

sycomore

Exclusion policy

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Our corporate purpose: 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 make investment more human.

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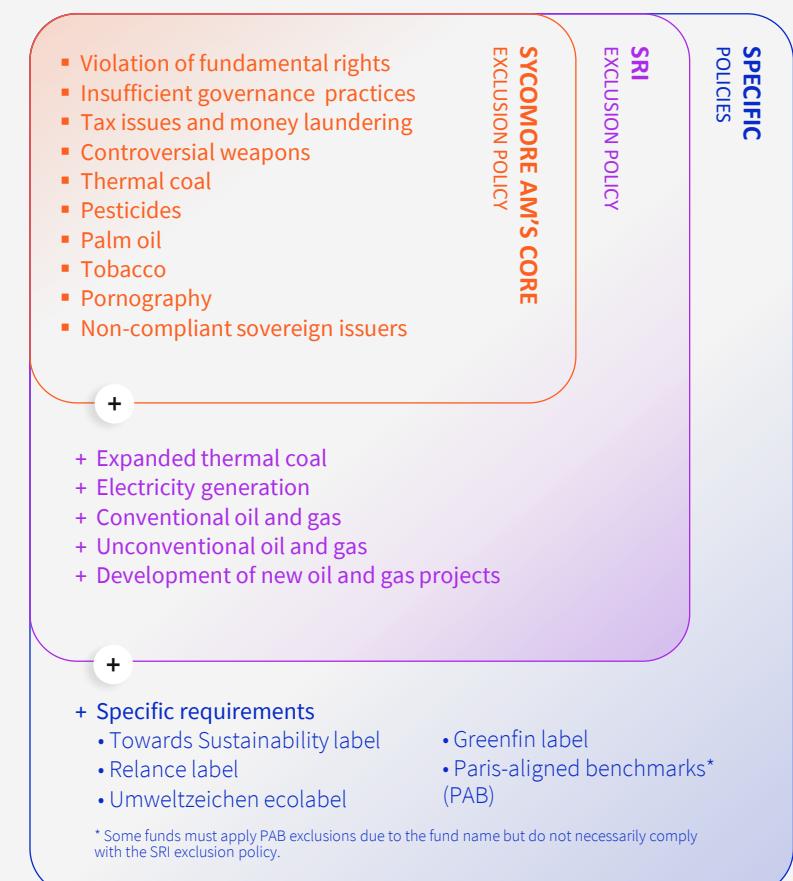
Introduction

Our exclusion policy, which is posted on our website, is updated each year by the ESG investment team and approved by the Sustainability Director. It is one of the **key tools used to support our responsible investment strategy** and as such enables Sycomore AM to achieve its mission. This policy also aims to **guarantee minimum safeguards and is used to manage our exposure to non-financial risks**. On environmental issues, it explains our position on phasing out coal and plays a part in fighting climate change and protecting biodiversity. Our exclusion policy is intended to be used in tandem with our shareholder engagement policy, in particular on the issue of our portfolio exposure to fossil fuels¹.

Sycomore AM applies **three levels of exclusion** that cover different scopes:

- 1** **Sycomore AM's core policy, which covers Sycomore AM's direct investments and targets the following categories worldwide:**
 - Private and public sector companies
 - Listed and unlisted companies
 - All asset classes (equities, bonds, debt and derivatives)
- 2** **Our Socially Responsible Investment policy, which covers:**
 - All open-ended funds in our SRI range and with the French SRI label²
 - All mandates and funds with an SRI strategy, with the same requirements and within the time limits determined by our clients
- 3** **Specific labels** which cover certified funds and mandates that not only comply with SRI exclusion rules, but also apply exclusions that are specific to each label, namely Towards Sustainability³, Relance⁴, FNG-Siege⁵, Umweltzeichen⁶ and Greenfin⁷. This scope includes exclusions relating to fund names and in particular Paris-aligned benchmark exclusions, which are not covered within other levels of exclusion.

Exclusion criteria are based on the **United Nations Global Compact, international conventions and treaties signed by the French government and definitions applied by the most stringent European labels⁸**. Chiefly based on strict thresholds according to type of exclusion, as presented in appendix 1, these exclusions are outlined in the following diagram:



¹ See our Shareholder engagement policy.

² See www.lelabelisr.fr. ³ See www.towardssustainability.be.

⁴ See www.economie.gouv.fr/plan-de-relance/profils/particuliers/label-relance. ⁵ See fng-siegel.org.

⁶ See www.umweltzeichen.at/de/produkte/finanzprodukte. ⁷ See www.ecologie.gouv.fr/label-greenfin.

⁸ See comparative study of European sustainable finance labels by Novethic, June 2020.

01 Sycomore AM's exclusion policy

These exclusions form the **starting point** for all of Sycomore AM's direct investments and cover **environmental, social and governance issues**.

1.1 Violation of fundamental rights

We exclude companies that clearly violate the **United Nations Global Compact** (UNGC). The UNGC's ten principles cover human rights, labour, environment and anti-corruption. These principles were derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, the United Nations Convention against Corruption, and the Anti-Bribery Convention of the Organization for Economic Cooperation and Development (OECD). Controversies are assessed to identify which companies to exclude. Sycomore AM monitors controversies that affect the companies in its investment universe, drawing upon various external data sources. Violations of the United Nations Global Compact are attributed the most severe controversy rating (-3 on Sycomore AM's controversy assessment scale of 0 to -3)⁹.

1.2 Insufficient governance practices

In keeping with the **Sustainable Financial Disclosure Regulation (SFDR)**, we exclude companies with insufficient governance practices from the universe of Article 8 and 9 funds. This refers to companies with a governance rating below 2.5 out of 5. Governance ratings correspond to one of the five pillars in our SPICE analysis approach, as described in our ESG Integration Policy.

Possible exemption: When a specific event results in a downgrade of the governance rating below 2.5/5, the ESG investment team assesses whether the score is likely to be revised upward in the medium term if the company duly addresses the event that caused the governance issue. In this case, the investment can be held in the fund while the team engages with the company (executive management or board of directors) to achieve a specific outcome. If the company does not meet the target within 18 months or is not open to dialogue, the exemption does not apply, and divestment is required.

1.3 Tax issues and money laundering

Companies are excluded that have headquarters in a country or region included in:

- The most recent version of the EU list of **non-cooperative jurisdictions for tax purposes**¹¹
- The **Financial Action Task Force (FATF)**¹² blacklist or grey list

1.4 Controversial weapons

We exclude companies involved in:

- **the manufacture of the following unconventional and indiscriminate weapons or their components, including related services and technical support:** anti-personnel mines, cluster munitions, depleted uranium weapons, chemical and biological weapons, blinding laser weapons, incendiary and/or non-detectable fragment weapons
- **the nuclear weapon value chain**, unless an in-house analysis demonstrates no risk that the company is involved in the proliferation of nuclear weapons outside the countries that have signed the Treaty on the Non-Proliferation of Nuclear Weapons¹³

⁹ For more information on how we monitor and integrate controversies into our ESG analysis, see our ESG Integration Policy. 10 <https://en.sycomore-am.com/esg-research-material?categoryKey=policies>.

¹¹ <https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>.

¹² www.fatf-gafi.org/en/countries/black-and-grey-lists.html. 13 The international conventions and treaties used as guidelines are listed in the table in appendix 2.

1.5

Thermal coal

The thermal coal value chain is a **major hurdle in the fight against climate change**. The International Energy Agency found that coal is the fossil fuel that contributed most to climate change and in 2022 was responsible for **45% of global greenhouse gas emissions from fuel combustion**¹⁴. Electricity generation from coal no longer has its place, not only from the climate perspective, but also for its impact on air quality, biodiversity, and human mortality and morbidity per kWh produced.

We exclude the use of coal as an **energy source** (referred to as thermal coal), i.e., used essentially to generate electricity and heat, or to co-generate electricity and heat, and not as a material. To monitor Sycomore AM's withdrawal from thermal coal, we apply **four criteria**:

- **Two relative thresholds:** exclusion of any mining company deriving 1% or more of its total revenue from thermal coal and any company deriving 5% or more of its revenue from coal-fired energy generation
- **Two absolute production thresholds:** exclusion of companies with annual coal production of 10 million tonnes or more and companies with installed coal-fired generation capacity of 5 GW or more

Possible exemption (except for the criterion applied to the revenue threshold for thermal coal mining companies): to allow investment in companies undergoing transition, an issuer that exceeds one or more of these thresholds may remain in the portfolio, or be invested in further, if it has a thermal coal exist plan that includes:

- **A commitment to close or convert thermal coal-fired energy generation plants.** The disposal should be a last resort, especially under specific conditions, for example conversion plan by another company or time needed to develop other energy generation capacity while maintaining energy affordability for local populations
- **AND a detailed calendar indicating the closure or conversion date for each power station**, as part of a plan to completely exit from thermal coal by 2030 in OECD countries and by 2040 for other countries, unless no technical alternative is viable that is also socially acceptable and adapted to the local context
- **AND consideration for social impacts** especially on employees and local communities

Fund exposure to these companies cannot exceed 10% of the portfolio.

In addition, with no exceptions, we exclude any company that develops new thermal coal capacity – mines, power stations, dedicated infrastructure – according to the Global Coal Exit List (GCEL) from the German NGO Urgewald.

¹⁴ The international conventions and treaties used as guidelines are listed in the table in appendix 2.



1.6

Pesticides

Pollution is one of the five direct drivers of biodiversity loss identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). The extensive use of chemical pesticides significantly contributes to the pollution of ecosystems, causes considerable direct damage to biodiversity, and brings health risks, especially for farmers. Consequently, **we exclude companies that derive more than 10% of their revenue from the production or distribution of synthetic chemical pesticides.**



1.7

Palm oil

The use of palm oil is one of the major drivers of **deforestation and biodiversity loss in tropical regions**, in particular in Southeast Asia and the Amazon. We therefore **exclude companies that derive more than 5% of their revenue from the production, distribution or sale of palm oil** that is not certified as "identity preserved or segregated" by the Roundtable on Sustainable Palm Oil (RSPO).

1.8

Tobacco

We exclude companies that derive any revenue (strict 0% revenue threshold) from the **manufacture of tobacco products or alternatives** and companies that derive more than 5% of their revenue from the wholesale distribution or retail sale of tobacco products.

1.9

Pornography

We exclude companies that derive more than 5% of their revenue from the **production, distribution or sale** of pornographic content.

1.10

Non-compliant sovereign issuers

Exclusion applicable to investments in securities issued by sovereign entities.

We exclude countries that:

- have not signed the **United Nations Charter** or are targeted by international financial sanctions
- have not signed the **Treaty on the Non-Proliferation of Nuclear Weapons (1968)**
- are targeted by sanctions from the **Office of Financial Assets Control (OFAC)**
- are targeted by sanctions enforced by the **Office of Financial Sanctions Implementation (OFSI)**
- are subject to restrictive financial or trade measures implemented by the **United Nations** or the **EU Council**
- are included on the **EU list of non-cooperative jurisdictions for tax purposes** or are sanctioned by the **Financial Action Task Force (FATF)**
- **score below 40/100** on the most recent version of the Transparency International Corruption Perceptions Index¹⁵

We also exclude countries that use the **death penalty against juvenile offenders**, in accordance with articles 10 and 14 of the International Covenant on Civil and Political Rights. Other countries that enforce the death penalty for adults are assessed according to their degree of adherence to the rule of law, i.e. the transparency and equality of their judiciary system.

02 SRI Exclusion Policy

To supplement the core policy, **additional** exclusions concerning **conventional weapons** and **fossil fuels** apply to Sycomore AM's SRI range. For the purposes of consistency, we have aligned fossil fuel exclusions with the requirements of the French SRI label (version 3.0)¹⁶. Other criteria are maintained across the fossil fuel value chain.

2.1 Thermal coal

We exclude companies that **exceed thresholds set by Sycomore AM, with no exceptions**. We also exclude issuers that derive more than 5% of their revenue from providing products or services specifically designed for thermal coal exploration, extraction and refining activities, such as the transport or storage of thermal coal.

2.3 Carbon-based electricity generation

In addition to current exclusions relating to thermal coal, we exclude:

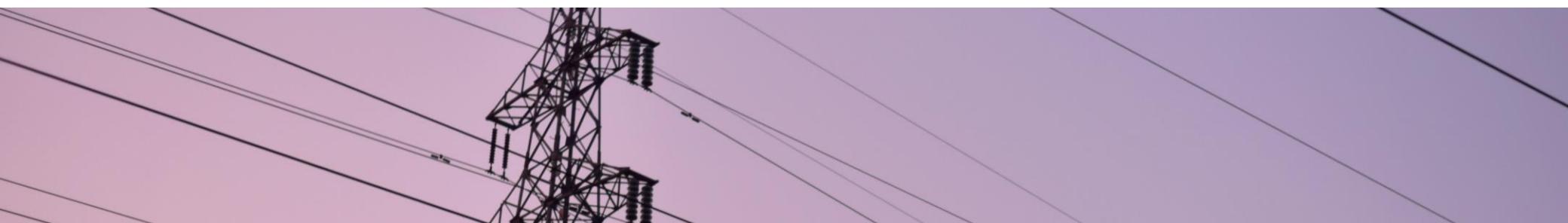
- **Energy companies** with a carbon intensity from electricity generation of more than 348 gCO₂e/kWh for 2023. This threshold is lowered every year¹⁷
- **Companies** that derive more than 5% of their total revenue from electricity or heat produced using oil or fuel oil

Possible exemption: companies undergoing transition are eligible for investment if they meet at least one of the following criteria:

- **More than 50% of their investments go to developing activities aligned with the EU Taxonomy** or activities not covered by the Taxonomy that contribute to the UN's Sustainable Development Goals relating to the environment
- **OR their climate strategy includes reduction targets for greenhouse gas emissions validated by the Science Based Targets initiative (SBTi) and aligned with a 1.5°C or well under 2°C pathway, or a commitment to SBTi Business Ambition 1.5°C**

¹⁶ [www.lelabelisr.fr/wp-content/uploads/Referentiel-Label-ISR-mars24.pdf](http://lelabelisr.fr/wp-content/uploads/Referentiel-Label-ISR-mars24.pdf).

¹⁷ Investments, either CapEx or R&D expenses for companies with little CapEx, such as those that provide consulting or engineering services.



2.4

Conventional oil and gas

The oil and gas value chain includes:

- **Upstream companies**, involved in the exploration of oil and gas fields, construction of facilities and use of fossil fuels
- **Midstream companies**, active in the transportation, intermediate storage, processing or refining of oil and gas products
- **Downstream companies**, operating in infrastructure and distribution services

Based on this definition, we **exclude**:

- Companies that operate directly in the upstream and midstream segments of the value chain defined above and that derive 5% or more of their revenue from these activities
- Companies that derive more than 50% of their revenue from the sale of equipment, services or solutions to businesses that operate in the activities excluded from this value chain

No exclusions apply to downstream companies, which may be active in both fossil fuels and renewable energy, e.g. green electricity and fossil-fired electricity, natural gas and biogas, petrol pumps and EV charging stations, or fuels and biofuels.

Possible exemption: companies undergoing transition are eligible for investment if they meet at least one of the following criteria:

- More than 50% of their investments¹⁸ go to developing activities aligned with the EU Taxonomy or activities not covered by the Taxonomy that contribute to the UN's Sustainable Development Goals relating to the environment
- OR their climate strategy includes reduction targets for greenhouse gas emissions validated by the Science Based Targets initiative (SBTi) aligned with a 1.5°C pathway or well under 2°C, or a commitment to SBTi Business Ambition 1.5°C.

¹⁸ Investments, either CapEx or R&D expenses for companies with little CapEx, such as those that provide consulting or engineering services.

2.5

Unconventional oil and gas

Fossil fuels referred to as “unconventional” are chemically identical to “conventional” fossil oil and gas. Our definition of unconventional oil and gas is based on geological characteristics (viscosity, reservoir permeability, position underground, etc.) and the preservation of ecosystem services (extraction in regions with a very high impact on biodiversity)¹⁹.

We therefore exclude companies that derive 5% or more of their production from unconventional oil and gas²⁰ as defined in the following list:

- oil and gas extracted using hydraulic fracturing (shale oil, shale gas, tight oil and gas)
- oil shale and shale oil
- oil from tar sands
- extra heavy oil
- coalbed gas
- oil and gas from ultra-deepwater drilling
- oil and gas from drilling in the Arctic

2.6

Development of new oil and gas projects

We exclude any company developing new exploration, extraction or refining projects for conventional or unconventional liquid or gas fossil fuels, based on the Global Oil & Gas Exit List from the German NGO Urgewald. It should be noted that the exemption indicated in 2.4 on exposure to the oil and gas value chain does not apply here.

¹⁹ Definition adopted in September 2021 by the Scientific and Expert Committee of the French Sustainable Finance Observatory:
https://observatoirefinancedurable.com/documents/71/Recommendations_No._2_Expert_and_Scientific_Committee_of_the_sustainable_finan_Q120mkp.pdf (finance-climact.fr) ²⁰ The definition of each extraction method, as provided by the Global Oil & Gas Exit List, is available in appendix 3.

03 Specific policies

Additional exclusion criteria apply to our funds in line with the requirements of national labels or based on fund names. Depending on the fund, these criteria supplement Sycomore AM's core exclusion policy and/or SRI policy.

3.1

Towards Sustainability label



As far as possible, **we exclude companies that derive 25% of their revenue from other companies exposed to excluded activities** (weapons, tobacco, fossil fuels, carbon-based electricity).

Are excluded companies that derive **more than 5% of their revenue** from the manufacture of **weapons, systems or components**, or from services and technical support for weapons.

Additional exclusions defined by Sycomore AM apply to **sovereign issuers: oppressive political regimes** that violate fundamental human rights or are classified as "not free" by Freedom House; **countries that are not signatories** to the Paris Agreement (2015) or the UN's Convention on Biological Diversity (1992). As stipulated in the label's guidelines, we may invest, as part of a diversification or currency hedging strategy, up to 30% of the portfolio in sovereign debt instruments from issuers of the central reserve currency (excluding the euro) that fail to meet the above requirements.

3.2

labelRelance

The French label Relance requires the **exclusion of any company with activities directly involving coal** and, if data is available, companies that derive 33% or more of their revenue from the distribution, transportation and production of equipment or services purchased by companies with activities directly involved in the coal industry.

3.3

Umweltzeichen ecolabel



For the Austrian ecolabel Umweltzeichen, we apply the following criteria, with no exception, relating to **the fight against climate change in the energy and nuclear sectors:**

- **Nuclear:** companies that derive more than 5% of their revenue from uranium extraction and production, nuclear energy production, operation of nuclear power plants, nuclear reactor design or construction, uranium enrichment, or the manufacture of key components specifically for the nuclear energy sector.
- **Coal production:** companies that derive more than 5% of their revenue from coal extraction.
- **Oil and gas production:** companies that derive more than 5% of their revenue from the extraction of conventional or unconventional oil or natural gas.
- **Refining:** companies that derive more than 5% of their revenue from oil or coal refining.
- **Transportation:** companies that derive more than 5% of their revenue from the transportation of oil or natural gas.
- **Distribution:** companies that derive more than 5% of their revenue from the distribution of oil or natural gas.
- **Electricity generation from fossil fuels:** companies that derive more than 5% of their revenue from electricity or heat production using coal, natural gas and/or oil.

Are also excluded:

- Companies that derive **more than 5% of their revenue** from the manufacture of **weapons, systems or components**, or from services and technical support for weapons.
- Companies deriving more than 5% of their revenue from the production or distribution of **genetically modified organisms** (GMOs) and **stem cell gene therapy**, human cloning or human embryonic research.

3.4

Greenfin label



Greenfin France Finance Verte is coordinated by the French Ministry of Ecological Transition. According to Novethic²¹, it is the **most stringent** label in Europe. It is based on green activities defined by Greenfin or by the EU Taxonomy and has **three levels of exclusion**:

- **Overall exclusion of companies developing new fossil fuels projects or new power generation capacity:** exploration, extraction, transport (of coal, oil or gas), and refining of solid, liquid or gas fossil fuels, as well as new power generation capacity from solid, liquid or gas fossil fuels.
- **Strict exclusion of companies that derive 5% of their revenue from upstream fossil fuel activities,** including power generation, and downstream only for coal (solid) and petrol (liquid):
 - **For or from solid, liquid and gas fossil fuels:** exploration, extraction, refining, production of derivative products, and energy generation as electricity and/or heat, heating and cooling
 - **For solid and liquid fossil fuels only:** transport, distribution or supply
- **Loose exclusion of companies that derive 30% of their revenue from activities in:**
 - **Downstream gas fuel:** transport, distribution, storage or supply services for gas fossil fuels
 - **Supply of products or services for the fossil fuel value chain:** energy efficiency for non-renewable energy sources and energy savings linked to optimising the extraction, transport and power generation from fossil fuels, and production, transport, distribution or sale of equipment and services provided for customers operating in strictly excluded sectors
 - **Waste treatment without energy recovery:** storage and landfill without greenhouse gas capture, incineration without energy recovery
 - **Non-sustainable agriculture and forestry:** non-certified agriculture and forestry activities on bogs (high-biodiversity wetlands forming efficient carbon sinks)

If Greenfin label criteria are not covered by the exclusion criteria in the SRI policy, additional criteria are applied to the fund. In line with 2025 guidelines, the exclusion criteria from EU Paris-aligned Benchmarks (PAB) are also applied.

3.5

Exclusions for EU Paris-aligned Benchmarks

For funds subject to exclusions for EU Paris-aligned Benchmarks (PAB), we apply **three additional exclusion criteria** that are not covered by the Sycomore AM and SRI exclusion policies:

- We exclude companies that derive **10%** or more of their revenue from the exploration, extraction or distribution of **oil**.
- We exclude companies that derive **50%** or more of their revenue from the exploration, extraction, production or distribution of **gas**.
- We exclude companies that derive **50%** or more of their revenue from **power generation** with a carbon intensity of 100 gCO₂e/kWh. As no data is available for this criterion, we use the following measure: companies that derive 50% or more of their revenue through power generation from fossil fuels are excluded.

To meet the obligation to act in alignment with investor interests at all times, these exclusion criteria will be applied gradually, with a target for full compliance by **end-May 2025**.



²¹ https://www.novethic.fr/fileadmin/user_upload/tx_ausynovethicpresse/communiques/October_2023_CP_Novethic_Over_2000_labelled_funds_with_unclear_promises.pdf.

04 Implementation of exclusions

4.1 How we monitor exclusions

Companies “excluded” based on the above criteria are flagged in **Sycovalo**, our proprietary tool used to analyse and assess companies, with an indication of their level of exclusion. This warns our analysts and fund managers that the company is excluded and indicates its level of exclusion and criteria for exclusion.

The risk management team then runs the following checks:

- **Pre-trade checks** avert buy orders for securities issued by companies excluded based on strict exclusion criteria, and a warning is issued for exclusions with a tolerance margin. These checks are performed on each fund or mandate based on the exclusion criteria.
- **Daily first-level controls** on the composition of funds and their compliance with all ESG restrictions, including applicable exclusions. If the fund does not meet the criteria, the investment team receives a warning by email and must respond within five days to report the measures taken to realign the fund with requirements. Any divestment should be made within three months, in the best interest of our clients.

4.2 How we update exclusions

We draw up our exclusion lists based on our proprietary research, information provided by **coalitions and organisations**, such as the Global Coal Exit List and the Global Oil and Gas Exit List from the NGO Urgewald, as well as data supplied by MSCI.

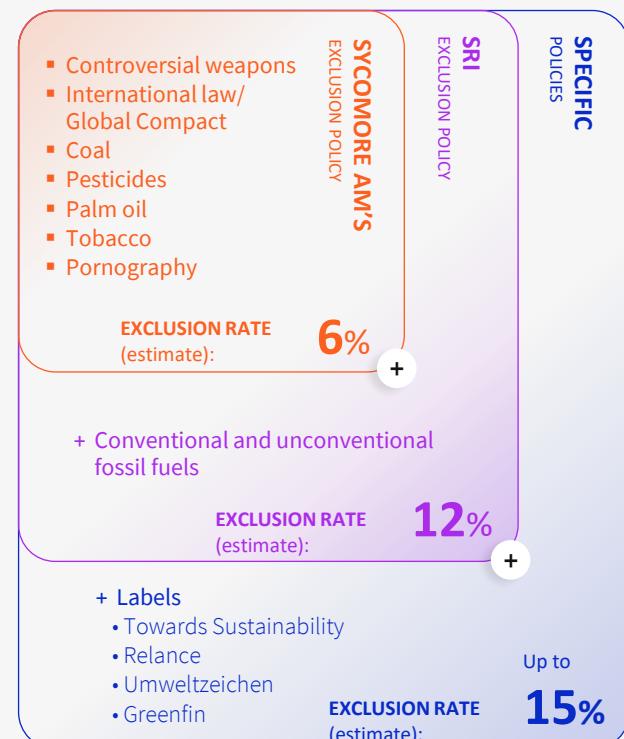
Our **in-house research team** reviews and supplements the information provided by these external sources. Furthermore, when updating our ESG assessments, which include some of the same underlying factors as the exclusion criteria (e.g. electricity or heat generation technology or types of fuel extracted and used), the investment team regularly updates the underlying factors pertaining to these exclusions.

Exclusions relating specifically to **sovereign issuers** are updated annually using public databases and used to complement our proprietary SRI analysis.

4.3 Our exclusion rates

The effect of our exclusion policy grows stronger with each level, and can be measured using the **Stoxx 600 benchmark**. This index represents our working investment universe for European equity funds.

The policy excludes the following percentages of the Stoxx 600, which is made up of **600 European stocks**:



Appendix 1 – Different types of exclusions

	TYPES OF EXCLUSIONS	DEFINITIONS	MAIN LIMITATIONS	USE BY SYCOMORE AM
Absolute		<i>As soon as the quantitative or qualitative criterion is not met.</i>	<p>Excludes companies undergoing an effective transition, even if well advanced in their transition</p> <p>Information is often unavailable or not accessible for companies if the excluded segment is small in size, typically less than 5% of revenue, making it difficult to check and working in favour of non-transparent companies</p>	<p>For governments</p> <p>For companies: restricted to documented issues with high transparency</p>
Strict relative (threshold of 5% or 10%)		<i>As soon as a significant share of the issuer's activities is concerned, most often measured as a percentage of total revenue</i>	<p>Fails to take into account many companies undergoing an effective transition</p>	<p>Significant: as fewer restrictions apply, this type of exclusion is the most frequently used and often used by labels (SRI, FNG, Umweltzeichen, etc.)</p>
Relative with tolerance margin		<i>As soon as a well defined relative or technical criterion is not met, with a tolerance margin to include companies in transition</i>	<p>Information sometimes unavailable or inaccessible</p> <p>Complex to implement and automate</p>	<p>Targeted to screen for companies exposed to fossil fuels that have initiated a robust transition</p>
Less strict relative (threshold of 20% or more)		<i>As soon as a significant share of the issuer's activities is concerned, most often measured as a percentage of total revenue</i>	<p>Limited screening capacity for targeted exclusions (not broad)</p> <p>Information sometimes unavailable or inaccessible for companies</p>	<p>Restricted to exclusions aimed at companies exposed to activities subject to stricter thresholds</p>

Appendix 2 – References for unconventional weapons

TYPES OF WEAPONS	REFERENCES
Anti-personnel mines	1997 Ottawa Convention https://geneva-s3.unoda.org/static-unoda-site/pages/templates/anti-personnel-landmines-convention/APLC%2BEnglish.pdf
Cluster munitions	2008 Oslo Convention https://geneva-s3.unoda.org/static-unoda-site/pages/templates/convention-on-cluster-munitions/Convention%2Bon%2BCluster%2BMunitions%2BE.pdf
Nuclear weapons	1968 Treaty on the Non-Proliferation of Nuclear Weapons, entered into force in 1970 https://disarmament.unoda.org/wmd/nuclear/np/text
Biological or toxin weapons	1972 Biological and Toxin Weapons Convention https://www.icrc.org/sites/default/files/documents/file_list/dp_consult_6_1972_biological_weapons.pdf



Appendix 3 – Definition of unconventional oil and gas

Oil and gas extracted using hydraulic fracturing

Hydraulic fracturing is a method used to extract gas and oil trapped in deep underground rock formations, such as tight oil and gas, shale oil and gas, or bedrock.

Oil shale and shale oil

Oil shale is fine-grained sedimentary rock containing organic material, or kerogen, that yields combustible oil and gas. It is mostly extracted *ex situ* by mining the rock. It is worth noting that it is not necessarily extracted from shale rock formations.

Oil from tar sands

Tar sands contain bitumen, a highly dense and viscous form of petroleum, which cannot be pumped using the same methods as for conventional oil. Various methods are used to extract tar sands, such as strip mining or *in situ* techniques.

Extra heavy oil

Extra heavy oil is a high-density type of oil with an API gravity below 15 degrees. The lower the API gravity, the heavier the oil.

Coalbed gas

Coalbed gas, also called coalbed methane or coal seam gas, is a carbon-based fossil fuel gas found in coal seams located 200 to 1,100 metres underground, where it is trapped by pressurised water.

Oil and gas from ultra-deepwater drilling

Ultra-deepwater wells are located at least 1,500 metres below sea level. Most offshore production takes place on the continental shelf at a maximum depth of 125 metres.

Oil and gas from drilling in the Arctic

We use the geographical definition of the Arctic provided by the Arctic Council's Arctic Monitoring and Assessment Programme (AMAP): "the terrestrial, airspace and marine areas north of the Arctic Circle (66°32'N), as well as those areas north of 62°N in Asia and 60°N in North America, modified to include the marine areas north of the Aleutian chain, Hudson Bay and parts of the North Atlantic Ocean including the Labrador"²².



For more information, refer to the detailed definitions on Urgevald's GOGL website: <https://gogl.org/unconventionals101> 22 Arctic Monitoring and Assessment, 1998 Assessment report, section 2 "Physical/Geographical Characteristics of the Arctic". Available online.

Appendix 4 –

Exclusions relating to fund names using sustainability-related terms in compliance with ESMA (European Securities and Markets Authority) guidelines

To align with **EU Climate Transition Benchmarks (CTB)**, funds must be screened for **three criteria** relating to controversial weapons, tobacco production and compliance with the ten principles of the Global Compact, which cover human rights, labour, the environment and anti-corruption, and the Anti-Bribery Convention of the Organization for Economic Cooperation and Development (OECD). These exclusion criteria are covered by Sycomore AM's core exclusion policy.

For **EU Paris-aligned benchmarks (PAB)**, on top of CTB criteria, **additional criteria** must be applied to funds relating to exposure to thermal coal, oil and gas, and the carbon intensity of electricity generation. The criterion concerning exposure to thermal coal is covered by Sycomore AM's core exclusion policy and is applied with no exceptions. Regarding the other criteria, three further exclusion criteria are applied, only for the funds concerned, as indicated in the section on specific policies.





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