This Annual Report has been prepared with the support of PWC’s Sustainability team. PWC has been supporting Suma Capital since 2015 in the design of its ESG policy and procedures.
We Create Value in a Sustainable and Impactful Way
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1. Suma Capital: Responsible private equity investors in Spain

Founded in 2007, Suma Capital is a private equity fund manager focused on two areas: Growth capital and Sustainability investments. The firm became independently owned by its managing partners in 2012 and since then has raised and managed both growth capital as well as sustainability investment funds solely focused on Spain.

Since its inception, Suma has focused on its core mission: “Combining efforts to ensure a superior impact”. First, in each and every minority investment in small and medium-sized companies in Spain, across a variety of sectors. The team has helped company founders and their teams to grow through different business cycle and economic conditions. Subsequently, in 2014, Suma raised its first sustainability infrastructure fund, which invested in projects related to energy transition or circular economy across sectors and regions in Spain. This year, the firm raised its second fund, which is currently in its investment phase.

At Suma, we pride ourselves of following carefully designed and institutionalized processes that ensure we take investment decisions in the benefit of our investors, of the portfolio companies and society as a whole. Thus, the areas of social, environmental and corporate governance impact constitute an integral part of how we work on an everyday basis. In addition to following international guidelines such as the United Nations Principles of Responsible Investment (PRI), and being supervised by outside parties such as PwC, we undertake responsible investing. Supported by our ESG Coordinator, it is the perseverance and the enthusiasm of everyone in the team what makes Suma a special partner in terms of sustainable and impactful growth.

This 2018 ESG Annual Report provides a brief overview of our approach to sustainable investing, both in the management company as well as through the private equity funds we manage and in our portfolio. Furthermore, we understand ESG as an on-going effort that is embedded in Suma’s DNA and culture, so as we continue growing we work on improving and moving forward.

Warm regards,

Enrique Tombas / Managing Partner and CEO
About us

Founded in 2007, Suma Capital is a Spanish independent asset manager of private equity funds focused on two differentiated investment programmes: Sustainability and Growth Capital.

Suma became independently owned by its managing partners in 2012 and since then has raised and managed both growth capital as well as sustainable infrastructure funds in Spain. Remarkably, Suma’s private equity funds were pioneers as ESG-themed funds.

Suma Capital executes different types of investment transactions in each of its two investment programs:

Growth Capital investments

Suma’s funds invest between € 3-10M per company, through capital increases, in profitable companies leading their respective sectors. All have a committed management team aligned with the project, and are in need of financing to carry out an ambitious business plan based on internationalization, sectoral consolidation or territorial deployment. In addition to providing capital, Suma Capital team supports the development of the business, participating in strategic decision-making and operations, adding experience and credibility.

Investments as of December 2018:

**Caher**

Leading outsourcing services provider in Spain, serving top consumer brands. Caher offers a range of services at the point of sale, including replacement, trade marketing, point of sale management and promotional marketing.

**Grand Voyage**

Third largest online travel agency & tour operator in Spain, focused on long-distance long duration travel packages for tourists.

**Alucan**

Leading independent manufacturer in the EU of bottles and monobloc aluminium aerosol cans for food, beverage, pharma and cosmetics industries.

**Turris**

A premium retail chain of bakeries, offering artisan bread and other bakery products. 13 shops with its own workroom located in the metropolitan area of Barcelona.

**Party Fiesta**

Leading retail chain in the EU of party goods and costumes with +140 stores, owned and franchised, in Spain, Germany, Austria and Portugal.

**Trade Inn**

First online retail platform in Spain specialised in artisanal sports material, third largest in the EU, with presence in +180 countries around the world, offering +700,000 SKUs.
Sustainability investments
The SCEEF I and SCEEF II funds invest between 2-25M € in assets and infrastructures that support energy transition and circular economy. The investments rely on technical partners that deploy technologies to improve energy efficiency, use renewable sources and minimize waste.

Investments as of December 2018:

Fund SCEEF I

District Heating de “Aranda de Duero”
Heating network, fed with renewable biomass, to supply this Northern Spain town with hot water and heating. Supply of 35 Gwh / year, reduce CO2 emissions by 18,000 tn / year and create local employment.

Fund SCEEF II

District Heating at “Guadalajara”
Heating network, fed with renewable biomass, to supply this Central Spain town with hot water and heating. Supply of 100 Gwh / year, reduce CO2 emissions by 46,000 tn / year and create local employment.

Ecooltra Electric Scooters
Boosting electric mobility by changing corporate traditional scooter fleets for electric scooters (last mile or moto-sharing). The investment includes electric scooters, batteries, and charging points. Reduce the need for cars in cities, energy consumption and CO2 emissions.

Energy Efficiency in Buildings
Energy Efficiency measures (lighting and HVAC) at CBRE headquarters in Madrid and in a selection of customer offices. Reduce energy consumption, CO2 emissions and improve competitiveness.
Team

The team is composed of 15 investment professionals that have been managing the funds from our institutional investors and family offices through the general partner, and working together with Spanish small and medium sized enterprises across many sectors.

Together, we bring a wealth of experience from different backgrounds and experiences. We have invested during different economic cycles and a vast variety of business scenarios. However, we are united by Suma’s mission and its focus on supporting sustainable growth.

Suma has a multidisciplinary team with top financial and technical experience:

- Combined partners experience of more than 50 years
- Investment team of 15 professionals with diversified backgrounds
- Specialized track-record in growth capital infrastructure and the SME market.

Working together, we achieve new goals.

Suma’s team, without exception, proudly carry Suma’s values and ESG commitment, both in our personal volunteering activities and social commitment as well as throughout our investment activity.
Our Investors

• We currently manage over 225 million euros through two investment programs.

• Our investor base is formed by a diversified group of Spanish and international institutions, including public institutions, insurance companies, pension funds, financial institutions, as well as private retail investors.

• Our investors are our clients so our relationship with them is at the heart and drives our business.

Our investors actively follow up and support our Responsible Investment Policy as well as our ESG initiatives.
2. Suma’s mission and key values

Our Mission

• To develop European champions in their businesses.

• To ensure compliance with best practices in environmental, governance and social standards.

• To become the partner of choice for owners of great businesses willing to conquer their goals.

• To attract and retain the best talent in the GP as well as in the portfolio companies, as the basis for great results.

• To follow our core values at all times, fostering excellence, innovation, perseverance and enthusiasm in our daily activity.

Our Vision

• Private equity investments are a key driver for profound changes in society.

• Investments must respond to a true need, deliver superior financial results and create a distinctive social and environmental impact.

• A motivated, creative and talented team is at the core of any successful investment.

Our Values

• **People:** Are our principal asset, both at Suma Capital and in the Companies in which we invest.

• **Commitment:** We act with transparency, honesty and with the highest ethical standards at all times. We look for the highest level of alignment with our investors.

• **Sustainability:** We work to maximize the positive social & environmental impact of our Companies.

• **Solidarity:** We support social causes that benefit the community.

Our Principles

• We are faithful to four essential principles, as part of our permanent desire for continuous improvement in everything we do:

In our journey to deploy our guiding principles, we have embraced international standards:
3. Our commitment to ESG

3.1 Suma’s ESG Policy

At Suma Capital, every decision is shaped by our commitment to our Responsible Investment Policy. We understand sustainability as a means to create positive economic, environmental and social value for our society, our portfolio companies and our investors.

Since its foundation in 2007, Suma has been a pioneer in the adoption of responsible criteria at a social and environmental level. We are a signatory member of the UN Responsible Investment Principles (PRI) since 2013 and report annually our responsible investment activities in the Transparency Report of the PRI reporting framework. We are aware of our responsibility to actively transform and improve our society and our environment with our investments. Thus, we are a private equity fund manager that operates according to a clear set of principles related to environmental, social and governance issues. In this regard, we formalized our ESG commitment in our ‘Responsible Investment Policy’. In this policy, Suma Capital also establishes the stages to implement Suma Capital’s ESG strategy, which is integrated into our organizational and governance structure, the firm’s culture and the operational processes across all stages of the life cycle of our investments.

During 2018, Suma Capital strived to strengthen and promote this commitment by working daily to develop a dynamic, sustainable and resilient economy. Our approach includes to involve each of our stakeholders in this commitment. Just as our job is to support committed entrepreneurs, we want to set an example by embodying the principles of the company: being excellent, innovative, enthusiastic and persevering.

At Suma, ESG is not only a guidance but a powerful and structured methodology for creating long-term value in portfolio companies, for the benefit of investors and all our stakeholders.
For over ten years, Suma Capital has been committed to ESG: we are convinced that sustainable development is the backbone of SME growth and invaluable for building lasting growth.

- We create value for our investors, for the founders and our partners in the portfolio companies, as well as for other stakeholders at Suma, its funds and our society as a whole.
- Value is created in a sustainable way, well beyond our presence in the companies.
- We strive to make an impact where we invest, in areas such as the environment, people and society, corporate governance and the way business is conducted.
- We pride ourselves to being aligned with our investors and with our partners: we commit our capital and dedicate fully to the funds we manage.
- We design, structure and execute with professionalism and ethics.
- We strongly support social awareness and ESG initiatives from the team as well as from the portfolio companies.

We recognize sustainability as a means of creating positive economic, environmental and social value for society, our portfolio investments and our investors.

Suma Capital has an ESG Coordinator, who helps coordinate and control all actions designed and who monitors how Suma applies our ESG strategy within the firm as well as throughout the portfolio companies. ESG is thus, in addition to the core investment, portfolio management and divestment processes, an integral cornerstone of our day to day business.

Suma’s Stakeholders Engagement:

1. **Portfolio companies**
   Propose a dedicated toolbox and support to accelerate ESG progress and enable business transformation

2. **Society**
   Support long-term projects of general innovate and focused on social inclusion and training for professions of the future

3. **Our employees**
   Involve our teams in the evolution of our business through training and the continuous improvement of working conditions

4. **Our investors**
   Analyse all our investments from an ESG point of view, and transparently communicate progress made
3.2 Corporate Governance at Suma

In addition to implementing best-in-class corporate governance structures and mechanisms across our portfolio investments, Suma Capital itself is compliant with international best practices:

Suma Capital is licensed and regulated by the Spanish Comisión Nacional del Mercado de Valores (CNMV), the Spanish regulator. Since its inception, it has implemented governance guidelines from the private equity associations International Limited Partners Association (ILPA), the European Venture Capital Association (EVCA) as well as Spain’s Asociación Española de Capital, Crecimiento e Inversión (ASCRI).

Good corporate governance is fundamental to Suma Capital’s business model. Suma Capital’s activities are conducted in accordance with internationally accepted principles of good governance and best practice.

Board of Directors
The board of directors of Suma Capital meets on a quarterly basis to consider matters as required under law and to review the operations and performance of the company.

The Board has established focused meetings to assist in fulfilling its responsibilities:
A Remuneration Meeting setting policy on Suma Capital’s overall human resources strategy and the remuneration of senior management. An Audit Meeting to assist with corporate governance and oversight responsibilities in relation to financial reporting, internal control and audit.

Risk Management
Risk Management is central to the management of Suma Capital. A comprehensive Enterprise Risk Management (ERM) framework has been established reflecting Suma Capital’s obligations as a CNMV licensee and as the manager of the SCEEF I, SCEEF II and SCGF I funds. Through the ERM framework, risks and opportunities relevant to Suma Capital are continually assessed, including both the firm as well as the investment, portfolio management, ESG and other key processes.

Internal and External Audits
The external auditors assess the transparency, accuracy and reliability of both the firm’s financials and those of its funds under management. The Board monitors the adequacy and effectiveness of the internal control framework through the performance of regular audits of Suma Capital’s activities.

External auditors appointed for 2018 were Ernst & Young for the firm and the SCEEF I and SCEEF II funds and BDO Auditores for the SCGF I fund.

Compliance
Suma Capital has a strong culture of compliance, based on international standards of governance and control. Suma Capital ensures that all staff operate according to its compliance policies, which emphasize the importance of integrity, confidentiality and avoiding conflicts of interest in line with the CNMV and EVCA business principles.
3.3 ESG across Growth Capital and Sustainability investments

ESG is tightly integrated into our investment cycle activity:

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### ESG integration

#### Pre deal

1. **Vision**
   - Strategy
   - Governance

   - Aim to follow ESG principles
   - Integrate ESG factors into the investment process
   - Have a voice in the promotion of ESG standards

2. **Due Diligence**
   - ESG

   - Checklist to screen ESG risks
   - Exclusion list
   - ESG due diligence

3. **Deal Execution**

4. **Agreement**
   - Investment committee discussions
   - ESG findings regarding investment memorandum

#### Post deal

5. **ESG Monitoring**
   - Defining ESG objectives
   - Commitment into deal doc/100 day plan
   - ESG clauses
   - Mid-term ESG strategy

6. **ESG Disclosure**
   - Portfolio ESG review
   - Leverage Board to implement ESG
   - Training company staff
   - KPI Site visits

- PRI signatory reporting
- ESG report (at Suma level)
- Encourage investees to report on ESG issues

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Measuring ESG at Suma Capital Growth investments

Two key goals for 2018 were, firstly, to continue supporting our portfolio companies in the transformation of their businesses and to integrate impactful initiatives in each and every company we work with, and secondly to quantify and measure ESG at Suma Capital Growth’s companies. We integrate key impact indicators and principles during due diligence, in our investment contracts and throughout the reporting and monitoring of our investments. As an example, our overall assessment during due diligence, at the time of the Fund’s investment of the 2018 Growth portfolio was:
Illustrative Impact Indicators for our Suma Capital Growth investments. Impact achieved in 2018:

- **2,256 direct jobs** (+6% vs. 2017)
  Of which 47% are female employees.
  And more than 3,200 are indirect employees.

- **7/7 Boards of Directors in place**
  (only 1 in place at investment)
  Up to 15% of female Boards of Directors
  Monthly reporting implemented in 100% of the invested companies.

- **70K€ in donations to NGO’s in 2018**
  (+130% vs. 2017)
  More than 15 organizations helped.

- **Professionalization of SECOND LEVEL management**
  Professionalization of second level management.
  We hired 5 professionals at Management Committee level.

- **Reviewed BALANCE SHEET robustness across all companies**
  0.5x EBITDA average debt leverage throughout the Fund’s portfolio
  to allow for future growth.

- **Appointment of 4 ESG leaders out of the 7 portfolio companies.**
  Savings of 10% of total energy consumption in MWh.
Measuring ESG
at Suma Capital Sustainability investments

SUMA CAPITAL early realised the potential for energy efficiency as an efficient means to create positive economic, environmental and social value for our society. We firmly believe in an energy saving system that can enable a win-win opportunity for delivering both economic and environmental value.

Eager to play an active role in unlocking energy efficiency potential at local level, Suma’s funds have invested in Energy Service Companies (ESCOs) exclusively dedicated to energy-saving initiatives, as the first Spanish fund in its area of expertise.

Illustrative Impact Indicators
for our Suma Capital sustainability investments. Impact achieved in 2018 by SCEEF I and SCEEF II:

160,000 MWh / year have been avoided
19% increase in energy efficiency performance

125,000 tons of CO2eq / year have been avoided
The value of societal damages avoided is estimated at 130M€, which be around 1.3 times the amount invested.

90% of energy generated within SCEEF I and II projects comes from local fuel sources, exceeding the national and European average.

90% Renewable energy generated
310,000 MWh / year of energy generated from renewable sources, such as biomass or solar power.

SUMA CAPITAL voluntary contribution towards better air quality
- Installation of SOx and particulates matter emissions abatement technologies.
- Installing individual metering of heat consumption: -20% reduction in energy demand.
- Fuel switching towards low-emitting fuel such as biomass.
- Contribution to switching urban areas into electric vehicles.

1,000 direct jobs created
SCEEF I projects helped create over 1,000 net direct jobs. For SCEEF II, impact will be quantified as soon as projects achieve 100% of their capacity.

A total social benefit equivalent to €72M
This outcome and the Fund’s metrics significantly outperformed the compound annual growth rate of EU energy efficiency targets.

Our investments have received recognition for their work and contribution to energy transition goals in Spain and Europe. A few examples of the awards received in 2018 are the following:

**Hyatt Andaz London Liverpool Street Hotel** received the AEE Western Europe Energy Project of the Year for using IoT technology and intelligent energy saving methodology provided by Quimera Energy. The project started in 2016 and within a year 21% of electricity and 27% of gas consumption was saved.

**Soria District Heating** received the National Energy Award EnerAgen, awarded to the “Best energy improvement in the field of Renewable Energy and Energy Efficiency” for its commitment with the energy transition towards a new model of sustainable energy and low carbon emissions.

**Cooltra** received the APAE Fem Empresa Award for its innovative concept of sustainable mobility and its contribution to reducing the air pollution.
3.4 Volunteering and initiatives driven by Suma’s team

In 2018, Suma’s employees actively participated in a variety of volunteering activities, including the following:

A highly successful event was Oxfam’s Trailwalker, where several Suma members completed a 100km circuit. The challenge consists of four-member teams walking 100km in less than 32 hours. Suma matched the funds raised by its employees with twice the amount privately raised by each of them. We also had the support and donations of the Fund’s portfolio companies. Trailwalker is one of the greatest team challenges of the world fight against poverty. Members of the team must start together, stay together and finish together.

Suma employees regularly devote part of their time to helping a variety of causes. Although Suma does not officially endorse specific personal initiatives, we try to encourage any volunteering and collaboration work that creates an impact in our communities. For example, routinely donating to Fundación Humana, an NGO focused on the protection of the environment with resources obtained from textile recycling, to ActionAid or to Zikomo (now Active Africa), dedicated to helping Malawian children to attend school and have access to drinking water. Others collaborate with Fundación Fero, focused on breast oncological research or with Fundación Quiero Trabajo, which helps more than 1,050 women each year to get a job and with marine life conservation’s CRAM.
Suma’s team members have been involved in social and volunteering activities at an individual level for many years. We contribute to make a positive impact on the world around us as a team, through a variety of initiatives.
Two years ago, Suma’s partners agreed to donate 2% of the firm’s profits to charitable and responsible causes, chosen by the team. During 2018, we provided 96 interest-free loans through the Kiva.org platform.

Kiva Lending Team: SUMA CAPITAL
Team Impact Report

77% Female
23% Male
BORROWER GENDER

TOP SECTORS

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<th>Sector</th>
<th>Loans</th>
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<tr>
<td>Agriculture</td>
<td>23</td>
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<td>Retail</td>
<td>12</td>
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<td>Health</td>
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<td>Food</td>
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<td>Education</td>
<td>7</td>
</tr>
<tr>
<td>Services</td>
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83 TOTAL LOANS
10 LOANS THIS MONTH
5.5 LOANS PER MEMBER
15 TEAM MEMBERS
In addition to donating, Suma’s team gathers together to have fun and spend some time engaging in impactful activities.

We promote habits that lead to responsible consumption and conservation of the environment and energy resources, thus contributing to sustainable development, volunteer work and pro-bono activity. At the office, we try to minimise waste to benefit our surroundings in the long run. This may entail working with our clients or choosing the right suppliers, as well as regularly monitoring their activity.

As a team, we also try to have fun and enjoy our daily activity. Every once in a while, we go out together and spend a day in the outdoors, creating the team spirit that provides us with strong bonding which helps us confront challenging investment engagements together.
Suma is a signatory member of the United Nations “Principles of Responsible Investment” (the UN’s PRI). Suma follows its guidelines throughout its investment, portfolio management and divestment processes, as well as within the management of our firm.

We have been reporting to UN PRI since 2014 and we have seen a steady improvement in our ratings as we implemented a deeper and more comprehensive ESG framework through our universe of portfolio projects.

As a signatory, Suma Capital is committed to the following principles:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues from the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

In 2015, UN member countries adopted 17 Sustainable Development Goals (SDGs) aimed at eradicating poverty, protecting the planet, and ensuring prosperity and peace for people. These objectives are increasingly used by financial investors to guide their ESG policies and measure their impact.
5. ESG: an ongoing initiative for Suma

ESG is not only a set of goals and a transparency tool, but also a methodology for creating long-term value in portfolio companies, for the benefit of investors and all our stakeholders. At Suma, ESG is a philosophy and a framework for continuous, ongoing work: we know we must continue improving.

For the year 2018, our main commitments and goals include:

At Suma Capital

- Continue training and mentoring our employees, suppliers and partners.
- Endorse ESG-focused programs in all areas of the environmental, social and governance arena.
- Ensure all employees dedicate quality time and money to make some kind of impact, also beyond the work day.
- More effectively communicate what we do: regularly informing the investor and the community about the company’s ESG-related impacts.
- Have our ESG activity reviewed by external parties such as PRI, GIIN and advisors like PWC.

Across our Investment programmes:

- Continue implementing ESG in a rigorous way throughout the due diligence and investment process.
- Proactively add ESG value as investors and Board members, throughout the asset management period.
- Provide ESG guidance and training to portfolio companies, particularly to the company’s ESG Champion as well as Human Resources management.
- Monitor ESG improvements and risk mitigation on a regular basis. Bring key issues to the attention of the Board and act decisively to improve ESG metrics.

With impact valuation we take businesses beyond traditional reporting frameworks to help them to understand the full extent of their impact and the value that they create for society.

Traditional reporting

Once Impact Indicators are calculated, these can be converted into societal costs or benefits, expressed in monetary terms:

Our Model
Nuria, Suma’s team member won the December 2018 competition and received a folding urban bicycle with suma’s new logo and corporate green color.
I. Statement of Principles

Global changes are shaping the course of the world in which we live. Our society is facing great challenges to achieve an economy/society that integrates people and is more efficient in the use of resources. The convergence between the social sector, innovation and digitalisation represents an enormous opportunity to resolve the economic disparities and the social and environmental challenges we face.

As a result of this situation, a new path towards a more sustainable world has been charted through the adoption in 2015 of the Paris Agreement on Climate Change and the 2030 UN Agenda for Sustainable Development, focusing on a set of Sustainable Development Goals (“SDG”).

In order to ensure compliance with these objectives, it is essential to improve the contribution made by the world of finance to sustainable growth, bolstering financial stability through the incorporation of Environmental, Social and Governance factors (ESG) into investment decisions.

Suma Capital is committed to this growing and necessary trend, and wishes to play a proactive role in effecting this change. Thus, from our beginnings we have harboured great interest in demonstrating our management capacity in relation to ESG-related issues:

- In 2013 we were pioneers in Spain by joining and adhering to the Principles for Responsible Investment (PRI) endorsed by the United Nations.
- We believe that environmental, social and good governance issues are key when analysing and making an investment. Therefore, we view ESG as a lever to create value for our investors, stakeholders and society in general.
- We are committed to innovation, people and the digitalisation of our companies as necessary tools to foster a more efficient and inclusive economy and society.
- We are committed to continuing to work on aligning our investments with SDGs, in order to attune our strategy and its impacts with these priorities. Thus, we pursue sustainability continuously, both in our thematic funds, focused on supporting Energy Transition and the Circular Economy, and in our Capital Growth investments in SMEs.

II. Our Values

Suma Capital is governed by four foundational values, which play a decisive role in determining our actions in the area of ESG:

People: We recognise people as the main asset of Suma Capital and the companies in which we invest. We are committed to honest and stable human relationships, within a framework of equal opportunity.

Sustainability: We work to optimise all the resources we need, minimise their negative social and environmental impacts, and maximise their positive ones.

Solidarity: Support social causes that benefit communities. Suma Capital’s social conscience is an integral part of our integrity, so we allocate 2% of our profits to social projects and promote active involvement in charitable causes.

Commitment: We accept our responsibility and are committed to acting at all times with transparency and honesty and observing the highest ethical standards in everything we do.

We firmly believe in what we do. We seek the highest level of alignment with our investors, so we co-invest with them in all funds and projects.

www.sumacapital.com
III. Our ESG strategy

Our ESG Strategy is fully consonant with our values. At Suma Capital we believe that the generation of sustainable value is based on a comprehensive vision, oriented towards offering the best possible results for the companies in which we invest, and for related parties (shareholders, customers, suppliers and employees), ultimately benefitting our investors. Therefore, our return is measured not only from the financial point of view, but also from a social and environmental one.

Our foundational slogan, “Working together, we achieve new goals”, encapsulates our strategy and the way we work. We observe it by being faithful to four essential principles, as part of our permanent desire for continuous improvement in everything we do:

- *Excellence:* At Suma Capital we believe in a job well done and strive for excellence in everything we do. We are passionate about our work and endeavour to do it in the best possible way at all times.

- *Innovation:* We work to provide the ideal solutions to needs, in a context of continuous and accelerated change. We look for ways to achieve the goals we pursue in the most beneficial way for all the parties involved.

- *Perseverance:* Effort, resilience, and persistence characterise our work, which we enjoy, because we view perseverance as the key to achieving the goals that we have set.

- *Enthusiasm:* We face challenges as a team, with passion, an optimistic attitude, and the joy of sharing, facing and overcoming them.

As responsible investors, we realise that the impact of our decisions depends on what we do and how we do it, so we recognise our ESG Strategy as a way to foster economic activity in the long term.

IV. The Principles Underlying our Responsible Investment

At Suma Capital believe in furnishing our investee firms and projects with financial, human and organisational resources, allowing them to undertake a new road towards growth, and to create sustainable value. We view the integration of ESG-related matters within the scope of our fiduciary duty, in line with the European Commission’s Action Plan for sustainable development. Our investments are environmentally responsible and in accord with the new challenges facing the Planet. We pursue investments with a positive and quantifiable impact in the field of Energy Transition, accelerating the necessary decarbonisation and Circular Economy, and promoting the efficient use of resources.

We recognise the social role of our investments in furthering the creation of employment, equal opportunities, and training as basic pillars of our companies’ most important assets: people.

The composition of the Board of Directors, the independence of its members, and the effective representation of the shareholders are essential objectives in the governance of our investments, always guided by Ethical Codes and Compliance Manuals facilitating transparent, honest and democratic management.

At the core of our responsible investment philosophy’s is our belief that the integration of ESG criteria into our processes will improve our investments long-term return.

V. Commitment and Implementation of our Responsible Investment

Our Responsible Investment Strategy is integrated into our governance structure, the company’s culture, and in its operational processes and procedures.

We see ESG criteria as a means to identify risks and opportunities associated with our short and long-term investments, as our objective is to achieve a multi-faced return: financial, social and environmental, with a view to quantifying and reporting this to our investors and the community.

To this end, we have specific resources (monitored by our ESG Coordinator), and their evaluation and monitoring is approved and reviewed by Suma Capital’s Board of Directors.

Key phases to implement our Strategy are:

1. *Exclusion:* Suma Capital does not invest in partnerships/projects whose main activity consists of any of the following:
   - I. The production or distribution of tobacco and tobacco-related products.
   - II. Gambling.
III. Any resulting in the limitation of the individual rights or freedoms of individuals, or human rights violations.
IV. The direct sale, supply, production or distribution of modern armaments or military weapons.
V. Human cloning
VI. Any activity related to Genetically Modified Organisms

2. ESG Due Diligence: Suma Capital’s investment process includes an evaluation of its target companies/projects, identifying possible ESG-related risks and opportunities. We are committed to continually bolstering our due diligence procedures to ensure strict compliance with ESG criteria. The results of this due diligence work are systematically included in our investment memorandum to ensure that the Investment Committee is duly informed about ESG criteria and can evaluate them.

3. Monitoring of ESG Issues: We support our portfolio companies and projects in monitoring ESG criteria so as to identify possible risks/opportunities in order to, if necessary, take actions to minimise risks and/or maximise opportunities. Below are ESG-related topics that we take into consideration:

- Climate change
- Resource depletion
- Waste generation
- Air pollution
- Biodiversity loss
- Human rights
- Local communities
- Health and safety
- Relations with employees and diversity
- Consumer protection
- Bribery and corruption
- Board: diversity and structure
- Shareholder’s rights
- Interaction with interest groups
- Business ethics

4. ESG Reporting: At Suma Capital we seek the transparent disclosure of ESG issues by the companies in which we invest. Our policy of reporting to investors and other interest groups is based on three pillars:

I. Collecting information: we have our own tools to gather information about ESG-related performance of the companies in our portfolio.
II. Evaluating: monitoring the relevant ESG performance indicators.
III. Disclosing: regularly informing our investor and the community about the firm’s ESG-related impacts.

5. On-going improvement: Our commitment as a responsible investor includes strengthening the ESG capacities of our companies/projects and supporting their management. Therefore, at Suma Capital we consider and discuss ESG issues with the management of our investees in a continuous and structured manner.
At Suma, we all feel proud to dedicate increasingly more of our time to making an impact around us, both through the investments we make as well as in all areas of our daily life.