



Principal Impact Adverse Statement 2023

28th June 2024

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Syntagma Capital Partners 1 SCSp and Syntagma Capital Partners 1 (B) SCSp

Summary

Syntagma Capital Partners 1 SCSp and Syntagma Capital Partners 1 (B) SCSp ("**Syntagma Capital**") consider principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts regarding sustainability factors considered by the funds managed by Syntagma Capital.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023. Assets included in this report were acquired during the reference period and are reported for the full year regardless of the month of acquisition. Syntagma Capital collected such data from its investee companies. Persons seeking to rely on such data should be aware that there may remain inaccuracies and/or reliability issues with some such data and that Syntagma Capital shall not be liable for such issues.

The data has been collected from assets managed by Syntagma Capital that are covered by Syntagma Capital's Sustainability Engagement Campaigns which involves collecting ESG data from portfolio companies, analyzing this data and formulating actions plans to promote improvements, where deemed necessary.

The investment activities covered in the present report are investments in the Private Equity sector.

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

Description of the principal adverse impacts on sustainability factors						
Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	14 743.4	Not applicable	Coverage (%) ⁽¹⁾ : 66%	
		Scope 2 GHG emissions	5 736.9	Not applicable	Coverage (%) ⁽¹⁾ : 66%	
		Scope 3 GHG emissions	Not available	Not applicable	Coverage (%) ⁽¹⁾ : 0%	
		Total GHG emissions	20 480.3	Not applicable	Coverage (%) ⁽¹⁾ : 66%	
	2. Carbon footprint	Carbon footprint	408.6	Not applicable	Coverage (%) ⁽¹⁾ : 66%	
	3. GHG intensity of investee companies	GHG intensity of investee companies	47.2	Not applicable	Coverage (%) ⁽¹⁾ : 66%	

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

	4. Exposure to companies active in the fossil fuel sector	Share ⁽²⁾ of investments in companies active in the fossil fuel sector.	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	
	5. Share of non-renewable energy consumption and production	Share ⁽²⁾ of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	39.1%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.33	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share ⁽²⁾ of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

		those investee companies negatively affect those areas				
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	<i>Not available</i>	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 0%	
Waste	9. Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	198.11	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share ⁽²⁾ of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 33%	
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share ⁽²⁾ of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	50%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 66%	

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	10%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	17.4%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Share ⁽²⁾ of investments in investee companies Involved in the manufacture or selling of controversial weapons	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%	In line with Syntagma Capital's Responsible Investment Policy, Syntagma Capital refuses to make any investments in companies manufacturing and/or distributing controversial weapons.

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

Other indicators for principal adverse impacts on sustainability factors

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

[Syntagma Capital's Responsible Investment Policy](#) is publicly available on its website. It was formalized in September 2023.

Syntagma Capital advocates for tailored sustainability monitoring of portfolio companies, emphasizing the importance of aligning with their unique material concerns. ESG considerations vary based on factors like company size, sector, operational nuances, and geographic presence. Additionally, Syntagma Capital tracks a core set of KPIs, aligned with its sustainability objectives and SFDR Principal Adverse Impacts indicators where relevant.

Responsible investment in practice at Syntagma Capital

Our Responsible Investment Policy guides all our investment endeavors, seeking to cultivate companies that not only thrive financially but also contribute positively to society over the long term. We firmly believe that value creation is meaningful only when it encompasses the long-term welfare of all stakeholders, and that truly successful companies enhance their surrounding environment and society as a whole. Our overarching goal is to realize our utmost potential, fulfilling our duty to manage ESG risks and seize opportunities for the benefit of all. With the support of the Sustainability team, each investment team is ultimately responsible for implementing this policy during the different phases of the investment process.

Screening and pre-due diligence phase:

The investment teams exclude sectors and companies from the targeted exclusion policy. The team compiles a checklist to screen for high-level ESG factors before embarking in the due diligence.

Due diligence:

We integrate ESG factors during the due diligence process, which involves evaluating the ESG risks and opportunities associated with an investment. This involves a tailored approach to the relevant ESG factors considering the industry sector, geographical region, and business model of the target company. The team reviews the target company's ESG performance, assessing the potential impact of the investment on stakeholders and the environment, and identifying

any red flags that may indicate a lack of commitment to responsible practices. The due diligence is performed through desk research, management discussions and site visits. External consultant support is requested when needed.

Investment Decision

A summary of the findings of the ESG analysis is incorporated in the investment memorandum that is submitted to the Investment Committee, which is responsible for the investment decision. When evaluating ESG factors in the investment decision, the Investment Committee assesses the potential for promoting positive change. As ESG performance is often a dynamic and evolving aspect of a target company and it may be possible for a company to improve its ESG practices over time.

Ownership phase

In the beginning of the ownership, Syntagma supported the portfolio company formulate a roadmap. Syntagma maintains regular engagement and dialogue with portfolio companies and uses the support of external consultants for ESG reviews. The board has the mandate to encourage portfolio companies to improve their ESG risk management, develop more sustainable business practices and monitor progress of ESG roadmap. Syntagma will report on our progress in implementing this policy on an annual basis to its investors and UNPRI.

Engagement policies

Our responsible investment prioritizes five key ESG topics, which play a crucial role in creating more sustainable portfolio companies and having a positive impact in society. In our investment decisions, we prioritize:

- Reduction of greenhouse emissions;
- Promotion of diversity;
- Injury prevention;
- Use of sustainable energy sources;
- Optimization of waste management.

By focusing on these five key ESG topics, we aim to promote sustainability in the companies we invest in and contribute to a better future for all stakeholders.

References to international standards

Since 2023, Syntagma Capital is signatory of the UNPRI. Our commitment to responsible investment is based on implementing high-quality ESG standards within Syntagma and its portfolio companies, integrating ESG issues into decision-making and due diligence processes, addressing broader ESG risks like global development, healthcare, climate change, and environmental protection, adopting and challenging ESG metrics in portfolio companies, and promoting alignment with ESG principles and diversity within our team and portfolio.

Syntagma is also committed to complying with all relevant legal and regulatory requirements, including the EU Sustainable Finance Disclosure Regulation (SFDR). In addition, as a fiduciary, Syntagma has a responsibility to act in the best interests of our investors and to consider ESG factors that may impact the risk and return profile of our investments.

Historical comparison

The present report is the first report to be produced by Syntagma Capital in application of in application of Commission Delegated Regulation (EU) 2022/1288. Therefore, there is no historical comparison available at this stage.

Table 3
Additional indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation
Indicators applicable to investments in investee companies					
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	2.0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	3. Number of days lost to injuries, accidents, fatalities, or illness	Number of workdays lost to injuries, accidents, fatalities, or illness of investee companies expressed as a weighted average	385.8	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labor and forced labor)	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

	5. Lack of grievance/ complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection ofwhistleblowers	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	7. Incidents of discrimination	Number of incidents of discrimination reported in investee companies expressed as a weighted average. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weightedaverage	<i>Not available</i>	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 0%

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate, and address adverse human rights impacts	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 66%
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	<i>Not available</i>	<i>Not applicable</i>	<i>Not applicable</i>
	12. Operations and suppliers at significant risk of incidents of child labor	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labor in terms of geographic areas or type of operation	<i>Not available</i>	<i>Not applicable</i>	<i>Not applicable</i>

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).

	13. Operations and suppliers at significant risk of incidents of forced or compulsory labor	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labor in terms in terms of geographic areas and/or the type of operation	<i>Not available</i>	<i>Not applicable</i>	<i>Not applicable</i>
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	<i>Not available</i>	<i>Not applicable</i>	<i>Not applicable</i>
Anti-corruption and anti-bribery	15. Lack of anti- corruption and anti- bribery policies	Share of investments in entities without policies on anti-corruption and anti- bribery consistent with the United Nations Convention against Corruption	0%	<i>Not applicable</i>	Coverage (%) ⁽¹⁾ : 100%
	16. Cases of insufficient action taken to address breaches of standards of anti- corruption and anti- bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	<i>Not available</i>	<i>Not applicable</i>	<i>Not applicable</i>
	17. Number of convictions and amount of fines for violation of anti- corruption and anti- bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	<i>Not available</i>	<i>Not applicable</i>	<i>Not applicable</i>

(1) % assets which effectively provided data, or where data could be estimated (weighted by the number of portfolio companies).