



# Human Rights Policy

December 2020



## Introduction

Sycomore Asset Management is a Paris-based entrepreneurial asset management company founded in 2001 and specialised in investments in public markets.

Since our launch, we have been committed to delivering sustainable performance by identifying the levers that create long-term value. We are convinced that companies addressing genuine social, societal, human rights or environmental needs are the companies of the future and that only shared value can guarantee sustainable performance.

In 2020 we incorporated our mission statement to the firm's articles of incorporation - a decision supported by our supervisory board: "We invest to develop a more sustainable and inclusive economy and to generate positive impacts for all of our stakeholders. Our mission: make investment more human".

## Sycomore AM Human Rights Policy Commitment

While States have the primary obligation to respect, protect and fulfil internationally recognised human rights, we, at Sycomore AM, have a responsibility to respect these human rights throughout our activities, operations and through our business relationships - as elaborated in the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) and the OECD Guidelines for Multinational Enterprises. Sycomore AM commits to meeting this responsibility. Our commitment to human rights applies to our investments but also closer to home, to our own operations as well as activities carried out with business partners and suppliers.

The minimum of the internationally recognised human rights we are committed to respect are described in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. Where relevant, additional human rights standards will also apply.

Sycomore also recognises that this commitment requires it to seek to uphold human rights standards even where those may not be reflected in local legal requirements.

We firmly believe that this commitment will further our mission to develop a more sustainable and inclusive economy, while minimising human rights risks connected to all our activities and our portfolios. While this commitment builds on Sycomore AM's long-standing work as a responsible company and investor, we view this as an important steppingstone for our *human rights journey*, setting a trajectory for continuous improvement over time.

This policy builds on Sycomore AM's existing responsible investment policies and strategies in which we state that our approach to our stakeholders and those of our investee companies is governed by sustainable and inclusive development considerations and the importance of leading by example in our interactions with them.



## Governance

Sycomore AM's CEO is accountable for the implementation of the human rights policy and will periodically report to the Board of Directors on progress. The Board of Directors is mandated with oversight of this policy. Day-to-day operational responsibility for the human rights policy commitment lies with the Head of the Sustainability and Mission Committee for Sycomore as a company, and with the Head of ESG Research for Sycomore as an investor.

## Human Rights Due Diligence and Remediation

Whether as a company or as an investor, we are committed to carrying human rights due diligence. We are committed to prioritising the issues we address first based on their saliency, and to providing, cooperating in or enabling remedy when involved in adverse human rights impacts as is expected under the UN Guiding Principles. Our human rights due diligence and remediation efforts vary, depending on whether we are addressing issues related to our own employees, suppliers and other business partners, or to our investments.

### *Sycomore AM as a Company*

We expect our employees, suppliers, business partners and any other organisations or individuals working with us to seek to respect human rights as they carry out their work. This includes treating those around us with respect and dignity.

Sycomore AM's initial human rights risk assessment on its own operations identified non-discrimination and working conditions as salient issues. We are committed to integrating these issues into our internal policies and trainings. We also seek opportunities to integrate our human rights expectations on these issues into measures aimed at supporting suppliers and business partners. We are committed to continuously improve our ability to identify and prioritise salient issues.

We commit to having an effective grievance mechanism in place to enable our employees to raise concerns and grievances to us, to which we respond promptly and fairly. We seek to create avenues for other stakeholders, such as clients, business partners, suppliers, civil society or others to raise human rights issues with us regarding Sycomore as a company to both help us be informed of issues as soon as they arise and to enable early and quick remedy.

### *Sycomore AM as an Investor*

We have existing systems to integrate ESG factors across our investment work reflecting human rights issues. Through our [SPICE Framework](#) we evaluate the human rights performance of investee companies, and this directly impacts our investment decisions. We pursue dialogue specifically on human rights issues with investee companies and address human rights in our ongoing communication with them. Through the implementation of this policy, we seek to further strengthen our human rights due diligence processes to systematically identify and manage human rights risks across our portfolios. We will prioritise for attention those actual and potential adverse impacts that could be the most severe to people and the most likely to occur, while not losing focus on those areas where we can have the greatest impact. This is how we can take the most meaningful action in terms of making a difference.

While we acknowledge that, as an asset manager, our connection to a human rights impact may at times be remote, we will nonetheless strive to disseminate know-how and knowledge



and build and exercise leverage with our investee companies, including through engagement with other investors, to support their ability to address impacts in which they are involved.

We seek to continue to increase and exercise our leverage with investee companies on human rights respect in a range of ways:

- ▶ Conveying clear expectations of companies when it comes to implementing their human rights respect in practice, including:
  - Encouraging companies to publicly disclose their human rights-related policies, processes and performance;
  - Requesting targeted information from portfolio companies related to their human rights due diligence and remediation processes in accordance with the UN Guiding Principles;
  - Calling upon companies to instigate adequate and sustainable corrective and remedial when adverse human rights impacts occur and to publicly communicate about them;
  - Calling upon investee companies to institute effective Board level oversight on human rights risk management and to disclose its oversight processes
- ▶ Engaging with portfolio companies on how they manage human rights-related issues;
- ▶ Exercising voting rights in a way that encourages strong human rights performance; this includes supporting resolutions associated to human rights-related issues, in line with our voting guidelines, and increasing scrutiny over those that may make human rights respect more challenging;
- ▶ Participating in collective engagement initiatives, in particular where adverse human rights-related issues require collective creative leverage in order to be addressed;
- ▶ Responsibly selling a position if a company fails to progress to tackle severe human rights issues;
- ▶ Conveying publicly the actions we have taken to build and exercise leverage to prevent, mitigate and enable remediation for adverse human rights impacts.

Sycomore AM is eager to explore additional methods of building and exercising its leverage and welcomes feedback from stakeholders on how best to do so. Our performance indicators will seek to track the efforts we take to build and exercise leverage, and where possible will measure the effectiveness of our leverage - including the impact of our participation in collective actions to prevent and/or mitigate human rights risks identified or enable remedy. A grievance mechanism will offer a channel for stakeholder feedback, comments and considerations with regard to our investments.

### Policy development, review and update

We have benefited from feedback from internal and external stakeholders, as well as business and human rights experts, in the development of this policy. We are eager to engage in ongoing dialogue with employees and other stakeholders to strengthen our human rights-related work. We will report on our progress in strengthening our human rights-related structures and our performance indicators - both as a company and as an investor - in our annual reporting. We will update this policy when appropriate so that it reflects advancements in knowledge and experience gained over time.

This Policy is approved by Sycomore AM's Board of Directors.