

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product Name : SYCOMORE EUROPE HAPPY @ WORK**  
**Legal Entity Identifier : 2221 00NGWTCTUM6I8P 38**  
**Publication date : 27/02/2026**

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

**Yes**                         **No**

<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 1%</b></p> <p><input type="checkbox"/> In economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 65%</b></p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> With a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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## What is the sustainable investment objective of this financial product?

The Sub-Fund (denominated in EUR) aims to outperform the Euro Stoxx Total Return index with dividend reinvested (the Sub-Fund's "Benchmark") over a minimum recommended five-year investment horizon through a thematic SRI strategy, by investing in companies valuing their human capital as a core pillar for sustainable development.

The Sub-Fund targets in particular the Sustainable Development Goal 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"), majoritarily through a complete and objective assessment of the level of well-being at work.

It also aims to outperform its benchmark on two ESG indicators detailed in the following question.

No reference benchmark has been designated to meet the sustainable investment objective of the Sub-Fund.

### ● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product ?**

The assessment of the achievement of the sustainable investment objective of the Sub-Fund is based in particular on the following sustainability indicators:

- **Investee companies' SPICE rating<sup>[1]</sup>**: SPICE stands for Society & Suppliers, People, Investors, Clients and Environment. This tool assesses the sustainable performance of companies. This rating integrates the analysis of economic, governance, environmental, social and societal risks and opportunities in business practices and in the products and services offering of companies. The analysis takes into account a set of criteria from which a score between 1 to 5 per letter of SPICE is obtained. These 5 scores are weighted so that environmental issues (SPICE score E), social issues (scores S, P and C) and governance issues (50% of score I) each account for at least 20% of the final score, with the weighting varying by sector.
- **The "Happy@Work" rating<sup>[2]</sup>**: The analysis framework provides a complete and objective assessment of the level of well-being at work, focusing in particular on the meaning given to work, employee autonomy, training and career management systems, value distribution and diversity.
- Specific indicators related to Sycomore AM's definition of sustainable investment, as described in its ESG Integration Policy.

Moreover, as part of the SRI Label, the Sub-Fund undertakes to outperform its financial benchmark on the following two indicators:

- The average number of training hours per employee per year;
- The overall Greenhouse Gas (GHG) intensity.

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<sup>[1]</sup> More information is available in Sycomore AM's ESG Integration Policy, which is accessible on its website: <https://fr.sycomore-am.com/documentation-esg>

<sup>[2]</sup> Ibid

### ● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**Principal adverse impacts** are the most

significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Four elements are implemented to avoid occurrence of significant harm to any environmental or social sustainable investment objective:

- **The Investment Manager’s SRI exclusion policy**<sup>[3]</sup>: Certain activities are considered unsustainable due to their controversial social or environmental impacts, as defined in Sycomore AM’s core policy (applicable to all Sycomore AM’s direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy).
- **Companies affected by a severe controversy**<sup>[4]</sup>, identified based on the Investment Manager’s thorough analysis of controversies. The most severe controversy classification is considered a violation of one of the principles of the United Nations’ Global Compact.
- **Minimum SPICE rating**: The SPICE methodology covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the draft Regulatory Technical Standards. A rating that is too low indicates a potentially weaker sustainability performance on one or more adverse impacts.
- **Sycomore AM’s Principal Adverse Impact (PAI) policy**<sup>[5]</sup>: A PAI policy applied to identify further potential significant harm across environmental and social matters targeted by the PAI indicators listed in Table 1 of Annex I is implemented.

<sup>[3]</sup> More information is available in Sycomore AM’s Exclusion Policy, which is accessible on its website: <https://fr.sycomore-am.com/documentation-esg>

<sup>[4]</sup> More information is available in Sycomore AM’s ESG Integration Policy, which is accessible on its website: <https://fr.sycomore-am.com/documentation-esg>

<sup>[5]</sup> More information is available in Sycomore AM’s Principal Adverse Impact (PAI) Policy, which is accessible on its website: <https://fr.sycomore-am.com/documentation-esg>

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Adverse impacts on sustainability factors are taken into account as described in the PAI policy of the Management Company.

More specifically, the SPICE methodology covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the Regulatory Technical Standards.

Indeed, **Sycomore AM’s fundamental analysis model SPICE**, is an integrated model, allowing to get a holistic view of companies of the investment universe. It was built taking into account OECD guidelines for Multinational Enterprises. It fully integrates ESG factors to capture how companies are managing adverse impacts as well as key sustainable opportunities following a double materiality approach.

**Sycomore AM’s PAI policy** details how the issues covered by PAIs are covered by SPICE.

Moreover, **Sycomore AM’s exclusion policy** targets adverse sustainability impact indicators including controversial weapons, exposure to thermal coal, chemical pesticide production, and more broadly was drafted to target companies in breach of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The development of Sycomore AM's analysis framework "SPICE" as well as the exclusion policy have been inspired by the OECD's Guiding Principles for multinational companies, the United Nations' Global Compact, the International Labour Organization's international standards and the UN Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a firm interacts with its stakeholders. This fundamental analysis is designed to understand strategic challenges, business models, quality of governance and degree of integration of sustainability issues, as well as the risks and opportunities faced by the company. Sycomore AM has also defined its Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights.

Despite the above-described due diligence set to detect potential breaches of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, actual compliance of the analyzed issuers can never be guaranteed.



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

as indicated in the previous sub-section:

- Principal adverse impacts, as well as all other adverse impacts, are considered for any investment of the portfolio through SPICE analysis and outputs, complemented by Sycomore AM's exclusion policy.
- In addition, to qualify as a sustainable investment, any investment must pass a minimum SPICE score.

Information on principal adverse impacts on sustainability factors shall be made available in the annual report of the Sub-Fund.

No

### What investment strategy does this financial product follow?

The Sub-Fund's selected companies value their human capital as a core pillar for sustainable development. Stocks are selected without sector or market capitalisation restrictions. The portfolio's exposure to European Union equities varies between 60% and 100%, stocks issued in other international markets may represent up to 40% of the portfolio with a sub limit of 10% for stocks issued in countries generally considered as emerging economies. Please refer to the Sub-Fund's prospectus for more details on the investment strategy.

**The investment strategy of the Sub-Fund fully integrates ESG (Environment, Social (including Human Rights) and Governance) issues. This integration is conducted through the Management Company (Sycomore Asset Management)'s proprietary "SPICE" methodology introduced above and described in the ESG integration policy available on the website.**

We aim at identifying risks and opportunities to which companies are exposed following a double materiality approach, and more specifically:



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- On the Environment, the E pillar assesses how companies take into account the preservation of the environment in the management of their activities as well as in their offer of products and services. It also looks at how the environment may affect the company's business. It fully integrates the analysis of the exposure to transition and physical risks;
- On the Social, the P, S and C pillars aim at understanding how companies incorporate risks and opportunities related to human capital, suppliers and clients relationships as well as the society at large. In particular, the respect of working rights, the health and safety of the employees, the quality of the working environment, the societal contribution of the products and services, the capacity of companies to contribute to quality jobs creation and the respect of human rights in the entire value chain of companies are key issues covered through the analysis.
- On the Governance, the I pillar looks at how companies acknowledge the interests of all stakeholders by sharing value equitably. It notably includes the analysis of the governance structure, the alignment of the top management with the strategy as well as the quality of the integration of sustainability issues into the strategy.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective ?***

The following binding criteria apply to the Sub-Fund.

**At investment level**, the Sub-Fund will make sustainable investments based on the following set of selection and exclusion filters, applicable to all investments of the financial product:

- **A filter of selection dedicated to human capital:** companies with a Happy@Work rating above or equal to 3.5/5.
- **An additional filter of selection is used to identify sustainable investments** with either a social objective or an environmental objective. This qualification requires: 1/ the identification of a positive contribution on social or environmental issues based on specific criteria, 2/ the absence of significant damage on other social or environmental issues, 3/ good governance practices. The criteria used to qualify to these three elements are detailed in Sycomore AM's ESG integration policy<sup>[6]</sup>.
- **A filter of exclusion:** Companies are excluded if the sustainability risks identified are likely to jeopardize their competitiveness or have a major negative impact. A company is thus excluded if:
  - it is involved in activities identified in Sycomore AM **SRI exclusion policy** for their controversial social or environmental impacts; or
  - it obtained a **SPICE rating** below a minimum threshold, ensuring PAI consideration; or
  - it is affected by a **severe controversy**; or
  - it is involved in activities excluded under the **Paris-aligned Benchmark (PAB) exclusions** (Article 12(1)(a) to (g) of CDR (EU) 2020/1818).

In case of overlap between two exclusions applied by the Sub-Fund, the stricter threshold shall apply.

As a result of the binding elements, the eligible investment universe is reduced by at least 30% compared to the initial investment universe (as described in the Sub-Fund's prospectus).

**At product level**, the Management Company aims at having a better result compared to the Sub-Fund's benchmark on the two following indicators<sup>[7]</sup>:

- The average number of training hours per employee per year compared to the Sub-Fund's initial investment universe;
- The overall GHG intensity.

The main methodological limits related to the extra-financial approach are:

- the availability of data to conduct ESG analysis;
- the quality of the data used in the assessment of ESG quality and Impact as there are no universal standards related to ESG information and third party verification is not systematic;
- the comparability of data, as not all companies publish the same indicators;
- the use of proprietary methodologies, which relies on the experience and skills of the asset manager's staff.

[6] Link to Sycomore AM's ESG integration policy : <https://en.sycomore-am.com/download/381500688>

[7] Additional non-binding indicators are published annually to monitor the Sub-Fund's performance on environment, governance and human rights. More information can be found on the website page indicated at the end of this document.

● **What is the policy to assess good governance practices of the investee companies ?**

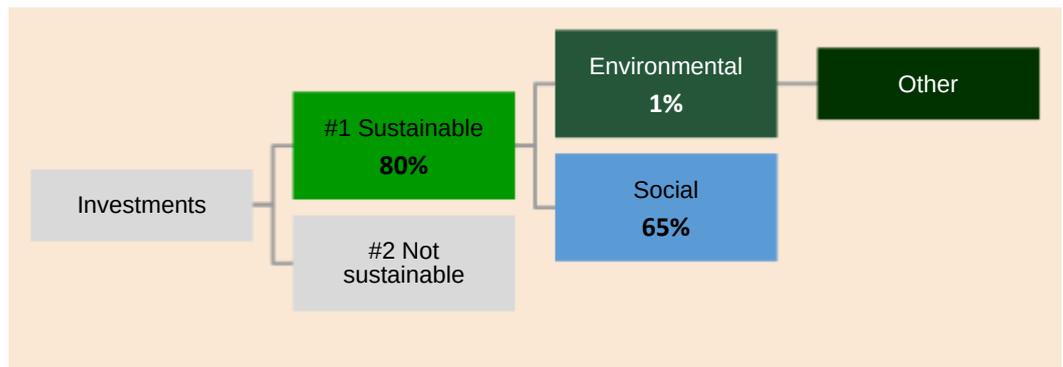
Governance is part of the SPICE analysis, including a dedicated governance section ("G" section) within the "I" pillar involving a significant focus on governance bodies, and integrating other governance items into the other pillars, notably employee relations and remuneration of staff within the "P" section, and tax practices within the "S" section. Overall governance of issues associated with each type of stakeholder (Society, People, Investors, Clients and the Environment) is addressed in each according pillar.

Requirements to exclude from the investable universe insufficient governance practices from the "G" section, associated with a minimum threshold, can be found in Sycomore AM's exclusion policy.

**What is the asset allocation and the minimum share of sustainable investment?**

All the binding criteria described above apply to all the Sub-Fund's investments (excluding cash and derivatives held for hedging purposes).

The following asset allocation figures are pre-contractual minimums expressed as a percentage of net assets; they do not represent a target allocation. For information on actual percentages, please refer to the annual report.



**Good governance** practices include sound management, structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investees companies,

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy,
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

● **How does the use of derivatives attain the sustainable investment objective ?**

The policy for using derivatives, whose underlying assets are subject to the SPICE analysis process, is compatible with the objectives of the Sub-Fund and consistent with its inclusion in a long-term perspective. It is not intended to significantly or permanently distort the ESG selection policy. The use of derivatives is limited to techniques allowing for efficient management of the portfolio of securities in which the Sub-Fund is invested. The Sub-Fund may not hold a short position in any asset selected as ESG, according to its own method of ESG asset selection.

Apart from efficient and marginal management, the Sub-Fund's use of derivatives for exposure purposes is necessarily temporary and exceptional.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

● **Does this financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy <sup>1</sup> ?**

Yes:

In fossil gas     In nuclear energy

No

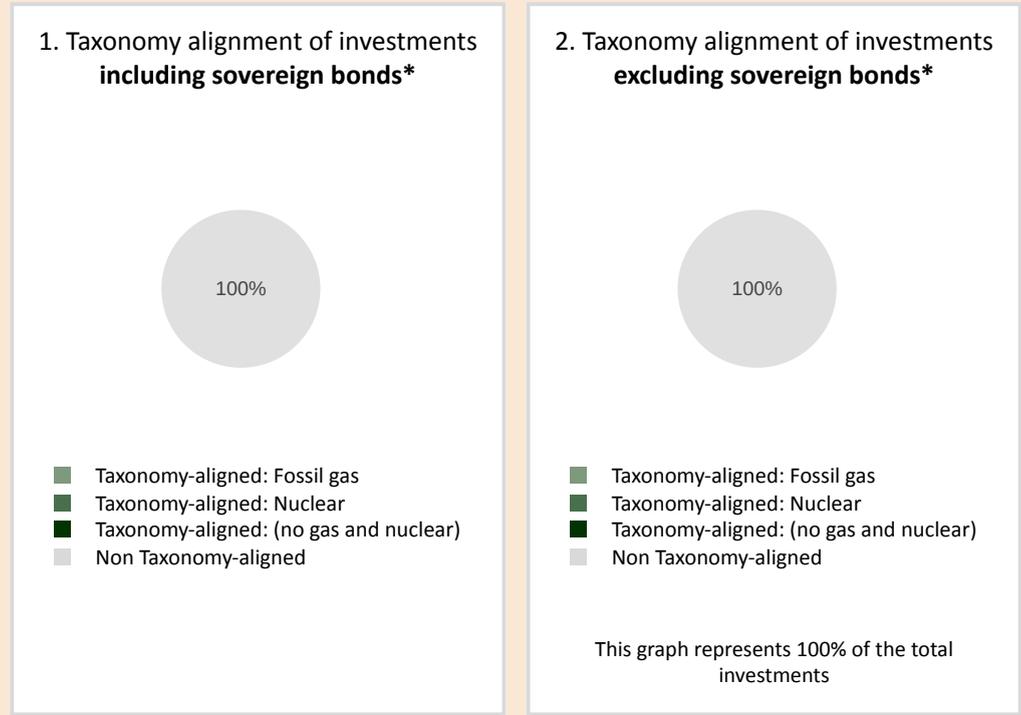
1. Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

N/A



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Sub-Fund makes a minimal commitment regarding a minimum share of investments in sustainable investments with an environmental objective (1%).

However, the Sub-Fund commits to invest a minimum of 80% of its net assets (and 100% of investee companies) into sustainable investments, either with an environmental or a social objective.

Two main reasons, inter alia, explain investments with an environmental objective not aligned with the EU Taxonomy:

- Sustainable investments on the one hand are taken as a whole for the purpose of complying with SFDR. Underlyings identified as sustainable investments, based on the criteria described previously, therefore contribute 100% of their portfolio weight to the aggregated sustainable investment total at portfolio level. Environmentally sustainable investments on the other hand, only contribute a certain percentage of their activity, the taxonomy-aligned one assessed based on a breakdown of their revenues, to the aggregated taxonomy-aligned investment total at portfolio level.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- The criterion selected to define positive environmental contribution for the purpose of complying with SFDR can target any of the six environmental objectives of the Taxonomy Regulation.



### What is the minimum share of sustainable investments with a social objective?

The Sub-Fund will make a minimum of 65% of investments in sustainable investments with a social objective.

However, the Sub-Fund commits to invest a minimum of 80% of its net assets (and 100% of investee companies) into sustainable investments, either with an environmental or a social objective.



### What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Investments included under “#2 Not sustainable” relate to derivatives used for hedging purpose, and to cash or cash equivalent (such as sovereign bonds) held as ancillary liquidity.

Bonds, other international debt securities and short-term negotiable securities from public issuers are selected through an in-house rating of the issuing State based on various criteria (environment, governance, economic health, corruption, human rights, inclusion), enabling the selection of countries considered as sufficiently sustainable and inclusive.

Other cash and cash equivalent used as ancillary liquidity, and derivatives held for hedging purpose, are not subject to any minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to meet the sustainable investment objective ?

There is no specific index designated as a reference benchmark to meet the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

**Where can I find more product specific information online? More product specific information can be found on the website:**

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.



<https://en.sycomore-am.com/funds/21/sfs-sycomore-europe-happy-at-work>