

d

# SYQUANT Capital

Helium Funds



## PRINCIPAL ADVERSE IMPACT STATEMENT

2022



# SYQUANT Capital

## PRINCIPAL ADVERSE IMPACTS STATEMENT

Updated: 30/06/2023

### Contents

<b>SYQUANT Capital</b>	<b>2</b>
a. Summary	2
b. Description of the principal adverse impacts on sustainability factors	4
c. Engagement policies	11
d. References to international standards	12
e. Historical comparison	12

# Principal adverse impacts statement

## SYQUANT Capital

**Financial market participant:** SYQUANT Capital

**LEI:** 969500YXMX6ZAENXSP27

### a. Summary

#### EN

SYQUANT Capital - LEI : 969500YXMX6ZAENXSP27 considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of SYQUANT Capital. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

Our approach in relation to principal adverse impacts relies on a broad set of exclusions and restrictions, discretionary positive analyses based on a sophisticated integration of ESG scoring, and an ambitious engagement and voting policy. We recognize that industry guidelines and best practices for ESG management continue to evolve over time. Accordingly, we will monitor our approach on an ongoing basis and typically review it annually.

#### **Summary of exclusions and restrictions**

SYQUANT Capital excludes from its investments companies involved in controversial weapons and limits its investments in those whose involvement in coal, coal-based energy, tobacco, arctic drilling, and oil sands exploitation exceed pre-determined thresholds, usually but not exclusively by reference to the revenue derived from the activity concerned.

SYQUANT Capital also excludes from all investment issuers in violation of one or more established international norm, including the UN Global Compact, the UN Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In addition, any issuer on the sanctions lists produced by the European Union, the Office of Foreign Assets Control (OFAC), or the United Nations is excluded from SYQUANT Capital's investments. Any sovereign debt instrument issued by a country having not ratified the Paris Climate Agreement is also excluded from the potential investments of the funds under our management.

#### **Summary of individual and collective engagement**

Since the strategies run by the SYQUANT Capital are mostly “Event-Driven”, the portfolio managers regularly conduct individual engagement with many companies in which the funds invest, whether by conducting meetings with company management and/or attending investor relations events/conferences. SYQUANT Capital also collaborates with other investors to leverage their collective say, lending them greater access and influence on the ESG practices of investee companies and privileged, result-oriented conversations with companies around selected ESG issues.

## FR

SYQUANT Capital - LEI : 969500YXMX6ZAENXSP27 prend en compte les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. La présente déclaration est la déclaration consolidée des principales incidences négatives sur les facteurs de durabilité de SYQUANT Capital. Cette déclaration sur les principales incidences négatives sur les facteurs de durabilité couvre la période de référence du 1er janvier 2022 au 31 décembre 2022.

L'approche de SYQUANT Capital s'appuie sur un ensemble d'exclusions et de restrictions, sur des analyses positives discrétionnaires basées sur une intégration sophistiquée des notations ESG, et sur une politique d'engagement actionnariale ambitieuse. Nous sommes conscients que les directives du secteur et les meilleures pratiques en matière de gestion ESG continuent d'évoluer au fil du temps. Par conséquent, nous surveillerons notre approche de façon continue et la réviserons généralement chaque année.

### **Résumé des restrictions et exclusions d'investissement**

SYQUANT Capital exclut de ses investissements les sociétés impliquées dans les armes controversées et limite ses investissements dans celles dont l'implication dans les secteurs du charbon, de l'énergie à base de charbon, du tabac, du forage arctique ou de l'exploitation des sables bitumineux dépasse des seuils prédéterminés, typiquement sur la part maximum de leurs revenus que les émetteurs peuvent générer grâce à l'activité concernée.

Nous excluons aussi de tout investissement les émetteurs violant une norme internationale établie telle que celles du Pacte mondial des Nations Unies, des Principes des Nations Unies relatifs aux entreprises et aux droits de l'homme, ou des Principes directeurs de l'OCDE à l'intention des entreprises multinationales.

Tout émetteur figurant sur une liste de sanction effective produite par l'Union européenne, l'Office of Foreign Assets Control (OFAC) ou les Nations Unies est aussi exclu, tout comme les instruments de dette souveraine émis par les pays n'ayant pas ratifié l'Accord de Paris sur le climat.

### **Résumé des engagements individuels et collectifs**

Étant donné que les stratégies du fonds sont pour la plupart "événementielles", les gestionnaires de portefeuille mène régulièrement et individuellement des engagements auprès de nombreuses sociétés dans lesquelles les fonds gérés investissent, que ce soit en organisant des réunions avec la direction de la société concernée et/ou en participant à des événements/conférences visant les investisseurs. SYQUANT Capital collabore avec d'autres investisseurs afin d'obtenir un meilleur accès et une plus grande influence sur les pratiques de durabilité des sociétés grâce à des conversations privilégiées avec celles-ci axées sur l'obtention de résultats

b. Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric		Impact 2022	Impact 2021 <sup>1</sup>	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 (tCO2e/mEUR)	Scope 1 GHG emissions	431,553.34	270,010.43	-	Exclusions: SYQUANT Capital limits its investments in the coal sector and coal-based energy production and distribution through an ambitious Coal Exit Policy including both absolute and relative thresholds in accordance with the guidelines issued by the French <i>Association Française de la Gestion Financière</i> (AFG) and the <i>Reclaim Finance</i> initiative. The thresholds established in our Coal Exit Policy are lowered biannually until a total exclusion from our investments of coal producers and distributors as well as companies generating any energy from coal in 2030. In addition, SYQUANT Capital also excludes from its investments companies which derive over 5% of their revenue from arctic drilling or the exploration and exploitation of oil sands and any related services.
		Scope 2 GHG emissions	81,991.23	61,713.93	-	
		Scope 3 GHG emissions	12,310,909.75	1,363,665.71	-	
		Total GHG emissions	12,824,454.92	1,695,390.07	-	
	2. Carbon footprint	Carbon footprint (tCO2e/mEUR)	3 071.92	457.42	-	
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2e/mEUR)	1 430.95	797.24	-	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	12.73%	12.74%	-	
	5. Share of non-renewable energy consumption and production	Share 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	- Non-Renewable Energy Consumption: 78.79%	80.11%	-	
			- Non-Renewable Energy Production: 0.04%	0.03%		

<sup>1</sup> Note that the 2021 figures are not based on 2021 portfolios but 2021 data relating to companies in which the funds managed have invested in 2022.

		percentage of total energy sources				
	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 (GWh/ mEUR)	<ul style="list-style-type: none"> <li>- Agriculture, Forestry, Fishing: 0.14</li> <li>- Mining, Quarrying: 2.01</li> <li>- Manufacturing: 0.83</li> <li>- Electricity, Gas, Steam, Air Con. Supply: 3.90</li> <li>- Water Supply, Sewerage, Waste Management: 2.04</li> <li>- Construction: 0.08</li> <li>- Motor Vehicles trade: 2.56</li> <li>- Transportation, Storage: 0.01</li> <li>- Real Estate: 0.80</li> </ul>	No data	-	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.00%	1.55%	-	<p>Exclusions: SYQUANT Capital excludes from all its portfolios issuers that do not abide by established international norms covering environmental protection, including Principles 7, 8, and 9 of the UN Global Compact, and Guidelines VI of the OECD Guidelines for Multinational Enterprises. SYQUANT Capital excludes from its investments companies which derive revenue over 5% of their revenue from arctic drilling or the exploration and exploitation of oil sands and any related services.</p> <p>Engagement: Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect established international norms on environmental protection, including Principles 7, 8, and 9 of the UN Global Compact, and Guidelines VI of the OECD Guidelines for Multinational Enterprises, are verified.</p>

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/mEUR)	0.29	0.28	-	<p>Exclusions: SYQUANT Capital excludes from its investments companies which derive revenue over 5% of their revenue from arctic drilling or the exploration and exploitation of oil sands and any related services. SYQUANT Capital excludes from all its portfolios issuers that do not abide by established international norms covering environmental protection, including Principles 7, 8, and 9 of the UN Global Compact, and Guidelines VI of the OECD Guidelines for Multinational Enterprises.</p> <p>Engagement: Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect established international norms on environmental protection, including Principles 7, 8, and 9 of the UN Global Compact, and Guidelines VI of the OECD Guidelines for Multinational Enterprises, are verified.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (t/mEUR)	13.47	23.83	-	<p>Exclusions: SYQUANT Capital excludes from all its portfolios issuers that do not abide by established international norms covering environmental protection, including Principles 7, 8, and 9 of the UN Global Compact, and Guidelines VI of the OECD Guidelines for Multinational Enterprises.</p> <p>Engagement: Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect established international norms on environmental protection, including Principles 7, 8, and 9 of the UN Global Compact, and Guidelines VI of the OECD Guidelines for Multinational Enterprises, are verified.</p>

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 Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00%	0.00%	-	Exclusions: SYQUANT Capital excludes from all its portfolios issuers that do not abide by the UN Global Compact or the OECD Guidelines for Multinational Enterprises. This encourages both issuers in verified breaches of such norms to remedy or mitigate their violation and those who lack processes or compliance mechanisms to introduce them, thereby avoiding exclusion from our portfolios were inadequate measures to permit or lead to a norms breach.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share 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	12.40%	13.21%	-	Engagement: Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect the UN Global Compact or the OECD Guidelines for Multinational Enterprises, are verified.



	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.22%	8.58%	-	<p>Exclusions: SYQUANT Capital excludes from all its portfolios issuers that do not abide by established international norms covering environmental protection, including Principle 6 of the UN Global Compact, and Guideline V of the OECD Guidelines for Multinational Enterprises.</p> <p>This encourages both issuers in verified breaches of such norms to remedy or mitigate their violation and those who lack processes or compliance mechanisms to introduce them, thereby avoiding exclusion from our portfolios were inadequate measures to permit or lead to a norms breach.</p> <p>Engagement: Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect established international norms on discrimination in the area of employment and occupation, including Principle 6 of the UN Global Compact, and Guidelines V of the OECD Guidelines for Multinational Enterprises, are verified.</p>
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	39.44%	31.74%	-	<p>Exclusions: SYQUANT Capital excludes from all its portfolios issuers that do not abide by established international norms covering environmental protection, including Principle 6 of the UN Global Compact, and Guideline V of the OECD Guidelines for Multinational Enterprises.</p> <p>This encourages both issuers in verified breaches of such norms to remedy or mitigate their violation and those who lack processes or compliance mechanisms to introduce them, thereby avoiding exclusion from our portfolios were inadequate measures to permit or lead to a norms breach.</p> <p>Engagement: Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect established international norms on discrimination in the area of employment and</p>

						occupation, including Principle 6 of the UN Global Compact, and Guidelines V of the OECD Guidelines for Multinational Enterprises, are verified.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	0.00%	-	Exclusions: SYQUANT Capital completely excludes from all its investments producers and distributors of controversial weapons.

**TABLE 2 – ADDITIONAL INDICATORS**

**Indicators applicable to investments in investee companies**

Adverse sustainability indicator	Metric		Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	52.59%	61.16%	-	<b>Exclusions:</b> SYQUANT Capital limits its investments in the coal sector and coal-based energy production and distribution through an ambitious Coal Exit Policy including both absolute and relative thresholds in accordance with the guidelines issued by the French <i>Association Française de la Gestion Financière</i> (AFG) and the <i>Reclaim Finance</i> initiative. The thresholds established in our Coal Exit Policy are lowered biannually until a total exclusion from our investments of coal producers and distributors as well as companies generating any energy from coal in 2030. In addition, SYQUANT Capital also excludes from its investments companies which derive over 5% of their revenue from arctic drilling or the exploration and exploitation of oil sands and any related services.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Human Rights	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and antibribery	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	0.00%	0.28%	-	<p><b>Exclusions:</b> SYQUANT Capital excludes from all its portfolios issuers that do not abide by the UN Global Compact or the OECD Guidelines for Multinational Enterprises. This encourages issuers in verified breaches of such norms to remedy or mitigate their breaches of standards relating to anti-corruption and antibribery to avoid exclusion from our portfolios.</p> <p><b>Engagement:</b> Through individual and collective engagement, SYQUANT Capital encourages issuers whose failure to respect the UN Global Compact or the OECD Guidelines for Multinational Enterprises, are verified.</p>
We do not use other indicators to identify and assess additional principal adverse impacts on a sustainability factor than those mandatory and additional indicators that are set out in the Table above.						

### c. Engagement policies

To mitigate its principal adverse impacts, SYQUANT Capital can engage with companies on a case-by-case basis. Since the different strategies run by SYQUANT Capital are mostly “Event-Driven”, the portfolio managers regularly conduct individual engagement with many companies in which the funds invest, whether by conducting meetings with company management and/or attending investor relations events/conferences. In the merger arbitrage strategy, for example, the investment team engages with the companies involved to have re-assurances on their governance practices.

Through collaborative initiatives, SYQUANT Capital also cooperates with other investors to leverage their collective say on the ESG practices of investee companies. Active cooperation among shareholders on ESG issues also lends them greater access and influence through privileged, result-oriented conversations with companies around selected ESG issues.

On an annual basis, SYQUANT Capital can engage with 100 companies (around 25-30 per quarter). We have the ability to review each specific engagement enquiry and opt in or opt out of the suggested engagements. The collective engagement is generally conducted through written communication or meetings (virtual, or occasionally in person) by ISS ESG.

The engagement conducted by the SYQUANT Capital through ISS focuses on violations of international norms in the areas of human rights, labour rights, environmental protection, anti-corruption, and tax compliance.

Engagement that is truly effective requires time and an investment in the process. The formulation of clear, attainable, and reasonable goals is essential for monitoring progress and the outcomes of involvement. Our collective engagement is supported by a team of ISS ESG experts devoted to evaluating business performance in comparison to established environmental and social norms. In respect to each matter, ESG specialists (e.g., experts on indigenous rights, discrimination, consumer protection, climate, and biodiversity) create involvement goals through which the engagement is then evaluated.

Norm-based engagement is prioritized based on the practicality of engagement and on-going monitoring of changes in specific issues. The selection for participation may be influenced by anticipated disclosures of internal investigations or third-party audits that the company has agreed to share information about, as well as major changes in the claims brought against the corporation. Alongside other participating investors, SYQUANT Capital can influence which engagement is conducted through feedback provided to ISS ESG regarding its priorities.

When corporations have satisfactorily resolved investor concerns by any or all of the following methods, engagements have been successfully concluded.

- Implementation of pertinent policies: The implementation of pertinent firm policies to address the identified risks or concerns.
- Corrective action: The implementation of steps that directly address the remediation of the identified risks or problems.
- Termination of problematic practice: cessation of the company's relationship with or participation in the contentious activity or practice.

In cases where there is no discernible shift in the manner in which an issuer conducts its business following collective engagement, the engagement is terminated.

Over the course of time, it has been seen that the majority of companies with whose engagement is sought are responsive. Others require multiple follow-ups before providing a response, while others persistently refuse to address the concerns of investors. In order to solve these difficulties in communication, timely follow-up is conducted on a regular basis. After every effort has been made to engage Investor Relations as well as the CEO of the company, and in the event that the company continues to be unresponsive, the inquiries are brought to the attention of the Board of Directors. If the company continues to be unresponsive, the possibility of



engagement is assessed. When a corporation has shown unresponsive to investor efforts to exercise active ownership, ISS ESG has made the choice to stop or suspend communication with that company.

Given the diversity of engagement conducted, an absence of reduction in primary adverse impacts over more than one reporting period may not alter our individual engagement or investment practices. Our responsible investment rules will nonetheless apply at all times.

#### **d. References to international standards**

SYQUANT Capital's commitment to the promotion of environmental and social characteristics and reduction in principal adverse impacts is illustrated by its adherence and compliance with the following codes and standards:

- UN Global Compact
- UN Guiding Principles for Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- UN Principles for Responsible Investment (PRI)
- Task Force on Climate-related Financial Disclosures (TCFD)

Our adherence to these initiatives, whether responsible business conduct codes and internationally recognised standards for due diligence and reporting, is uncompromising. Any issuer in breach of the first three set of norms will be immediately excluded from our investments, or, in the case of a pre-existing position, a divestment process will be initiated with the aim of reconciling divestment with protection and promotion of the best interests of the relevant fund's shareholders.

Although climate change is of considerable concern to us and justifies some of our action to reduce principal adverse impacts, including our Coal Exit Policy, SYQUANT Capital does not currently measure its degree of alignment with the objectives of the Paris Climate Agreement and therefore cannot commit to a minimum alignment with this agreement.

#### **e. Historical comparison**

The earliest historical comparison will be provided in 2024.

## DISCLAIMER

This document is not a promotional document. It contains opinions and statistical data that SYQUANT Capital considers legitimate and correct at the date of publication, based on the economic and financial environment at the date and time of publication. This document does not constitute investment advice, an invitation, an offer to subscribe or a solicitation to buy or sell any financial instrument, nor should it form the basis, in whole or in part, of any contract or commitment whatsoever.

This information is provided without knowledge of the investor's specific situation. Before purchasing any shares of the funds mentioned in the present document, investors should check in which countries the fund or funds mentioned in this document are registered and, in the countries in question, which funds or asset classes are authorized for sale to the public. Investors considering subscribing to shares of the fund should carefully read the most recent version of the fund's legal documentation (prospectus, DICI and annual report), which is available on the SYQUANT Capital website: <https://www.syquant-capital.fr>, or from the fund's distributors.

Investors are advised to consult their own legal and tax advisors before investing in the funds. Given the economic and market risks involved, no guarantee can be given that any fund will achieve its investment objectives. The value of shares of the funds may go down as well as up. Performance figures are given after deduction of fees. Figures refer to recent months and years. Past performance is not a reliable indicator of future performance.