SFDR PRECONTRACTUAL DISCLOSURE ANNEX I

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.

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

Product name: SYCOMORE EUROPE ECO SOLUTIONS (the "Sub-Fund")
Legal entity identifier: 2221009T03U3GMOXTL26

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective: 80%** ☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

What is the sustainable investment objective of this financial product?

The Sub-Fund (denominated in EUR) aims to achieve a significant performance over a minimum investment horizon of five years, through a rigorous selection of stocks of companies whose business model, products, services, or production processes positively contribute to the energy and ecological transition challenges, through a thematic SRI strategy.

The Sub-fund will partially make environmentally sustainable investments falling under article 5 of the Taxonomy Regulation (2019/2088). Contributing investments can address any or the six environmental objectives set out in article 9 of the Taxonomy Regulation: a) climate change mitigation, b) climate change adaptation, c) sustainable use and protection of water and marine resources, d) transition to a circular economy, e) pollution prevention and control, f) protection and restoration of biodiversity and ecosystems.

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.

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 Sub-fund will measure the attainment of the sustainable investment objective using:

<u>At investee level</u>:

- **Investee companies' SPICE rating**: SPICE[1] stands for Suppliers&Society, People, Investors, Clients and Environment. This tool assesses the sustainable performance of companies. It 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 90 criteria from which a score between 1 to 5 per letter of SPICE is obtained. These 5 scores are weighted according to the company's most material impacts.
- The **Net Environmental Contribution[2] (NEC)** as sustainability indicator at investee level**.** The NEC is a metric that measures the extent to which a company's business model is aligned with the ecological transition and the climate change mitigation objectives. It ranges from -100% for businesses that are highly damaging to natural capital, to +100% for companies with a strong positive net impact. Companies associated with a NEC above or equal to the selected threshold therefore make a significant contribution to the ecological transition and the climate change mitigation objectives.
- Investee companies' **compliance with Investment Manager's SRI exclusion policy**
- Investee companies' **compliance with the controversy analysis process** of the Investment Manager
- Investee companies' **compliance with the PAI policy** of the Investment Manager

<u>At product level</u>:

- Net Environmental Contribution (NEC),
- Green Share, as defined by the Greenfin label, in the Sub-Fund's investments.

[1] Ibid
[2] The NEC covers five impact categories (issues: climate, waste, biodiversity, water, air quality) by group of activities (contributing areas: ecosystems, energy, mobility, construction, production). More information can be found on the website page indicated at the end of this document.

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

Four layers are implemented to avoid occurrence of significant harm to any environmental or social sustainable investment objective, on an ex ante basis, prior to any investment-decision.

Indeed, investments targeted by one or more of the criteria below will not be considered as a sustainable investment:

- **As per the Management Company's SRI exclusion policy**[3] : activities are restricted for their controversial social or environmental impacts, as defined and revised annually 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), such as: violations of foundamental rights, controversial and nuclear weapons, conventional weapons and ammunitions, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy generation, oil & gas.

- **Companies affected by a level 3/3 controversy**[4] : identified based on the Investment Manager's thorough analysis of controversies. The most severe controversy classification (-3 on Sycomore AM's scale, which range from 0 to -3) is considered a violation of one of the principles of the United Nations' Global Compact.

- **SPICE**[5] **rating below 3/5** : The SPICE methodology, through its 90 criteria, 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 lower rating, below 3/5, indicates a lower sustainability performance on one or more adverse impacts.
- **As per Sycomore AM's Principle Adverse Impact (PAI) policy**[6] : 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. Companies meeting any exclusion criterion regarding GHG emissions, biodiversity, water, waste, gender equality, UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance, or controversial weapons, will be reported as "not sustainable".

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

Adverse impacts on sustainability factors involve indicators at two levels:

1. **For sustainable investments only: a PAI policy** directly drawing from indicators of Table 1 of Annex I and any relevant indicators in Tables 2 and 3.
2. **For all investments of the financial product**: the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

[3] Ibid
[4] Ibid
[5] More information can be found on the website page indicated at the end of this document
[6] Ibid

PAI policy: each sustainability factor targeted by Table 1 of Annex I was associated with an exclusion criterion:

Applicable to investee companies

- GHG emissions:
  - Indicators #1-2-3-5-6 (GHG emissions scope 1, 2, 3, and total emissions; Carbon footprint; GHG intensity of investee companies ; Share of non-renewable energy consumption and production; Energy consumption intensity per high impact climate sector): for all sectors, GHG emissions are assessed adjusting for company size, relative to their sub-sector, and taking into account science-based decarbonization levels required to keep global temperature increase below 2°C compared to preindustrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change[7] (IPCC). As a consequence, Sycomore AM's PAI approach to GHG emissions for all sectors relies on science-based target metrics: from the science-based target initiative (SBTi[8]) on the one hand, and on the temperatures computed by the Science-Based 2°C Alignment (SB2A[9]) initiative on the other hand. Companies associated with a temperature exceeding the threshold set in the PAI policy are deemed to significantly harm the climate change mitigation objective.
  - Indicator #4 (exposure to companies active in the fossil fuel sector): companies active in the fossil fuel sector are addressed by Sycomore AM's exclusion policy.

- Biodiversity:
  - Indicator #7 (Activities negatively affecting biodiversity-sensitive areas), complemented by indicator #14 of Table 2 (Natural species and protected areas): these two indicators send a signal that activities in biodiversity-sensitive areas without appropriate mitigation measures might occur. Companies for which this is confirmed are deemed to significantly harm the objective of protection and restoration of biodiversity and ecosystems. The detailed process for confirming excluded companies is provided in the PAI policy.

- Water:
  - Indicator #8 (Emissions to water): for companies reporting emissions exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of past emissions, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of sustainable use and protection of water and marine resources.

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[7] https://unfccc.int/topics/science/workstreams/cooperation-with-the-ipcc/the-fifth-assessment-report-of-the-ipcc?gclid=CjwKCAjw7p6aBhBiEiwA83fGupjyovLRq1NKs9o5UtIotAQQcswzZD30tofiDkgryZ8SlJHtnG5y4BoCEiwQAvD_BwE
[8] https://sciencebasedtargets.org/
[9] https://icebergdatalab.com/solutions.php

- Waste:
  - Indicator #9 (Hazardous waste and radioactive waste ratio): for companies reporting quantities exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of waste generated, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of pollution prevention and control.

- UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance:
  - Indicator #10 (Violations): The aforementioned controversy analysis framework implemented by Sycomore AM precisely aims at identifying violations of these international standards.
  - Indicator #11 (Lack of processes and compliance mechanism to monitor compliance): lack of processes and compliance mechanism to monitor compliance with these international standards is a signal that further due diligence is necessary to conclude on the likeliness of potential violations. More stringent requirements throughout the SPICE analysis, in particular related to Society (S), People (P) and Clients (C) stakeholders, defined in the PAI policy, are then implemented. Any company failing the test will be deemed to significantly harm one or more social objectives.

- Gender equality:
  - Indicator #12 (Unadjusted gender pay gap): Companies associated with an unadjusted gender pay gap exceeding the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.
  - Indicator #13 (Board gender diversity): Companies associated with a share of women seating on the company's Board below the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.

- Controversial weapons: exposure to controversial weapons is specifically addressed by Sycomore AM's exclusion policy.

Applicable to sovereigns and supranationals:

- GHG intensity (indicator #15): GHG intensity is part of the analysis of sovereigns, described in Sycomore AM's ESG integration policy, that allows to exclude low performers across a range of environmental, social and governance matters.

- Investee countries subject to social violations (indicator #16): similarly, the analysis framework applicable to sovereigns addresses adherence to the Charter of the United Nations. In addition, a set of indicators allows to assess government practices in terms of sustainable development and governance, including in particular corruption, human rights and social inclusion.

SPICE rating:

The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the Regulatory Technical Standards.

Out of the 46 adverse sustainable indicators applicable to investee companies – excluding one item dedicated to bond investments (14 principal adverse impact indicators listed in Table 1, as well as 32 additional adverse impact indicators listed in Table 2 and Table 3), 42 indicators (23 environmental indicators and 19 social indicators) tackle adverse impacts reviewed during the SPICE analysis, and 4 indicators (1 environmental indicator and 3 social indicators) relate to adverse impacts targeted by Sycomore AM's exclusion policy.

More specifically, 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.

Examples of matching between adverse impacts and SPICE items include inter alia:

Society & Suppliers (S): The S rating reflects the performance of the company with respect to its suppliers and civil society. Analysis relates to the societal contribution of products and services, corporate citizenship, and the outsourcing chain. Adverse sustainability indicators including lack of a supplier code of conduct, insufficient whistleblower protection, lack of a human rights policy, lack of due diligence, risks related to human beings trafficking, child labour or compulsory labour, cases of severe human rights issues, and risks related to anti-corruption and anti-bribery policies, tackle adverse impacts addressed within the Society & Suppliers section.

People (P): The P rating focuses on a company's employees and its management of human capital. The assessment of the People pillar covers the integration of people-related issues, employees' fulfilment (Happy@Work environment), and measurement of employee engagement. Adverse sustainability indicators including unadjusted gender pay gap, board gender diversity, workplace accident prevention policies and health & safety indicators, employee's grievance mechanisms, discrimination, and CEO pay ratios tackle adverse impacts addressed within the People section.

Investors (I): The I rating focuses on the relation between companies and their shareholders. The rating is assigned based on an in-depth analysis of the company's shareholder and legal structure and of the interactions and power balance between different players: management, shareholders and their representatives, directors. Analysis targets the business model and governance. Among adverse sustainability indicators, lack of diversity at board level and excessive CEO pay-ratio tackle adverse impacts addressed in that section.

Clients (C): The C rating focuses on the company's clients as stakeholders, analyzing the offer made to clients as well as customer relationship.

Environment (E): The E rating assesses how the company stands with regards to natural capital. It accounts for management of environmental issues as well as positive or negative externalities of the company's business model. The operations environmental footprint subsection addresses adverse impacts targeted by adverse sustainability impact indicators including greenhouse gas emission indicators, energy consumption, air pollution indicators, water, waste and material emissions, as well as biodiversity indicators. Sustainability impact indicators including carbon reduction initiatives and fossil fuel activities tackles adverse impacts that are addressed by the Transition Risk subsection of that E section.

Exclusion policy: Finally, Sycomore AM's exclusion policy targets adverse sustainability impact indicators including controversial weapons, exposure to fossil fuel sector, 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.
Once the analysis – SPICE analysis including review of controversies, exclusion policy compliance, PAI policy compliance – is performed, it impacts investment decisions in the following ways:

- As indicated in the previous question, it provides a safeguard against significant harm to any sustainable investment objective, by excluding companies not meeting minimum safeguard requirements;

- It also impacts the financial investment case in two ways: 1. assumptions related to the company's prospects (growth and profitability forecasts, liabilities, M&A, etc.) can be fed by certain SPICE outputs as relevant, and 2. some core assumptions of valuation models are systematically linked to SPICE outputs.

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, management quality and degree of involvement, and 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 comply with the PAI policy specifically addressing principal adverse impacts.

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

☐ No

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

What investment strategy does this financial product follow?

The Sub-Fund's selected companies have one or more activities related to energy, transportation and mobility, renovation and construction, circular economy and ecosystems (water, pollution, agriculture, food processing, forestry, fishing…). These stocks, which at all times represent at least 80% of net assets, are selected from European equity markets, without any sector or capitalisation constraints, based on fundamental analysis. The aim of this stock selection process is to identify quality companies whose market price does not reflect the intrinsic value assessed by the management team. The process of researching and selecting stocks in the investment universe includes binding extra-financial criteria and overweights companies whose ESG criteria are consistent with sustainability objectives.

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 described in the previous question related to the DNSH approach. This analysis takes into account 90 qualitative or quantitative criteria, structured around the five key stakeholders (Suppliers and civil society, People, Investors, Customers and Environment). Each pillar of SPICE is given a score on a scale of 1 to 5 and their weighted average, based on the company's underlying sector and business lines, constitutes the overall SPICE rating.

Through the integration of ESG criteria into the investment strategy of the Sub-Fund, we aim at identifying risks and opportunities to which companies are exposed following a double materiality approach, and more specifically:

- 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.

The investment universe of the Sub-Fund is built according to a minimum SPICE rating (3/5), but also to specific criteria of the overall SPICE methodology (see next item on binding elements of the investment strategy).

The SPICE methodology also enables to assess companies' exposure to the United Nations Sustainable Development Goals (SDGs).

Within the People or P pillar, the evaluation of human capital management in the company refers explicitly to SDGs 3, 4, 5, 8 and 10 on social issues such as health, lifelong learning, gender equality, full employment, decent work and reducing inequality. Within the Society & Suppliers or S pillar, the assessment of the societal contribution is based on the analysis of positive and negative contributions from business activities under 4 dimensions (access and inclusion, health and security, economic and human progress and employment) and refers explicitly to SDGs 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 16 and 17. Within the Environment or E pillar, the 5 issues covered (climate, biodiversity, water, waste/resources and air quality) are related to environmental SDGs 2, 6, 7, 9, 11, 12, 13, 14 and 15. The Sub-Fund also undertakes to report annually on the portfolio companies' exposure to SDGs.

The main methodological limits 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.

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 invetments with an environmental objective based on the following set of selection and exclusion filters, applicable to all investments of the financial product:

- **A filter of selection**, to identify companies whose business models are positively contributing to the ecological transition according to the NEC and commonly qualified as green: within the environmental pilar of SPICE, the Net Environmental Contribution (NEC) score has to be equal or above 10%.

- Among them, the Sub-Fund commits to a minimum share of environmentally sustainable investments as per Taxonomy Regulation. Such investments shall comply with the requirements set out in the Taxonomy Regulation, cumulatively the technical screening criteria involving the substantial contribution to one environmental objective and the do no significant harm criteria, as well as minimum social safeguards.

- **A filter of exclusion**: any company which presents risks in terms of sustainable development. Identified risks include inadequate non-financial practices and performance likely to jeopardize the competitiveness of companies. 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 3/5, or
  - it is affected by a severe controversy (rating 3/3 in Sycomore AM controversies rating tool); or
  - it is targeted by Sycomore AM's Principle Adverse Impact (PAI) policy.

  As a result of the binding elements, the eligible investment universe is reduced by at least 20% compared to the initial investment universe, i.e. equities listed on European markets and covered by Sycomore AM's ESG analysis process.

At product level, the Management Company aims at having a better result compared to the Sub-Fund's benchmark on the two following indicators[10]:

- Net Environmental Contribution (NEC);
- Green share, as defined by the Greenfin label, in the Sub-Fund's investments.

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

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

Governance is part of the SPICE analysis, including a dedicated governance section within the "I" section involving a significant focus on management structures, and governance items embedded into the other parts of the analysis framework, 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 section.

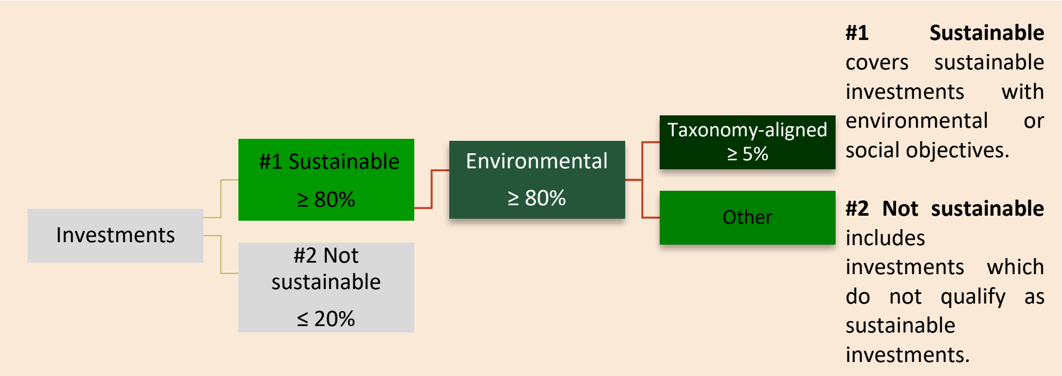
Further requirements to exclude from the investable universe insufficient governance practices from the "G" section, associated with a minimum threshold, can be found in Sycomore AM's exclusion policy.

[10] 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 asset allocation and the minimum share of sustainable investments?

Aforementioned binding elements of the investment strategy, used to select the investments to attain the sustainable investment objective of this financial product, are required for any investment of the Sub-Fund (excluding cash or derivatives held for liquidity purposes).

Asset allocation describes the share of investments in specific assets.



It is worth noting that the percentages mentioned in the graph above are expressed in relation to the Sub-Fund's net assets. When it comes to Sub-Fund's investments in companies, the Sub-Fund commits to only invest in companies qualifying for sustainable investments under the conditions set forth in this document, i.e 100% of the invested companies qualify as sustainable investments (excluding cash or derivatives).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee 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.

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

When futures and derivatives are used for exposing the portfolio to the equity markets, they cannot tend to modify the nature of the Sub-Fund, whose investment strategy is focused on companies which contribute to the energy and ecological transition challenges. These themes also form a part of the counterpart's selection process.

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

The Sub-Fund aims at making a minimum of 5% of investments into environmentally sustainable investments falling under article 5 of the Taxonomy Regulation (2019/2088).

Contributing investments can address any or the six environmental objectives set out in article 9 of the Taxonomy Regulation: a) climate change mitigation, b) climate change adaptation, c) sustainable use and protection of water and marine resources, d) transition to a circular economy, e) pollution prevention and control, f) protection and restoration of biodiversity and ecosystems.

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

Nonetheless, the quantitative target set in this document, based on best available information to date from underlying companies, is mostly related to the climate change mitigation objective, through renewable energy production for example. It will be completed going forward as Taxonomy Regulation delegated acts enter into force and that required information is made available by underlyings.

To date the Taxonomy alignment is not subject to an assurance provided by one or more auditors or a review by one or more thirs parties. Nevertheless, the Management Company makes a commitment to do so in regard of the first reporting to come in this regard (i.e in 2024 on the basis of 2023 data) by a reputable independent auditing company.

The Sub-Fund does not make any commitment regarding any investment in sovereign bonds. As a consequence, graphical figures presented below include the same percent ages for both pie charts (including/excluding sovereign bonds).

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[11]?**

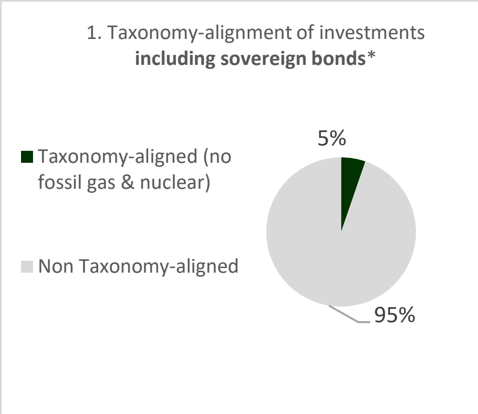
  ☐ Yes:

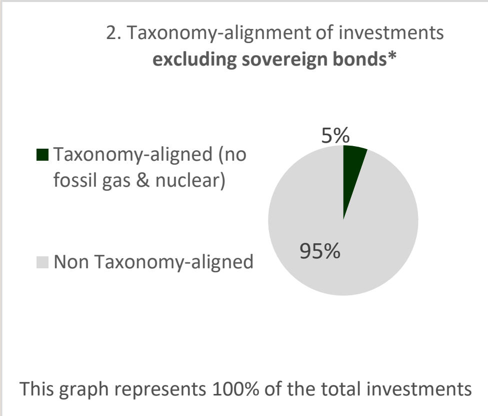
  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

[11] 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 objective – 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.

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 will make a minimum of 80% of sustainable investments with an environmental objective.

Sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will be the remaining portion of sustainable investments with an environmental objective (which will make a minimum 80% of net assets), after deduction of sustainable investments with an environmental objective aligned with the EU Taxonomy (which will make a minimum of 5% of net assets).

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 (NEC ≥ 10%, DNSH, good governance), 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.
- The criterion selected to define positive environmental contribution for the purpose of complying with SFDR (NEC ≥ 10%) can target any of the six

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

environmental objectives, while the Taxonomy Regulation, to this date, only regulated the climate change mitigation and climate change adaptation objectives.

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

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

N/A.

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 strictly above 2.5 on a scale of 5 (5 being the highest rate), the State being thus 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.

The reference benchmark of the Sub-Fund is a broad market index (MSCI Daily Net TR Europe index, with dividends reinvested).

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://en.sycomore-am.com/funds/20/sfs-sycomore-europe-eco-solutions