

RESPONSIBLE INVESTMENT POLICY

September 2023

PURPOSE

At Syntagma Capital Management SA (“Syntagma”), Environmental, Social, and Governance (“ESG”) factors are important in our investment decisions and the way we manage our portfolio companies. We are committed to being an active responsible investor and having a positive impact on our environment, and we recognize that our success will be built on strong values, responsible investing, and management.

Our Responsible Investment Policy applies to all our investments, in which our aim is to create better companies that, in addition to financial success, have a long-term positive impact on society. We believe that value creation is only relevant if long-term impacts and success for all stakeholders are taken into consideration, and that successful companies benefit their environment and society at large. Achieving our highest potential is our aim and managing ESG risks and opportunities is our duty.

OUR ENGAGEMENTS

Syntagma is a signatory to the United Nations supported Principles for Responsible Investment (“UNPRI”), which is a leading proponent of responsible investment that supports investors to understand the investment implications of ESG factors and support signatories in incorporating these factors into their investment and ownership decisions.

Signatory of:



Our commitment to responsible investment is anchored in the following principles:

1. We aim to implement high-quality ESG standards within Syntagma and our portfolio companies;
2. ESG issues are integrated into our decision-making and investment due diligence processes;
3. In addition to investments-specific risks, we seek to follow broader ESG risks that include global and social development, healthcare, climate change, and environmental protection;
4. We adopt, monitor, and challenge ESG metrics in our portfolio companies;
5. We actively seek to align our people with ESG principles and promote diversity in our team and in our 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.

Syntagma has a targeted exclusion policy in sectors and companies based on ethical considerations and negative ESG impact. Syntagma refuses to invest in companies that directly engage in:

- any activity related to tobacco, pornography, prostitution, or gambling;
- the production, sale, storage or services for chemical weapons, biological weapons, nuclear weapons, anti-personnel mines, and cluster bombs;
- the repeated and serious violation of one or more of the ten principles of the UN Global Compact, without credible corrective action.

KEY PRIORITIES

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.

RESPONSIBLE INVESTMENT APPROACH

To fulfil our engagements to responsible investment, Syntagma integrates ESG considerations into our investment processes. We will also regularly review and update our investment policies and procedures to ensure that they align with our responsible investment goals.

Screening and pre-due diligence: The investment teams exclude sectors and companies of 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. The 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 assess 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 period: In the beginning of the ownership, Syntagma supports the portfolio company formulate a roadmap with, for example, a three-to-five-year horizon which identifies clear ESG indicators, milestones, and targets. 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.

ORGANIZATION

The integration of responsible investment is led by the ESG team comprised by the partners, members of the investment team and senior advisors. The ESG team sets and monitors progress of the overall goals and objectives for the firm's responsible investment efforts. The main missions of the ESG team:

- Set strategy and direction of the firm's responsible investment efforts, including setting goals and objectives, and developing policies and procedures;
- Monitor the implementation of the responsible investment policy and best practices;
- Ensure that the investment team considers ESG factors in the investment process;
- Ensure that all professionals receive ESG training on a regular basis;
- Engage with portfolio companies to ensure that they are meeting their ESG roadmap;
- Track the ESG performance of the firm and portfolio companies;
- Prepare the reporting to UNPRI and Syntagma's investors.