

SYCOMORE AM AND THE GOOD ECONOMY LAUNCH A NEW METRIC THAT ASSESSES A COMPANY'S CONTRIBUTION TO EMPLOYMENT: THE GOOD JOBS RATING

- The Good Jobs Rating assesses the extent to which companies - both as employers and economic players - contribute to good jobs in the communities and regions in which they operate;
- The Good Jobs Rating is aligned with Sycomore AM's ambition to develop a more sustainable and inclusive economy.

Paris, February 6, 2020. Sycomore AM has entered into a research partnership with The Good Economy to develop a new metric that will measure a company's ability to contribute to permanent, quality jobs that are accessible to all, and where they are most needed.

BACKGROUND

In 2015, the United Nations agreed on 17 Global Goals for Sustainable Development providing a blueprint to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The societal need to achieve the Sustainable Development Goals (SDGs) is becoming a universal concern for governments, business leaders and investors.

According to a report by the Business & Sustainable Development Commission in 2017¹ achieving the SDGs could open up US\$12 trillion of market opportunities and create 380 million new jobs by 2030. SDG8 on economic growth and decent jobs as defined by the International Labour Organisation² plays a central role in achieving the 16 other SDGs. Decent work helps tackle health and educational inequalities, access to housing and the unacceptable levels of poverty in the world today.

The International Labour Organisation (ILO) has warned the world is not on track to achieve several SDG 8 targets³: achieving full and productive employment and decent work for all as well as equal pay for work of equal value remains elusive; over 170 million people are unemployed; women, young people and people with disabilities are less likely to be employed; and gender pay gaps persist.

1 Business & Sustainable Development Commission, January 2017 http://report.businesscommission.org/uploads/BetterBiz-BetterWorld_170215_012417.pdf

2 ILO definition: "Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men."

3 ILO World Employment and Social Outlook, 2019.

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Investor frameworks currently used to analyse jobs performance - such as the Investment Impact Framework developed by the Cambridge Institute for Sustainability Leadership (CISL) - typically focus on the number of jobs whereas there is a critical need for decent jobs for all and thus for metrics that assess the capacity of the jobs to reply to the societal needs.

THE GOOD JOBS RATING

In this context, and to help us make better-informed investment decisions on SDG #8, Sycomore AM has entered into a research and development partnership with The Good Economy, a UK-based social advisory firm specialising in impact measurement and management. After two years of collaboration, a new metric has been developed that assesses a company's ability to contribute to permanent, quality employment that is accessible to all, and in particular where it is most needed: "The Good Jobs Rating". The metric assigns each company a rating that ranges between 0 and 100.

The three dimensions of "The Good Jobs Rating"

Quantity - Does the company create jobs? We measure the company's headcount growth over the past three years, both in absolute terms and relative to the industry. This also includes measuring the potential indirect job creation (the multiplier effect of employment).

Quality & Inclusion - Are these quality jobs and available to the most vulnerable people? In the absence of homogeneous indicators available within each company, sector-based indicators are used to reflect the company's ability to offer quality employment: wage levels and equity, job security, career opportunities, gender equality and inclusion of those most affected by unemployment - young workers, people over 50 and the poorly qualified.

Geography - Are these jobs located in areas where they are most needed? A company will receive a higher rating if it has created jobs in areas where wages are low and unemployment is high. This regional dimension helps to account for the socio-economic context of the company's regional footprint. This also includes a factor related to the regional location of the company's headquarters: companies with headquarters located outside from major economic hubs tend to be appreciated.

A MORE SUSTAINBLE AND INCLUSIVE ECONOMY

"The Good Jobs Rating" is a powerful new tool that will strengthen Sycomore AM's model for corporate fundamental analysis.

"Looking beyond how a company generates societal impacts through its products and services, the metric will assess how a company contributes to the communities in which it operates, as an employer and as an economic player" explains Christine Kolb, founding partner of Sycomore AM.

"Sycomore AM have been the perfect partner for the development of The Good Jobs Rating. Ahead of the curve in their commitment to positive impact creation, Sycomore are demonstrating how this tool can enrich an investor's understanding of the contribution companies make to decent work for all. After two years in development, we are delighted to now make the tool available across the industry." Sarah Forster, CEO and Co-Founder of The Good Economy

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Based on sector indicators and socio-economic data, the metric follows a quantitative and macroeconomic approach that complements the qualitative and field-based assessment of human capital management within the company.

REPORTING, DIALOGUE AND ENGAGEMENT

“The Good Jobs Rating” will provide a tool for reporting the contribution of corporate players to SDG#8, but will also feed Sycomore AM’s shareholder dialogue and engagement process with the companies.

About Sycomore Asset Management

Founded in 2001, Sycomore Asset Management is an asset manager specialised in sustainable listed investments and driven by a strong entrepreneurial spirit. Since its creation, Sycomore has been committed to delivering long-term returns by identifying the levers that enable a company to generate sustainable value.

The firm’s expertise draws on a fieldwork approach and a proprietary corporate fundamental analysis model, which includes financial and extra-financial criteria. Its team of 21 analysts-fund managers, including 7 ESG specialists (Environment, Social and Governance) focus on assessing the overall performance of a company with respect to its stakeholders: shareholders, clients, employees, suppliers, civil society and the environment.

Since 2015, Sycomore AM has expanded its range of social, societal and environmental impact funds: first with Sycomore Happy@Work, dedicated to human capital, then Sycomore Eco Solutions, with a focus on natural capital, and Sycomore Shared Growth, specialised in societal capital. Recently, the firm launched Sycomore Next Generation, a fund committed to providing a better future for the next generations.

As a reference and key player in responsible investment, Sycomore AM is a member of the FIR, the GIIN (Global Impact Investing Network) and the IIGCC (Institutional Investors Group on Climate Change). The firm is continuing its work on quantifying environmental and social impacts.

About The Good Economy

The Good Economy (TGE) is a leading social advisory firm and specialist in impact measurement and management.

TGE was founded in 2015 by Sarah Forster and Mark Hepworth who have long been recognised for their work at the frontiers of economic development and finance, both internationally and in the UK.

TGE’s mission is to help build a financial system that works for the common good. We do this by providing an innovative mix of services to organisations who believe positive impact creation matters. TGE’s services include impact measurement and management services, strategy consulting and data analytics tools, including The Good Jobs Rating.

TGE works at the fast-moving nexus of sustainable development, impact investing and mainstream finance. TGE’s clients include socially responsible asset managers, development finance institutions and specialist impact investors.

TGE operates out of the Georgian city of Bath and London with clients and partners working in the UK, Europe, Africa and Asia.

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