative metric**, assessed on a scale of **-100%** to **+100%,** that aggregates the positive and negative contributions of a company's activities and weights these contributions relative to revenue. It focuses on **two indicators:**

- Products and services **for vulnerable populations**
- Products and services that **help to improve quality of life, safety and well-being**

The SC is evaluated using **sector frameworks** defined by our SRI analysts, mainly drawing on the social issues covered by the UN's Sustainable Development Goals[13].

At the end of 2024, the Societal Contribution of products and services for portfolio companies stood at **+21% compared with +20% for the fund's benchmark index** and was lower than in 2023 (+22%). This slight decrease is due in part to portfolio movements and to minor adjustments to methodology, such as that used for the pharmaceutical sector. **The fund nevertheless met its outperformance target.**



Negative societal contribution

Two of the companies in the Sycomore Sélection Midcap fund having a **negative societal contribution are Sanlorenzo (SC -50%),** a builder of luxury boats, especially yachts, and **Corticeira Amorim (SC -11%),** whose products include corks used in bottling alcoholic beverages.

Neutral societal contribution

De'Longhi (SC -3%) and **Fluidra (SC 0%)** are two portfolio companies whose **societal contribution is considered to be neutral**. The former is a leading supplier of coffee and coffee makers. The latter develops equipment and solutions used for swimming pools and fluid transport, among other services.

Highly positive societal contribution

Two examples of portfolio companies making a **strong societal contribution** are **Recordati (SC +74%)** and **Laboratorios Farmaceuticos Rovi (SC +69%)** , due to the pharmaceutical products and services they provide.

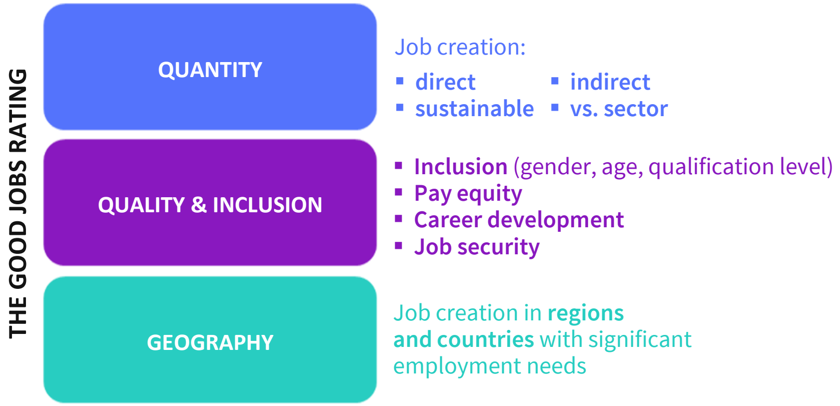
[13] More information on the methodology is available in our Societal Capital Strategy.

2.4 Sustainability indicators

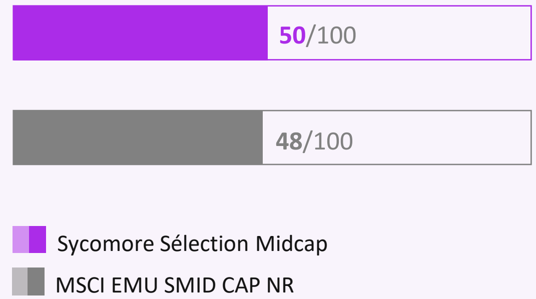
The Good Jobs Rating

We assess a company's **societal contribution as an employer** and **as a creator of quality employment opportunities** using **The Good Jobs Rating,** a metric co-developed with The Good Economy (the methodology is public and available on our website). This metric uses **three dimensions** – **quantity**, **quality & inclusion**, and **geography** – to assess a company's ability to create sustainable and high-quality job opportunities for all, and especially in countries or regions where employment is limited and therefore essential to attaining sustainable and inclusive growth.

In 2024, the Sycomore Sélection Midcap fund's score was **50/100**, slightly higher than that of the benchmark index (48/100). Among the top-rated companies were **INWIT (69/100)**, **Brunello Cucinelli (64/100**) and **Bankinter (63/100).** These scores mainly reflect contributions to job creation in several countries, resulting in strong ratings for the Quantity and Geography criteria. The addition of **Bankinter** to the portfolio also boosted the fund's rating.



THE GOOD JOBS RATING IN 2024
COMPARED TO ITS BENCHMARK



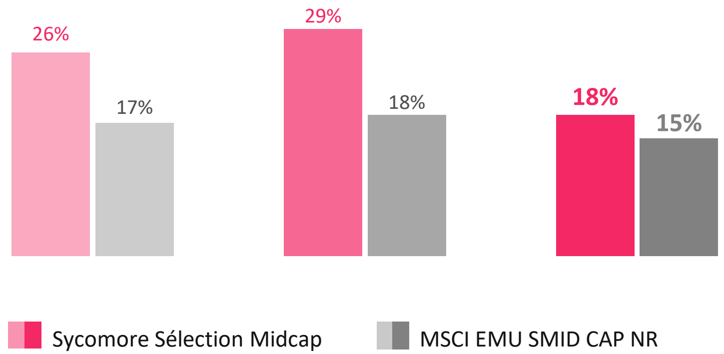
2.4 Sustainability indicators

Growth in staff

We assess **a company's ability to create jobs** based on the positive or negative change in total staff numbers over the past three financial years. The indicator shown below includes changes in staff numbers following acquisitions and disposals.

In 2024, the **growth in staff numbers at portfolio companies** (+18% over three years for the fund versus +15% for the benchmark) reflects the **strong momentum enjoyed by some of the companies in which we invest**. Job creation was brisk in companies such as **SIG Group** (a manufacturer of aseptic cardboard packaging), **Befesa** (a recycler of steel and aluminium production waste) and **Munters** (a supplier of data centre cooling systems, among other products). **Sanlorenzo, Moncler** and **Brunello Cucinelli** were also among the companies that saw rapid employment growth.

CHANGES IN STAFF NUMBERS OVER THREE YEARS



2024 coverage ratio (weight in the fund): 100% / 2024 coverage ratio (weight in the index): 96%

Human rights policies

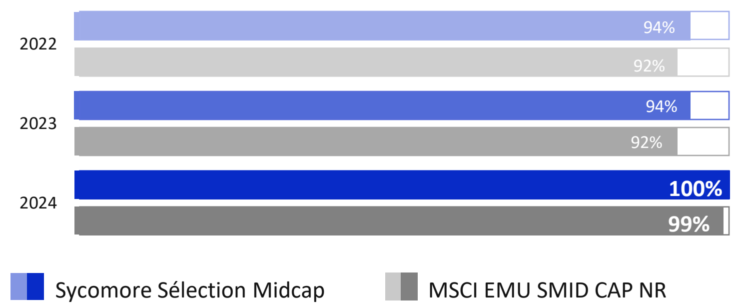
Human rights encompass **the rights of employees** and, more broadly, those of local communities and members of civil society **affected by a company's operations or activities.** Sycomore AM has implemented a dedicated **human rights policy** since 2020.

In line with the United Nations Guiding Principles (UNGPs), we assess a company's respect for human rights by considering, in addition to the existence of a human rights policy, its **human rights due diligence processes**, the **salient risks**, and its **remedy framework**.

Since there is no holistic indicator covering all these aspects, we have selected an indicator provided by **MSCI**, which identifies companies that communicate on the implementation of a human rights policy.

In 2024, the percentage of portfolio companies with a formal human rights policy **increased** (100% in 2024 vs. 94% in 2023) and exceeded that of the index. In 2022, through the **French Sustainable Investment Forum** (FIR), we helped to build a set of criteria for use in quickly analysing a company's exposure to forced labour and child labour. We continued this work in 2023 and 2024, including an engagement phase with several companies.

PERCENTAGE OF COMPANIES WITH A HUMAN RIGHTS POLICY



2024 coverage ratio (weight in the fund): 100% / 2024 coverage ratio (weight in the index): 99%

03 Engagement and voting

Shareholder engagement is about driving companies to make **structural improvements to their sustainability practices**, by articulating areas for improvement through constructive dialogue and long-term monitoring.

This is a key feature of putting our mission into action and, above all, achieving our **overarching goal** of **measuring and increasing the social and environmental contributions of our investments**.

> "We invest to develop an economy that is more sustainable and more inclusive and to generate positive impacts for each of our stakeholders. Our mission is to give a human dimension to investment."

Details on our shareholder engagement are provided in our ESG Integration and Shareholder Engagement Policy. It is based on individual dialogue with company executives throughout the year, or with the board of directors ahead of shareholder meetings, as well as collaborative initiatives. For more information on the coalitions in which Sycomore AM is a member, see Sycomore AM's Sustainability and Shareholder Engagement Report.

Once we formally set the areas of engagement, **we monitor company progress** and can employ escalation tools to **increase our chances of successful action**.

3.1 Our engagement initiatives

In 2024, we formally engaged with **13 portfolio companies** (eight in 2023), having identified **56 areas for improvement** during the year (44 in 2023). Close to **80% of these initiatives** involved **individual dialogue**, while the **remaining 20%** were part of **collaborative shareholder engagement**. Half of the areas for improvement discussed with companies pertained to strategy, more than one-third involved transparency, and the remainder concerned non-financial performance.

Out of the shareholder engagement initiatives taken in 2024, **63%** directly concerned **corporate governance** (pillar I of the SPICE analysis). The main issues raised included embedding sustainable develop into strategy, executive compensation, and best practices for boards of directors.

Last year, **14% of our actions** (eight initiatives) concerned **environmental issues, especially companies' climate and carbon reduction strategies**. The companies with which we dialogued included **Befesa**, **Esker**, and **ID Logistics**. **We encouraged ID Logistics to submit its climate targets to the SBTi for validation.**

Twenty percent of our **engagement actions** (11 initiatives) focused on **human capital management** within portfolio companies. Two of these initiatives, with **Arcadis** and **Befesa**, were undertaken with the aim to help to improve their gender equality transparency and performance at all company levels. This individual engagement aligns with our work as a member of the 30% Club, which promotes at least 30% female representation on executive committees at SBF 120 companies. We also dialogued with companies independently on other topics relating to human capital management, such as with **Moncler** regarding the gender pay gap in their companies.

The list of companies in the Sycomore Sélection Midcap portfolio with which we engaged in dialogue in 2024 is available in the appendix.

3.1 Our engagement initiatives

Controversies and engagement

In the course of our dialogue initiated to discuss controversies, we communicated **areas for improvement** to several companies, which included **Interparfums**. Along with other industry players, Interparfums was involved in a **human rights** controversy in 2024. Investigative reporting by the BBC had revealed that the jasmine sourced by suppliers for major beauty and cosmetics companies had been picked by children in Egypt. The company, with which we dialogued several times, confirmed that it had identified human rights issues, including child labour risks, as material during its single and double materiality assessments. Demands were sent to the chemists and perfume houses supplying the impacted blends, insisting that appropriate measures be taken to address the systemic issue of child labour. Although some actions can be implemented quickly, others require a longer timeframe. For this reason, we will continue to monitor this area in 2025. We feel that the sector must enhance its transparency, traceability and risk management, without relying overly on audits, which are sometimes poorly suited to the context. We also stepped up our engagement efforts in the area of health and safety with **Spie**, which reported six deaths in 2024, of which two employees.

Progress monitoring

15 **engagement initiatives** assessed in 2024

53% **improvements observed** following the 15 initiatives

40% of engagement initiatives **still in progress**

In 2024, we also monitored the advancement of portfolio companies on 15 areas for improvement submitted in 2022. On 53% of these points, we noted partial progress or achievement of the target. For example, following our recommendations, **ERG** updated its ESG strategy, setting new targets for 2026 that were approved by its board of directors in May 2024. Some 40% of these engagement efforts are still in progress.

SMID CLUB

In 2024, Sycomore AM joined the SMID Club created by the French Sustainable Investment Forum in the beginning of the year. This initiative gathers investors, representing more than €4.61 trillion in assets under management, who want to work collaboratively to help small and mid-cap (SMID) companies make progress on their environmental, social and governance (ESG) issues. In 2024, Sycomore played a leading or support role in collaborative engagement initiatives with eight companies.

SMID CLUB: FOCUS ON OUR GOVERNANCE INITIATIVES WITH Ipsos

As a member of the **SMID Club's Governance** working group, Sycomore AM took part in discussions concerning the **governance at Ipsos**. Dialogue with the company covered the following points:

- **succession planning** for the chairperson and key people in the group
- **composition of the board of directors**
- **integration of ESG criteria** into executive compensation
- **employee stock ownership**

Regarding these issues, **key areas of improvement were identified and shared with the company**:

- Develop and publish a detailed succession plan to the chair of the board of directors, with a short list of potential candidates
- Maintain a board position for the employee representative and encourage greater involvement in discussions and meetings
- Incorporate ESG criteria into long-term executive compensation targets
- Expand the number of employees eligible for share ownership programmes

We plan to **continue our engagement** with the company in 2025.

3.1 Our engagement initiatives

OUR COLLABORATIVE ENGAGEMENT WITH THE 30% Club GROWTH THROUGH DIVERSITY

In 2020, we were involved in creating the French branch of the 30% Club Investor Group. Since then, this business campaign has continued to encourage the increase of female representation in executive leadership at companies in the SBF 120 index to at least 30% by 2025, and more broadly to promote gender diversity at all levels of organisations, as well as transparency on this issue. Our intention is not to set mandatory quotas but rather to urge companies to take a voluntary approach that can bring about meaningful and sustainable change.

In 2024, investors in the coalition initiated or continued dialogue with 19 SBF 120 companies, based on a list of indicators developed by the Club. Sycomore is involved in engagement initiatives with two of these 19 companies and monitors the engagement activities of the others on a case-by-case basis. Most of the companies we have met believe that gender diversity is important at their organisations, and we can see that a positive shift is at work, in the form of action plans and specific targets. We always identify areas for improvement: on transparency about these plans, especially the affected groups/echelons within the company, or the importance of calculating and reporting any gender pay gaps within a representative sample of employees (the CSRD should be useful especially on this second point). Despite the political and economic uncertainty last year, we are satisfied to note that the companies met their commitments and remained open to discussing these topics, demonstrating a genuine interest in sharing good practices. More details are available in the Club's fourth annual report.

More details are available in the Club's fourth annual report.

FOCUS ON OUR HUMAN CAPITAL INITIATIVES WITH SPIE

As a support investor, in collaboration with the 30% Club France, Sycomore AM took part in discussions with SPIE in 2024 to gain insight into the company's practices regarding diversity. On this topic, key **areas of improvement** we identified and shared with the company:

- Publication of a detailed, multidimensional strategy to increase the hiring of women, including younger candidates
- Set a target for women to make up at least 20% of employees in leadership training courses and to include at least one woman among the candidates submitted to recruitment firms for leadership positions
- Initiate discussions with the European Works Council twice a year to share initiatives and obtain feedback
- Disclose the adjusted and unadjusted gender pay gap, the gender balance among part-time employees, and scores for each indicator of the French Gender Equality Index

In addition to this dialogue through the 30% Club France, Sycomore AM also met and communicated with SPIE on several other occasions during the year, in the context of the shareholders meeting as well as two fatal accidents in 2024 that caused multiple deaths in Gabon and Mexico. In particular, we questioned the group about its health and safety performance and its impact on the chief executive's short-term variable compensation. Among other recommendations, we encouraged the company to:

1. Introduce a condition stipulating that no fatal accidents occur in order to trigger the safety performance-related bonus
2. Improve the collection and reporting of accident data among subcontractor staff

3.2 Our voting at shareholder meetings

In order to actively support shareholder democracy, we systematically vote at the shareholder meetings of our portfolio companies. In 2024, we **voted at 97% of the shareholder meetings** for portfolio companies. Due to an administrative or technical problem, we were prevented from voting at two shareholder meetings, held outside France, in 2024.

60 shareholder meetings **voted** (100% in France and 96% outside France)

82% of shareholder meetings with **at least one vote against**

856 **resolutions**

18% **votes against**

Share of negative votes	Topic
35%	Executive compensation
31%	Capital transactions
28%	Shareholder resolutions
27%	Amendments to articles of association
18%	Formalities
17%	Board appointments and compensation
4%	Other topics
2%	Approval of financial statements and management
0%	Employee stock ownership and formalities

The average opposition rate was 18%. As shown in the graph, the highest rates of opposition were met with by executive compensation (35% of votes against) and capital transactions (31%).

Regarding **executive compensation**, we were careful to check that it was aligned with the interests of all stakeholders, especially by incorporating ESG criteria. We also checked that compensation was reasonable and that compensation policies and reports were transparent.

Regarding **capital transactions**, we defended minority interests when voting on authorisations submitted for shareholder approval.

All of the **shareholder resolutions on which we voted in 2024** pertained to the election and compensation of directors from Italian companies. The percentage of votes against can be explained by the fact that, in compliance with local practices, shareholders can only support one list of nominees. If a vote is cast in favour of the list of nominees submitted by the board of directors, then a negative vote must be cast against any list proposed by the shareholders.

In 2024, four resolutions pertained to **sustainability** issues. Sycomore AM voted in favour of all. In particular, we supported the **Say on Climate** proposal by **GEA Group.** The company aims to achieve carbon neutrality by 2040. It has set short-term Scope 1 and 2 emissions targets for 2026, and its intermediate Scope 1, 2 and 3 targets have been validated by the SBTi as aligned with a 1.5°C scenario.

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PORTOLIO INVENTORY OF SYCOMORE SÉLECTION MIDCAP AT 13 DECEMBER 2024

Issuers invested in at the end of 2024 that were the subject of a commitment during the year represented 17% of the portfolio by weight.

COMPANY	ISIN	WEIGHT IN PORTFOLIO	NEC[14]	CS[15]	SUSTAINABLE INVESTMENT	ENGAGEMENT BY SPICE[16] PILLAR
ARCADIS NV	NL0006237562	3,43%	22%	30%	Environment	Environment, People
GEA GROUP AG	DE0006602006	3,40%	-3%	13%	Non-sustainable	
ASR NEDERLAND NV	NL0011872643	3,40%	0%	33%	Social	
DELONGHI SPA	IT0003115950	3,37%	-44%	0%	Non-sustainable	
GAZTRANSPORT ET TECHNIGA SA	FR0011726835	3,05%	-10%	1%	Social	
ROBERTET SA	FR0000039091	2,79%	-9%	10%	Non-sustainable	
RECORDATI INDUSTRIA CHIMICA	XS2854303729	2,76%	0%	74%	Social	
TECHNOGYM SPA	IT0005162406	2,71%	0%	40%	Social	
NEMETSCHEK AKT	DE0006452907	2,55%	21%	22%	Environment	
BRUNELLO CUCINELLI SPA	IT0004764699	2,53%	-2%	-15%	Social	
FIELMANN GROUP AG	DE0005772206	2,47%	1%	57%	Social	
CORTICEIRA AMORIM SA	PTCOR0AE0006	2,45%	-18%	-11%	Social	
INWIT	IT0005090300	2,41%	-1%	50%	Social	
SIG GROUP AG	CH0435377954	2,39%	28%	22%	Environment and Social	Clients, Environment, Investors
THULE GROUP	SE0006422390	2,36%	0%	18%	Non-sustainable	
FINECOBANK SPA	IT0000072170	2,34%	0%	14%	Social	
BANKINTER SA	ES0113679I37	2,32%	0%	35%	Social	
FISCHER	CH1169151003	2,26%	8%	X	Non-sustainable	
HUHTAMAKI OYJ	FI0009000459	2,25%	-19%	X	Non-sustainable	
SANLORENZO SPA	IT0003549422	2,24%	-100%	-50%	Non-sustainable	
KNORR-BREMSE AG	DE000KBX1006	2,12%	33%	70%	Environment and Social	
INTERPARFUMS SA	FR0004024222	2,10%	3%	0%	Non-sustainable	
DUERR AG	DE0005565204	2,05%	10%	11%	Environment	
VIRBAC SA	FR0000031577	2,05%	-12%	0%	Social	Investors
FUGRO NV	NL00150003E1	1,97%	18%	X	Environment	

[14] The NEC, which stands for Net Environmental Contribution, measures on a scale from -100% to +100% the extent to which a company's products and services help drive the ecological transition. [15] The SC, which stands for Societal Contribution, measures on a scale from -100% to +100% the extent to which a company's products and services help tackle societal issues. [16] SPICE, which stands for Society & Suppliers, People, Investors, Clients and Environment, is a fundamental rating that rates how companies address ESG issues, on a scale of 1 to 5, with 5 being the highest score. For details on the information taken into account in our SPICE fundamental analysis model, see our ESG Integration Policy.

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COMPANY	ISIN	WEIGHT IN PORTFOLIO	NEC[14]	CS[15]	SUSTAINABLE INVESTMENT	ENGAGEMENT BY SPICE[16] PILLAR
KEMIRA OYJ	FI0009004824	1,89%	19%	4%	Environment	
ERG SPA	IT0001157020	1,74%	94%	51%	Environment and Social	
SOPRA STERIA GROUP	FR0000050809	1,66%	0%	14%	Social	Investors
AFRY AB	SE0005999836	1,66%	22%	X	Environment	
SHURGARD SELF STORAGE LTD	BE6356733327	1,60%	49%	0%	Environment	
SPIE SA	FR0012757854	1,49%	15%	31%	Environment and Social	Investors, People, Society & Suppliers
AZELIS GROUP NV	BE6355549120	1,48%	-4%	7%	Non-sustainable	
MONCLER SPA	IT0004965148	1,47%	2%	-25%	Social	Investors, People
LABORATORIOS FARMACEUTICOS ROVI	ES0157261019	1,44%	0%	69%	Social	
FLUIDRA SA	ES0137650018	1,41%	-7%	0%	Social	
ROTORK PLC	GB00BVFNZH21	1,38%	-9%	X	Non-sustainable	
ID LOGISTICS GROUP	FR0010929125	1,37%	0%	1%	Social	Environment
ESKER SA	FR0000035818	1,36%	2%	39%	Social	Environment, Investors, People
DANIELI & CO	IT0000076502	1,33%	21%	44%	Environment and Social	
REXEL SA	FR0010451203	1,32%	11%	27%	Environment and Social	
SEGRO PLC	GB00B5ZN1N88	1,31%	4%	-6%	Non-sustainable	
CORBION NV	NL0010583399	1,29%	0%	7%	Non-sustainable	
AALBERTS NV	NL0000852564	1,14%	1%	5%	Non-sustainable	
AMPLIFON SPA	IT0004056880	1,13%	0%	52%	Social	
BEFESA SA	LU1704650164	1,00%	47%	50%	Environment and Social	Environment, Investors, People
HUSQVARNA AB	SE0001662230	0,94%	0%	10%	Social	
EBRO FOODS SA	ES0112501012	0,91%	0%	11%	Non-sustainable	
JENOPTIK AG	DE000A2NB601	0,89%	0%	36%	Social	
DIETEREN GROUP	BE0974259880	0,68%	3%	24%	Non-sustainable	
IPSOS	FR0000073298	0,59%	0%	13%	Non-sustainable	Investors
SOLARIA ENERGIA Y MEDIO AMBIENTE	ES0165386014	0,55%	71%	50%	Environment and Social	
MUNTERS GROUP AB	SE0009806607	0,53%	15%	19%	Environment	

[14] The NEC, which stands for Net Environmental Contribution, measures on a scale from -100% to +100% the extent to which a company's products and services help drive the ecological transition. [15] The SC, which stands for Societal Contribution, measures on a scale from -100% to +100% the extent to which a company's products and services help tackle societal issues. [16] SPICE, which stands for Society & Suppliers, People, Investors, Clients and Environment, is a fundamental rating that rates how companies address ESG issues, on a scale of 1 to 5, with 5 being the highest score. For details on the information taken into account in our SPICE fundamental analysis model, see our ESG Integration Policy.

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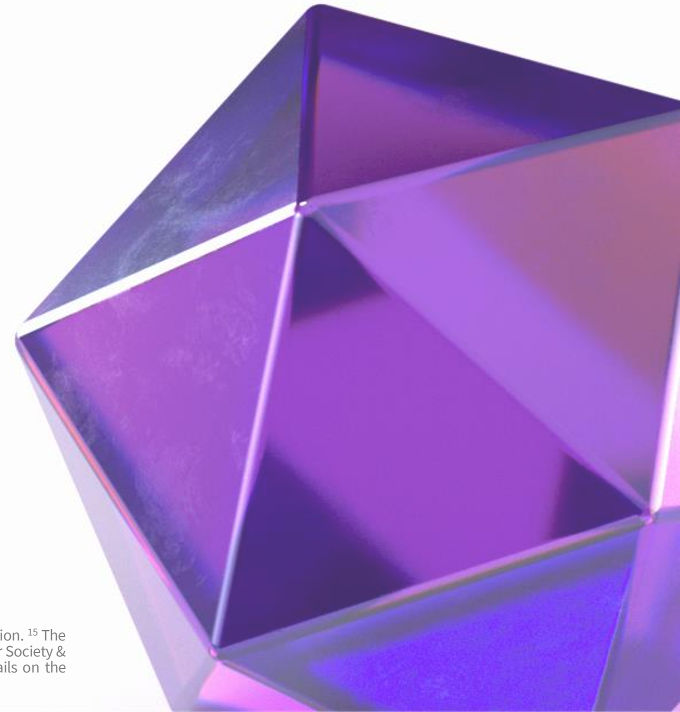
COMPANY	ISIN	WEIGHT IN PORTFOLIO	NEC[14]	CS[15]	SUSTAINABLE INVESTMENT	ENGAGEMENT BY SPICE[16] PILLAR
DERMAPHARM HOLDING SE	DE000A2GS5D8	0,51%	0%	46%	Environment and Social	Investors
ALTRI SGPS SA	PTALT0AE0002	0,50%	25%	0%	Environment	
SPRINGER NATURE AG & CO	DE000SPG1003	0,34%	7%	45%	Social	

INVENTORY OF COMPANIES HAVING ENTERED AND EXITED THE PORTFOLIO DURING THE YEAR, AS AT 13 DECEMBER 2024

COMPANY	ENGAGEMENT BY SPICE[16] PILLAR
ALTEN	Investors
NEXANS	Environment, Investors, People



[14] The NEC, which stands for Net Environmental Contribution, measures on a scale from -100% to +100% the extent to which a company's products and services help drive the ecological transition. [15] The SC, which stands for Societal Contribution, measures on a scale from -100% to +100% the extent to which a company's products and services help tackle societal issues. [16] SPICE, which stands for Society & Suppliers, People, Investors, Clients and Environment, is a fundamental rating that rates how companies address ESG issues, on a scale of 1 to 5, with 5 being the highest score. For details on the information taken into account in our SPICE fundamental analysis model, see our ESG Integration Policy.

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PRINCIPAL ADVERSE IMPACT INDICATORS AS DEFINED BY THE SUSTAINABLE FINANCE DISCLOSURES REGULATION (SFDR), AT 13 DECEMBER 2024

Principal adverse impact (PAI) indicators are consolidated at the fund level. Benchmark index data are provided for compariso n. These results should be interpreted with caution, due to the varying maturity of the reported or estimated data and the low coverage ratio of some indicators. They are provided for informational purposes to meet the reporting requirements of the SRI label and are not tied to specific performance criteria for the fund.

PAI INDICATOR	UNIT	FUND	INDEX	FUND COVERAGE	INDEX COVERAGE
CARBON EMISSIONS	tCO_2e	71,509	197,546	95%.	95%
CARBON FOOTPRINT	tCO_2e/€M	399	1,219	95%.	95%
CARBON INTENSITY	tCO_2e/€M	1,191	1,104	95%.	95%.
EXPOSURE TO FOSSIL FUELS	%	4%	4%	88%	94%
SHARE OF NON-RENEWABLE ENERGY CONS & PROD	%	63%	66%	85%	96%
ENERGY CONSUMPTION INTENSITY PER HIGH IMPACT CLIMATE SECTOR	GWh/€M	19%	46%	84%	96%
ACTIVITIES NEGATIVELY AFFECTING BIODIVERSITY	%	23%	17%	88%	99%
WATER POLLUTION	tonnes/€M	0.38	0.11	10%	3%
HAZARDOUS WASTE PRODUCTION	tonnes/€M	88.42	200.25	85%	94%
VIOLATIONS OF UN GLOBAL COMPACT PRINCIPLES AND OECD GUIDELINES	%	0%	0%	85%	98%
LACK OF PROCESSES AND COMPLIANCE MECHANISMS TO MONITOR COMPLIANCE WITH UN GLOBAL COMPACT PRINCIPLES	%	0%	0%	88%	99%
UNADJUSTED GENDER PAY GAP	%	7%	12%	57%	83%
BOARD GENDER DIVERSITY	%	40%	40%	84%	98%
EXPOSURE TO CONTROVERSIAL WEAPONS	%	0%	1%	88%	99%

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PRINCIPAL ADVERSE IMPACT INDICATORS AS DEFINED BY THE SUSTAINABLE FINANCE DISCLOSURES REGULATION (SFDR), AT 13 DECEMBER 2024

Principal adverse impact (PAI) indicators are consolidated at the fund level. Benchmark index data are provided for compariso n. These results should be interpreted with caution, due to the varying maturity of the reported or estimated data and the low coverage ratio of some indicators. They are provided for informational purposes to meet the reporting requirements of the SRI label and are not tied to specific performance criteria for the fund.

PAI INDICATOR	DEFINITION
CARBON EMISSIONS	Scope 1, 2 and 3 greenhouse gas emissions
CARBON FOOTPRINT	Scope 1, 2 and 3 carbon footprint
CARBON INTENSITY	Scope 1, 2 and 3 carbon intensity
EXPOSURE TO FOSSIL FUELS	Share of investments in companies active in the fossil fuel sector
SHARE OF NON-RENEWABLE ENERGY CONS & PROD	Share of non-renewable energy consumption and non-renewable energy production
ENERGY CONSUMPTION INTENSITY PER HIGH IMPACT CLIMATE SECTOR	Energy consumption in GWh per million EUR of revenue of investee companies
ACTIVITIES NEGATIVELY AFFECTING BIODIVERSITY	Share of investments in companies with activities that can negatively affect biodiversity and that are located in or near biodiversity-sensitive areas
WATER POLLUTION	Tonnes of emissions to water generated by investee companies per million EUR invested
HAZARDOUS WASTE PRODUCTION	Tonnes of hazardous waste generated by investee companies per million EUR invested
VIOLATIONS OF UN GLOBAL COMPACT PRINCIPLES AND OECD GUIDELINES	Share of investments in companies that have violated the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises
LACK OF PROCESSES AND COMPLIANCE MECHANISMS TO MONITOR COMPLIANCE WITH UN GLOBAL COMPACT PRINCIPLES	Share of investments in companies without policies to monitor compliance with the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises or without grievance/complaints handling mechanisms to address violations of these principles
UNADJUSTED GENDER PAY GAP	Average unadjusted gender pay gap of investee companies
BOARD GENDER DIVERSITY	Average percentage of female board members in investee companies
EXPOSURE TO CONTROVERSIAL WEAPONS	Share of investments in companies involved in the manufacture or selling of controversial weapons

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