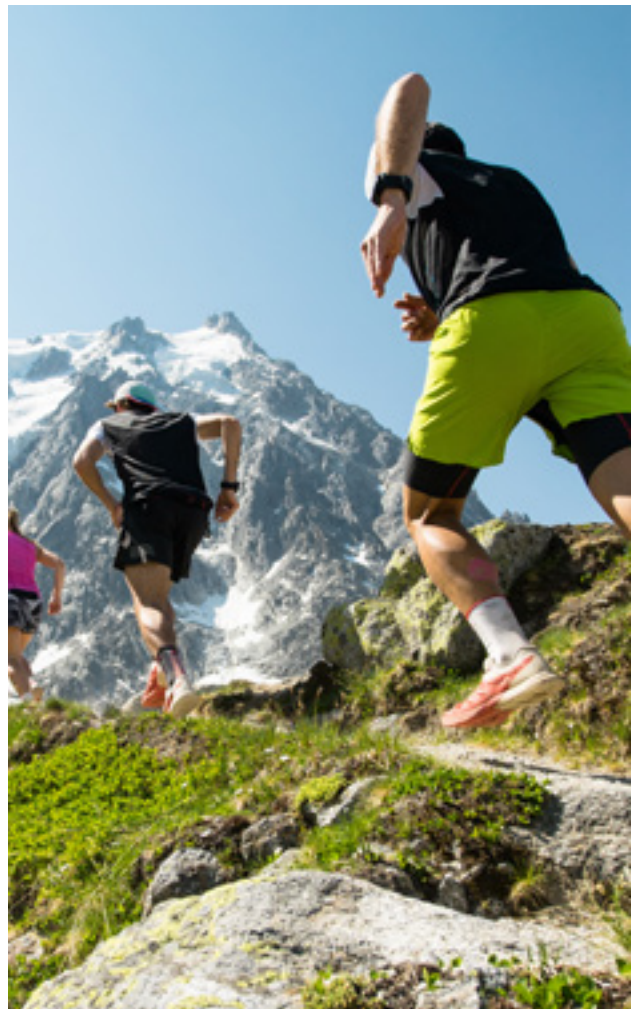


SC Growth Fund I 2018 Annual Report

Environmental, Social and Governance



2018 ESG Annual Report

Prepared by:



Supported by



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.



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**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 Infrastructure 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 infrastructure investment funds solely focused on the Spanish lower mid-market.

Since its inception, Suma has focused on its core mission: "Combining efforts to ensure a superior impact". In each and every 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 cycles and economic conditions.

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. Suma was awarded an "A+" score by the UN's PRI in 2018, the result of the perseverance and the enthusiasm of everyone in the team.

This 2018 ESG Annual Report for our SCGFI 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 / Chairman



Suma was awarded the "Best 2018 ESG initiative in Spain" by Private Equity Association ASCRI, another reward to the continued effort of our investment team

About us

Suma Capital is a Spanish independent asset manager of private equity funds focused on two differentiated investment programmes: Sustainability infrastructure 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.

Growth Capital investments

Suma Growth funds invest between € 5-15M per company, through acquisitions or capital increases, in profitable companies leading their respective sectors. All have a committed management team aligned with the project, and are eager 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.

Growth capital investments as of December 2018:

turrís

A premium retail chain of bakeries, offering artisan bread and other bakery products in the Northeast of Spain.



Leading online travel agency & tour operator in Spain, focused on long-distance affordable travel packages for tourists.

tradeINN

First online retail platform in Spain specialised in sports material, third largest in the EU, with presence in +180 countries around the world, offering +900,000 SKUs.



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



Leading outsourcing sales and marketing 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.



Leading machinery rental provider in Spain, focused on short- and medium-term rental for the construction, manufacturing, cleaning and gardening industries with a base of 4,000+ recurrent customers.

PARTY FIESTA®

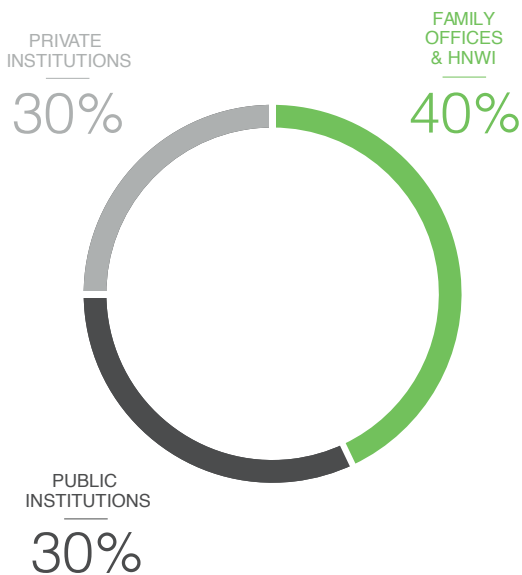
Leading retail chain in the EU of party goods and costumes with +140 stores, owned and franchised, in Spain, France, Germany, Austria and Portugal.



Our Investors in Suma Capital



Our investors actively follow up and support our Responsible Investment Policy as well as our ESG initiatives



- We currently manage 225 million euros through two investment programs. (Suma Capital Growth Fund and Suma Capital Efficiency & Environment Fund).
- Our investors base is formed by a diversified group of Spanish and international institutions, including public institutions, insurance companies, pensions funds, financial institutions, as well as private high networth investors.
- Our investors are our clients so our relationship with them is at the heart and drives our business.

Suma Growth Team

Suma Capital's Growth team is deeply committed to implement responsible investment policy and promote ESG practices across the portfolio.



Suma Growth Team



Enrique Tombas
Mg. Partner & CEO



David Arroyo
Partner



Pau Bermúdez-Cañete
Partner



Manuel Cebrian
Investment Director



Gustavo Barroeta
Investment Director



Begoña Mata
Investor Relations & ESG Officer



Oscar Cortadellas
Associate



Lara Llach
Associate

Suma Growth Team

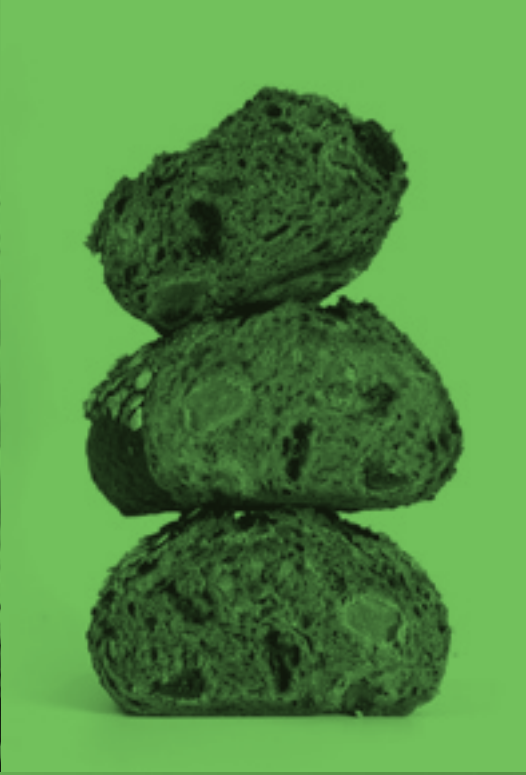
SUMA CAPITAL'S TEAM BUILDING ACTIVITIES: ROWING TOGETHER

In Suma Capital, we celebrate an off-site trip for two days every year in order to develop and consolidate the bonding between all team members. Being a cohesive team is crucial for us in order to succeed in the co-operation across projects and day to day tasks. The collaborative nature of these activities teaches us how to work together more effectively.

This year, we took a trip to Noguera Pallaresa, a region in the North-West of Catalonia, where we participated in an outdoor activity and had the chance to experience the thrills of a 14km white-water rafting. Thanks to the joint effort of all the members rowing for more than an hour, both teams got successfully to the end of the rafting tour!

Team building activities help the team to be fully aligned with our values and vision





2. Fund portfolio at a glance

turrís

Invested: 4Q 2017

Sector: Manufacturer and Specialized food retailer and manufacturer

Revenues at entry: 8m€

Chain of 18 fully-owned premium bakeries located in the metropolitan area of Barcelona.

Competitive advantage based on offering traditional high-quality fresh bakery products, scaling its artisanal manufacturing process to ensure quality standards in all stores. Each store is equipped with a baking workroom.

2018 revenues: 10,3m€

Accomplishments to date:

- Governance: New Board, reporting and compliance
- Implemented a more ambitious expansion plan
- Reinforcement of management team
- New omnichannel project
- New ERP

tradeINN

Invested: 4Q 2015

Sector: Sports E-commerce

Revenues at entry: 40m€

One of the leading European online retailers for sporting goods, with 900k SKUs across 15 different sport verticals.

Competitive advantage based on an advanced technological platform that manages sales and logistics, empowered by proprietary Big Data technology.

2018 revenues: 130m€

Accomplishments to date:

- Customer service improvement
- Increase in recurrence rate
- Launch of three verticals, including Dress-in (casual sports garments)
- Acquisiting of Bike-inn business

GRAND VOYAGE

Invested: 3Q 2018

Sector: Leisure E-commerce

Revenues at entry: 6,9m€

Leading online travel agency & tour operator in Spain, offering long-distance and long-duration travel packages, having served +12.000 travelers since inception.

Competitive advantage based of a pure digital player with and outstanding traction in a niche complex market, where large players has shown no initiatives for internal development within this niche.

2018 revenues: 6,9m€

Accomplishments to date:

- Implementation of a new financial reporting system
- Define new positions and support top management hiring
- New Board of Directors implemented
- Auditor changed from local to international firm
- Boost initial business plan through acceleration of destination releases

ALUCAN

Invested: 3Q 2016

Sector: Niche Manufacturing

Revenues at entry: 25m€

Leading European manufacturer of wide-diameter aluminum aerosols and bottles, mainly for the food & beverage sector (AAA customers).

Competitive advantage based on flexibility and adaptability (short production series) with high productivity in a niche market.

2018 revenues: 37,5m€

Accomplishments to date:

- New, more efficient plant with higher environmental standards.
- Financed a more efficient, productive and less polluting manufacturing line.
- Governance: New Board of Directors
- New reporting with a focus on cash flow





Invested: 2Q 2018
Sector: BPO Services
Revenues at entry: 17,8m€

Leading outsourcing sales and marketing 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.

Competitive advantage based on a solid platform to support future growth through build up strategy: management system, processes, credentials and strong brand recognition.

2018 revenues: 17,8m€

Accomplishments to date:

- Appointment of a new reputable financial auditor
- Introduction of a more effective reporting
- Implement further organizational simplification by merging 3 legal entities of Grupo Caher
- Expansion to new geographies
- Focus on developing higher value-added services



Invested: 1Q 2015
Sector: Specialised leisure retail
Revenues at entry: 16m€

Leading Spanish retailer for party supplies with more than 10k SKUs (costumes, balloons, makeup) and 140 points of sale by the end of 2018.

Competitive advantage based on long tail assortments, a category killer positioning and a solid sales and logistics platform.

2018 revenues: 30m€

Accomplishments to date:

- Expansion to Germany and Austria
- New Board of directors in place, with independent members
- Reinforcement of first and second level management
- International external audit appointed
- Launch of new e-commerce platform
- Restructuring of debt and operations



Invested: 3Q 2018
Sector: Machinery rental services
Revenues at entry: 13,1m€

Leading machinery rental provider in Spain, focused on short and medium-term rental for the construction, manufacturing, cleaning and gardening industries with a base of 4,000+ recurrent customers.

Competitive advantage based on innovative value proposition in an old-fashioned industry: new machinery park, wider and resilient product offering (multi-industry) and young, modern, paperless and tech-driven organization.

2018 revenues: 13,1m€

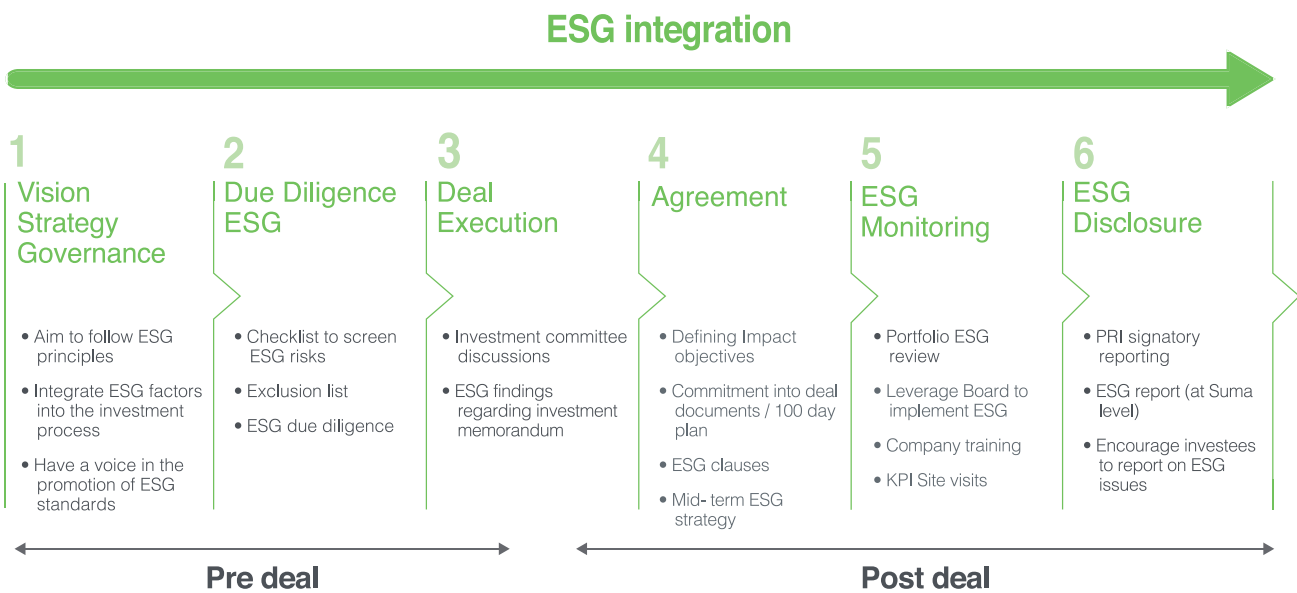
Accomplishments to date:

- Appointment of new financial auditor
- Implementation of 3 years strategic plan with existing management team
- Hiring a COO to coordinate the shift towards verticalization
- Support expansion through build-up strategy



3. ESG across the Fund processes

ESG is tightly integrated into our investment cycle activity:



We are convinced that sustainable development is the backbone of growth.

For over ten years, Suma Capital has been committed to ESG:

- 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 ESG strategy is applied 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.



3.1. ESG and Investment Execution

We follow the International Finance Corporation (World Bank) as well as the European Investment Bank's exclusion list.

Right from the deal origination stage we identify and prevent ESG risks and we enhance potential market opportunities by excluding non-acceptable activities or selecting sectors and targets inclined towards a higher environmental or social return. In this regard.

During the Due Diligence (DD) process, we place a particular emphasis on the identification of ESG risks and opportunities and to ensure the compliance of Suma's Responsible Investment Policy.

Therefore, as an integral part of our DD we thoroughly investigate ESG challenges and opportunities in areas such as:

- **Environmental:** Compliance with regulation, certifications, main environmental KPI's (energy consumption, waste, etc.)
- **Social:** Compliance with labour regulation, company culture, other labour issues (human resources practices, work-life balance, security at work, etc.), control of supplier's manufacturing processes, etc.
- **Governance:** existence of criminal compliance programmes, existing governance structure (steering committees, Directors' committees, etc.), absence of business conflicts of interest, business with related parties, etc.

Risk mitigation and excluded areas

Exclusion of illegal or morally controversial sectors:

- Tobacco
- Gambling
- Those that constrain Human Rights in any manner
- Weapons
- Human cloning
- Transgenic activities or products

Exclusion of any target with signs of corruption, money-laundering practices, crime.

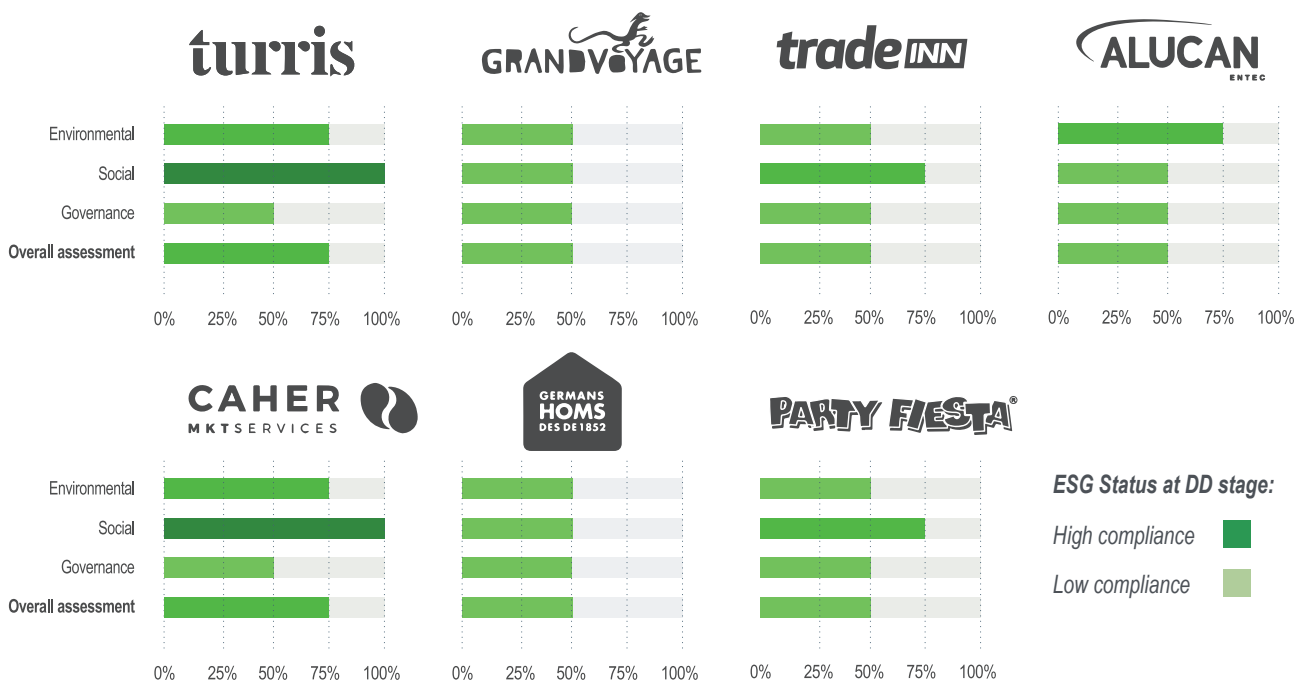
Opportunities enhancement

Inclusion in our target sector research, of areas such as:

- Social care, communities & stakeholders
- Sport and healthy lifestyle
- Education & children
- Elderly people
- Labour intensive, inclusion of minorities
- Climate change, clean energy
- Resource efficiency and recyclable materials
- Biodegradable and organic products

Identification of areas for improvement at each target investment.

Our overall assessment during DD, at the time of the Fund's investment was:





As a wrap-up of the Due Diligence process, we share the results with our future partners and the company managers and try to agree on potential actions to reduce ESG risks and to improve in the future. Depending on the elements detected in the DD, those are approached at the early beginning of our investment period or with a mid-term development perspective, with an action list.

The Fund's Investment Phase concludes with the Shareholders and Investment Agreements where we include relevant governance clauses that enable us to modulate ESG within portfolio companies, including:

- Governance structure based on a Board of Directors with at least 2 SCGFI members.
- Ability to participate in 1st and 2nd level management recruitment, including CFO or financial controller appointments.
- We now include a specific mention of ESG guidelines in all agreements throughout the investment phase. We believe communication and transparency towards our partners and managers is the best way to ensure future alignment in these issues.

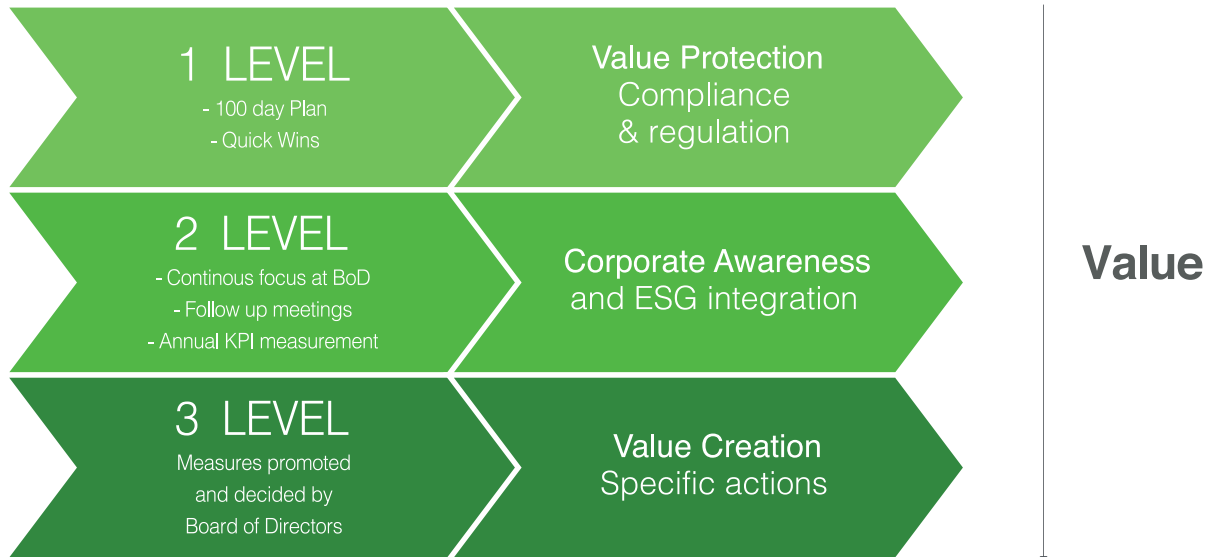
3.2. ESG and Portfolio Management

We believe that we can generate value in our investee companies that is measurable and sustainable well beyond our period as investors.

We have designed a simple framework for ESG matters throughout the Portfolio Management phase consistent with the initial ESG Due Diligence. It establishes three levels of progress on ESG matters:

Suma's value creation is based on strategy, impact and operations

Suma Capital framework / The ESG Flow



All our portfolio companies must have an external auditor and report consolidated financial statements even if they are not obliged to do so by Law.

Furthermore, although it is still not mandatory for SMEs we have started a process of adopting a Criminal Compliance Programme in all our current and future investments.

We also encourage initiatives such as labour risk policies, anti-corruption policies, anti-money laundering procedures, recycling policies and NGO donations, amongst many others.

These compliance and regulation items are listed and shared with our partners and at the top management level. Key Impact Indicators are the best tool we can give managers to follow up on these considerations and mirror themselves to measure their annual progress.

Follow-up meetings with top management and the annual review of the ESG practices help our companies integrate ESG into their culture and processes and encourage investees to report on ESG matters even as we eventually exit.

4. Measuring ESG across the Fund's two key goals

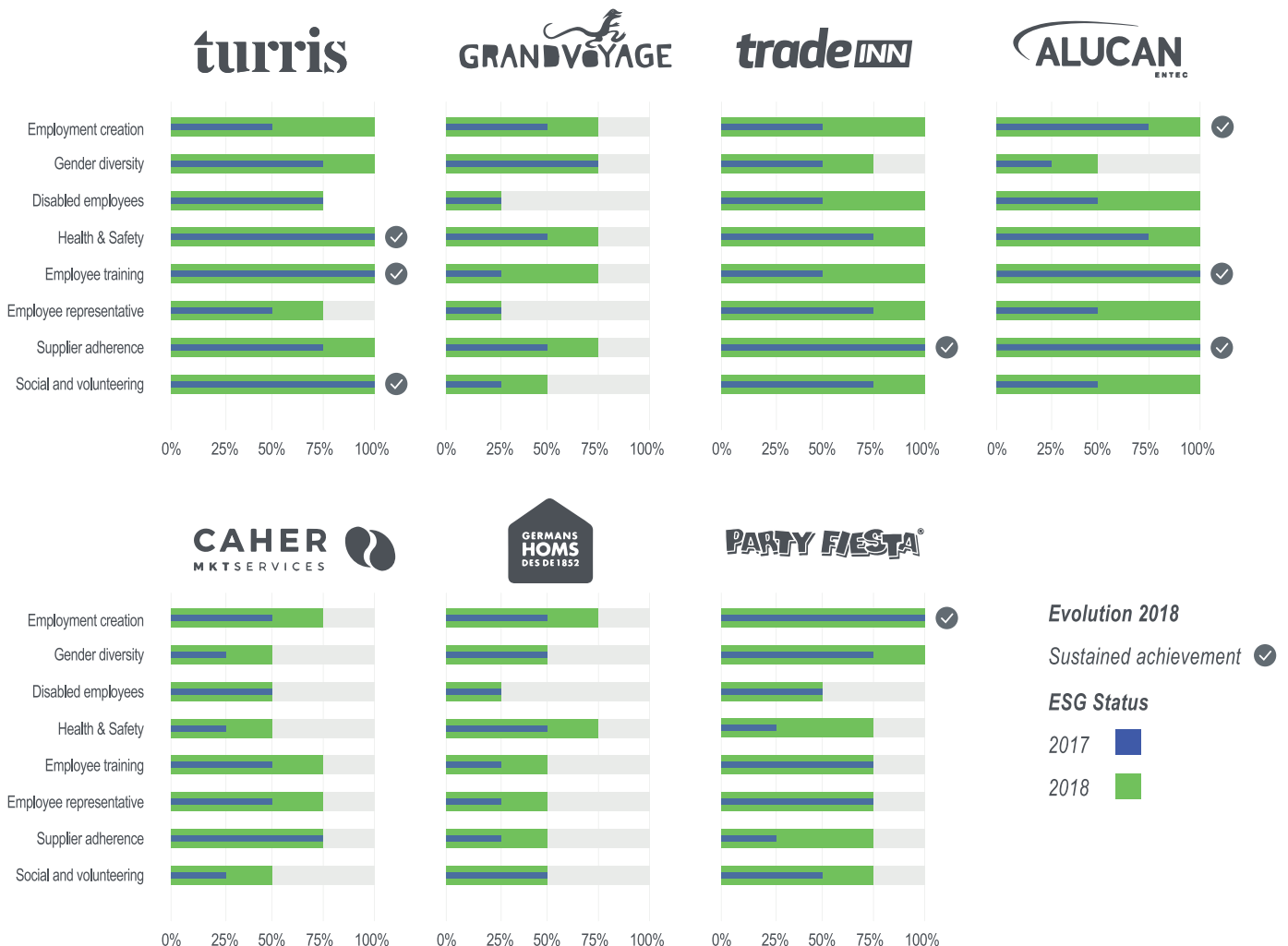
Two key goals for 2018 were, firstly, to continue supporting our portfolio companies in the transformation of their businesses and to integrate impactful initiatives in each and every company we work with, and secondly to quantify and measure

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.

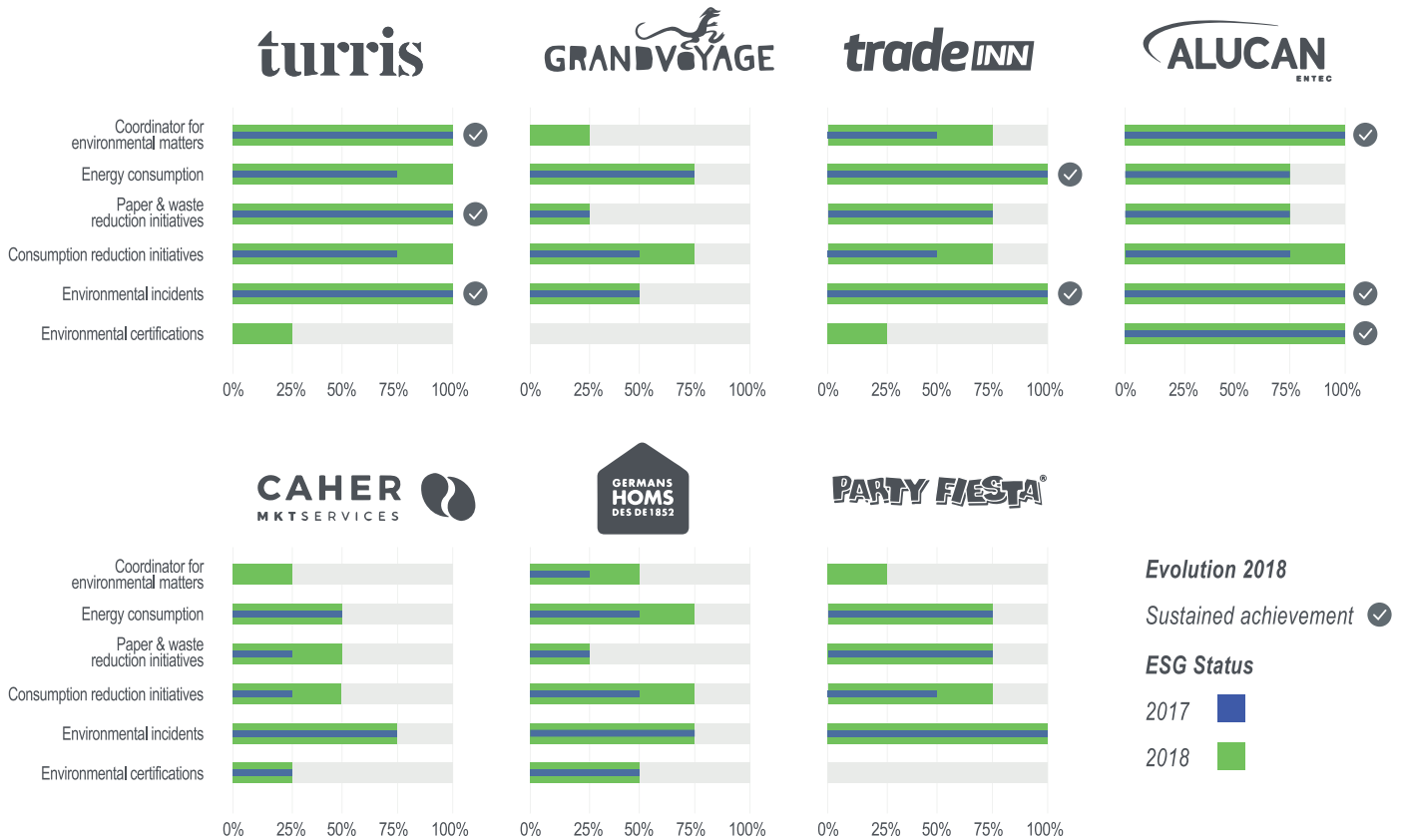
4.1. Metrics and Key Impact Indicators

Measuring ESG impact is a complex and a dynamic process. Thus, we believe in the value of recurrent assessments and monitor all investee companies periodically:

Social Indicators 2017 and 2018:



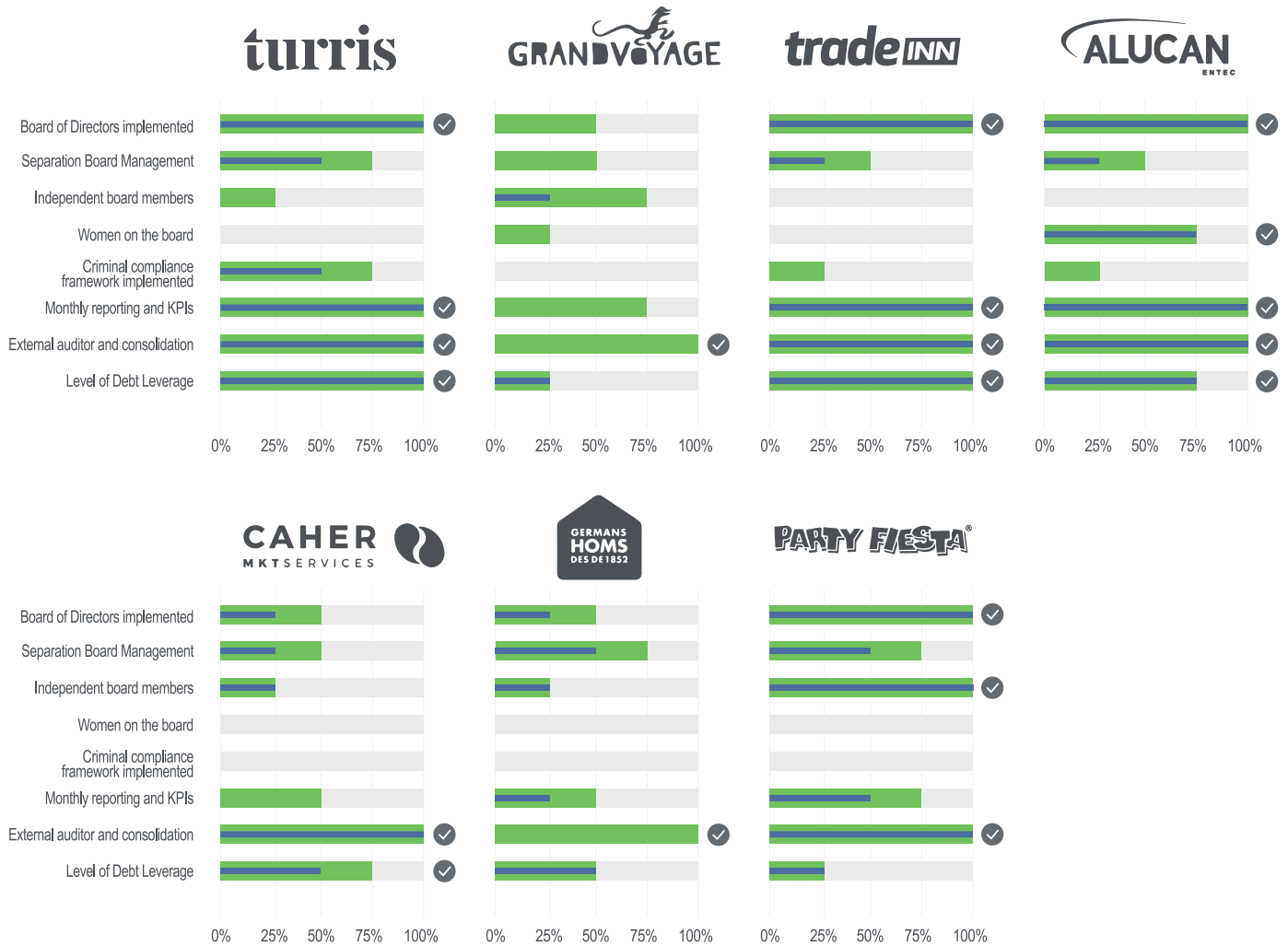
Environmental Indicators 2017 and 2018:



Suma and its portfolio companies see ESG impact as an ongoing effort. Therefore, we work together to continuously improve and set more ambitious goals

Key impact indicators are periodically reviewed at Board level. Depending on the nature of each business, emphasis is placed on specific areas, such as environmental matters for manufacturer Alucan or social programmes for people-intensive Turris.

Corporate governance Indicators 2017 and 2018:



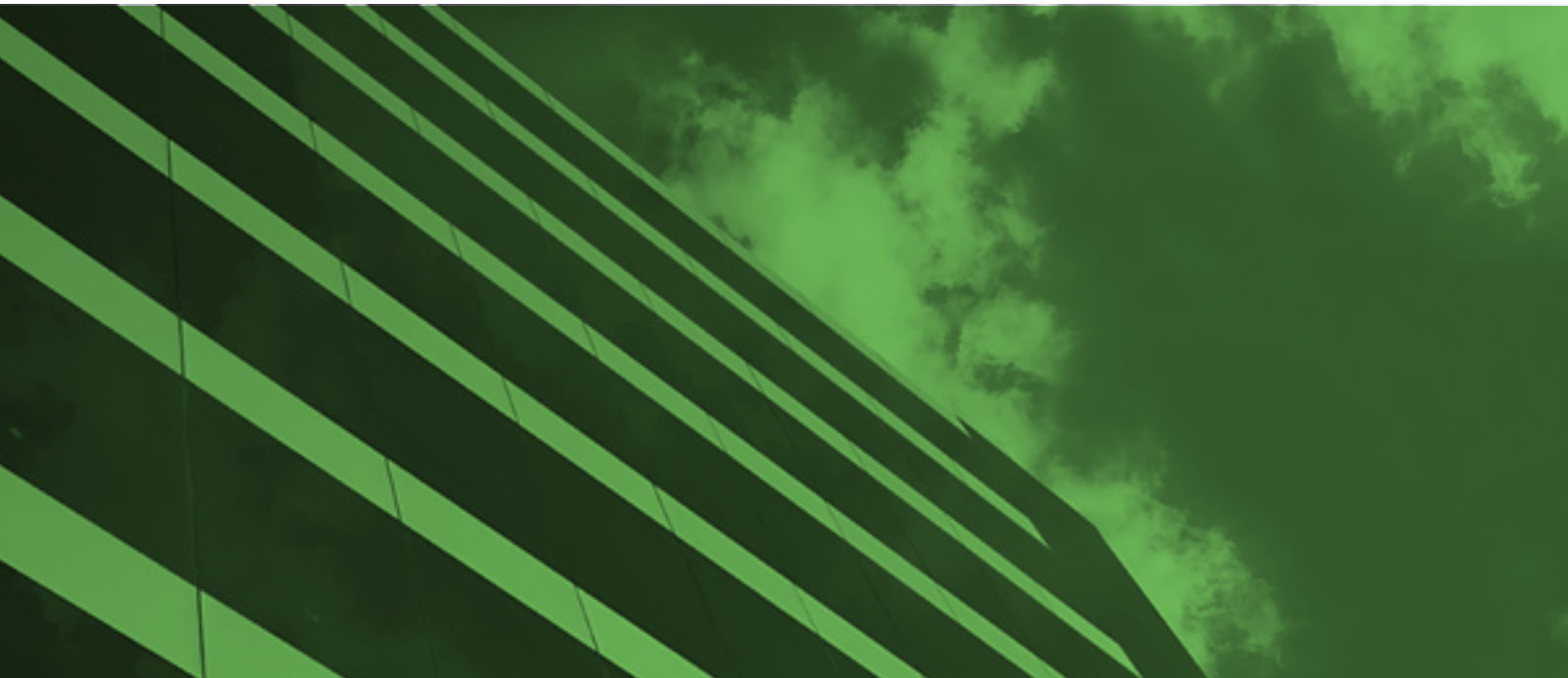
Evolution 2018

Sustained achievement ✓

ESG Status

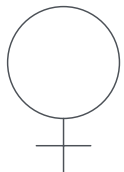
2017 ■ 2018 ■

4.2. Portfolio aggregated impact during 2018



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 indirect employees.



Professionalization of SECOND LEVEL

management

Professionalization of second level management.

We hired 5 professionals at Management Committee level.



7/7

Boards of Directors in place

(only 1 in place at investment)

Up to 15% of female Directors. Monthly reporting implemented in 100% of the invested companies.



Reviewed BALANCE SHEET

robustness across all companies

0.5x EBITDA average debt leverage throughout the Fund's portfolio to allow for future growth.



More than 70K€

in donations to NGO's in 2018

(+130% vs. 2017)

More than 15 organizations helped.

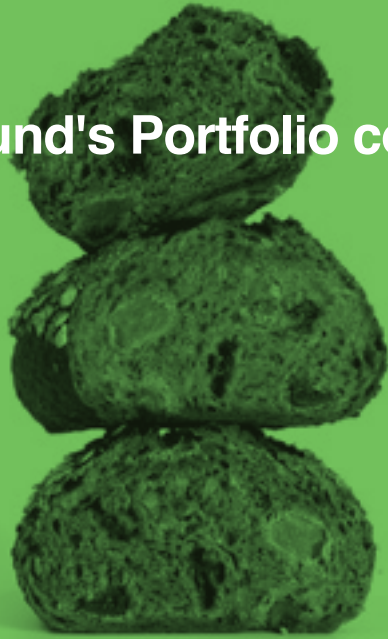


Savings in ENERGY CONSUMPTION

The portfolio saved >10% of total energy consumption in MWh (vs. 7% in 2017)



4.3. ESG across Fund's Portfolio companies



turris



Turrís

ESG in our food retail investments

The logo for Turrís, featuring the word "turrís" in a dark blue, serif font with a lowercase 't' and a lowercase 'i'.

» We are glad to have social and governance principles aligned with our investor. Indeed, Suma shares our vision and adds value in our growth process.

Manel Sellarés, Founder and CEO ⌞

Founded in 2008, Turrís is a chain of 18 fully-owned premium bakeries located in the metropolitan area of Barcelona. Turrís offers traditional, high-quality fresh bakery products, scaling its artisanal of the manufacturing process to ensure quality standards every day at every store. Since it started its operations, ESG has been a priority throughout the company's activities.

Bakery stores have traditionally employed people early in the morning, starting with shifts hours, with shifts starting around 3am and working all whole day on Sundays or holidays.

The company has a strong commitment towards the enhancement of the work-life balance of its employees. Turrís enables their bakers to start their morning shift at around 6am, and closes all its stores on Sundays and holidays so that their employees can rest.

Marta Manzano, head of Marketing at Turrís, dedicates part of her day to attend reactively and suggest proactively a variety of social impact actions from Turrís that can add value to society.

For the past five years, the company organizes its Christmas and St. John's Campaigns, where Turrís designs a charity product (type of bread, cakes, etc.) and allocates €0,25cts from the company and €0,25cts from the customer for every product sold.

Funds raised are sent to the Make a Wish Foundation, a non-profit organization that arranges experiences described as "wishes" to children diagnosed with critical illnesses.

Once a month, the company also organizes workshops so that customers can learn about different topics: techniques to carefully produce and bake bread and other products, the benefits of introducing bread in our diet, etc. The price for attending the workshop (€10 per person) is fully sent to two charity organizations:

- "Pallapupas", an NGO that employs professional clowns who support children before and after severe surgeries.
- "Amics de la Gent Gran", an NGO supporting the elderly with little economic resources or no family to make them feel accompanied.





GrandVoyage

ESG in our leisure and e-commerce investments

GrandVoyage is a customer-centric organisation, with focus on making her experience the best possible. We believe in sustainable, responsible and affordable tourism.

Arvin Abarca, Founder and CEO



GrandVoyage is a Spanish online tour operator specialized in offering long-distance tailor-made holiday tour packages.

Serial entrepreneur Arvin, who founded the company in 2012, is a force in the Spanish online space. The GrandVoyage project followed the disruption of the tour operating market with players that have disintermediated the sector, using technology to connect last link of the value chain (providers of hotels, flights, etc.) with final customers.

With this in mind, Arvin launched GrandVoyage e-platform to offer long-term holiday packages with the aim of cutting down intermediation to its fullest, thus offering affordable prices to its customer. In addition, GrandVoyage is obsessed to maximize its customers experience. The Company has put together a process whereby customers are first welcomed on the website that includes a broad destination catalogue and past customers' personal reviews. Subsequently,

the fine-tuning closing process is made over the telephone as representatives make sure that the clients will enjoy their experience at its fullest. This assisted-sales process allows GrandVoyage to differentiate from large travel agencies.

GrandVoyage's plan is to increase penetration in Spain as well as to expand into new issuing geographies. To do so, Arvin plans on combining organic growth, like he successfully did until now, with a build-up expansion plan.

GrandVoyage has a strong commitment for responsible tourism, promoting the policy among its customers, and involving all its stakeholders to develop a sustainable and responsible way of travelling. GrandVoyage aims to respect the natural and cultural richness of its destinations. Some of the objectives of the firm is to preserve common heritage in destinations offered and support tourism biodiversity.





Tradeinn

ESG in our sports e-commerce investments

The logo for Tradeinn, featuring the word "trade" in a bold, lowercase, sans-serif font, followed by "INN" in a bold, uppercase, sans-serif font. The "INN" is enclosed in a black rectangular box.

「 We are a technology company competing in the sports e-commerce space. Therefore, we take particular pride and care about all our staff and our development team which is our obsession.

Didac Lee, co-founder and CEO ┌

Founded in 1997, the firm originally focused on offering diving gears through an online store and a brick and mortar sales point. Tradeinn went through a complete repositioning of its strategy in 2009 and, as of today, it is the first online retail platform specialized in selling sports goods in Spain, the third largest in Europe and it is present in nearly 180 countries worldwide.

It currently displays more than 900,000 references on its website distributed across 15 sport verticals. Procurement is conducted through a network of 750 suppliers and ranges from highly technical specialized gears to broader products. On top of its ever-increasing product offering, making it a one-stop-shop for sport enthusiasts and beginners, Tradeinn can also rely on its fully automatized systems improving customer experience while maintaining operational excellence: dynamic pricing through scrapping, efficient market spending, optimized picking in warehouses and live connection with suppliers allowing an A-to-Z inventory control and logistics.

Since its foundation, Tradeinn's team has cared about its staff

in Girona, its suppliers, customers and logistics partners. Its central facilities and warehouse, completely renewed in 2018, were automatized to allow for full ergonomics, health and safety.

Tradeinn collaborates with social causes. It is part of their DNA to feel that, in some way, they contribute to improving some facets of this world. That is why, in Tradeinn, we collaborate with organizations and charitable causes contributing our bit to the construction of a better world like Intermon Oxfam or AECC (Spanish Association Against Cancer).





Alucan

ESG in our niche manufacturing investments

The investment by Suma Capital helped us grow from a small manufacturer into a 21st century player, both as a business as well as a responsible institution, caring for our environment, workers and stakeholders.

Jordi Espada, CEO



Alucan is a Spanish aluminium can manufacturer for wide-diameter aluminum aerosols and bottles. Aluminum is a 100% indefinitely recyclable product. Alucan's main clients are large European Food & Beverage multinationals that demand the highest standards in terms of product quality, track good manufacturing and social practices at suppliers, and are increasingly aware of the environmental impact of their own and their suppliers operations.

With the support of Suma Capital's investment, Alucan has moved forward with the investment of a new line that adds up 35 million units per year with a positive impact in:

- Scrap/waste reduction by 50% vs. old lines.
- Significant energy savings per unit.
- A new production with significant efficiency savings.
- More efficient Regenerative Thermal Oxidizer, significantly reducing the emission of particles into the air.

- New line with ergonomic improvements to reduce accidents. Soundproof protections, making it safer to operate.
- The RTO-associated investment minimizes workers' exposure to solvents, and filters potentially toxic emissions.





Caher

ESG in our business services / BPO investments



┌
We are obsessed with people. Taking care of them is our first aim. With a long-term view, we work across hiring, training, health and safety in order to create the Caher community and make every work day a worthwhile one for everyone here.

Javier Rotllant, Founder and CEO

└

Founded in 1991, Caher is a business process outsourcing (“BPO”) provider. It operates as a field marketing and point of sale (“PoS”) management services company, serving over 20,000 PoS across the Iberian market. Its owner-managers Javier and Salvador have driven the company’s exceptional growth, expanding both client geographical footprint throughout Spain, client industry diversification while improving service offering.

Today, Caher offers a wide array of value-added trade marketing services to brands, helping more than 30 national and international consumer goods manufacturers with PoS management & promotional marketing organization, as well as dealing with the logistics of all the promotional merchandising materials. Beyond its wide workforce of well-trained sales and marketing professionals, Caher has developed its “Value4Sales” cloud-based software platform which enables clients to monitor and improve PoS performance as well as to interact with Caher’s assigned employees in real time.

Caher is a people-intensive business, with c. 1,000 full-time employees and as many indirect employed staff. Therefore, in addition to adequate corporate governance and environmental considerations across its offices and client sites, its main obsession is to take diligent care of its workforce.

Caher promotes social policies among its employees such as labor conciliation, gender equality and teleworking. Their remuneration is much higher than the sectoral agreement in order to retain talent in the company. Caher also focus on environmental issues and through its disruptive platform, it optimizes the route of their point of sales managers to reduce both vehicle consumption and gas emissions.





Germans Homs

ESG in our business services investments

┌ We continue to work to create long-term enriching employment as well as on taking care of our stakeholders and the environment where we operate.

Vincenç Homs, Founder and CEO



German Homs (“GH”, literally Homs Brothers) is a young and disruptive machinery rental business founded by two dynamic entrepreneurs who built a significant player within a growing but relatively outdated Spanish sector. The company has established itself as a leading regional player in the rental space by offering a superior quality service through premium machinery and a customer friendly and fully digitalized rental process. Suma Capital invested in an exceptionally well-managed company with further strong growth and profitability perspective.

The two brothers founded their business around a very simple value proposition based on two key ideas: (1) provide top quality machinery & equipment to private and corporate clients while (2) offering a client-friendly, easy to use, hassle-free rental process. Despite launching their company in the midst of one of Spain deepest financial and construction crisis, GH grew rapidly and was profitable within the second year, creating significant direct and indirect employment in their region.

GH has built a leading position in a fragmented market by offering an innovative value proposition in an otherwise aging in-

dustry, using a modern and well-structured sales and client-focused organization. Furthermore, to date, it has successfully acquired and integrated 4 companies (both vertical and horizontal expansion) and is contemplating more add-on opportunities. As of today, GH has 10 active points of sales distributed across the Northern East part of Spain serving more than 4,000 unique customers every year.

Germans Homs promotes renting equipment through their customers instead of owning it to reduce environmental footprint and move towards circularity. In addition, the company has focused on electrical machinery rental helping to reduce gas emissions and sound contamination across the cities and currently stands as the leader in Spain in this niche market. This environmental commitment is complemented with a paperless policy that helps to generate less waste. They also collaborate with charitable events such as solidarity races offering their assets for free.





Party Fiesta

ESG in our leisure, retail investments

At Party Fiesta we want to make people happy. Not only children and party-goers but also everyone across our 140 store network and our suppliers worldwide.

Manuel Hernández, Founder and CEO



Party Fiesta provides retail customers with a wide range of party-related goods ranging from balloons and candies to full carnival disguises and accessories. In 1994, Manuel Hernandez, the owner of a Menorca-based Christmas decorations manufacturing and distribution business, established Party Fiesta with a view to replicate an American consolidated business model in Spain. Over the next 10 years, the firm expanded from a single store into nearly 20 by the mid-2000s, most of them franchises. For the following 10 years, the Hernandez family progressively rolled-out its owned stores and eventually reached +90 stores by the end of 2014, 60.0% franchised and 40.0% fully-owned, morphing into a full-fledged specialty retailer with € 16.0m in sales.

Today, Party Fiesta operates 135 stores, half of them fully-owned, located primarily in Spain and the German-speaking European countries. The firm has also developed its online operations.

With the arrival of Suma, Party Fiesta introduced corporate governance procedures and organization, while it continued with

its sustained store expansion across Europe. During 2018, it had grown to a total staff of 427.

Party Fiesta is concerned on the traceability of its suppliers to ensure that their facilities meet their stringent quality standards and do not employ underage workers. In order to do so, they visit and audit their suppliers' facilities on a yearly basis. They also focus on the quality of the products and test them to verify they are flame retardant to avoid accidents. In addition, Party Fiesta also collaborate with organizations by giving products for free for kids in difficult situations.



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, our stakeholders and society. At Suma, ESG is a philosophy and a framework for continuous, ongoing work.

For 2019, 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.

Across our portfolio companies:

- 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.
- More effectively communicate what we do: regularly informing the investor and the community about the companies ESG-related impacts.
- Have our ESG activity reviewed by external parties such as PRI and advisors like PwC.

6. Principles of Responsible Investment – PRI

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.

At Suma Capital, we believe in the role of the financial sector in the transition towards a fair and sustainable society and in achieving the 17 SDGs.

Suma was awarded an A+ score by PRI in 2018!



See: www.un.org/sustainabledevelopment



United Nations PRI Scorecard: PRI evaluated Suma Capital for its ESG performance during 2018

Suma Capital, received the highest rating (A+) for its global strategy and governance as well as for the Private Equity section, in the assessment of its 2018 activity. The grading is the result of significant work since the company become a United Nations PRI signatory in 2013 .



UN PRI Scorecard



Strategy and Governance section:

Module	Strategy and Governance
Total Score	30 ★ (out of a maximum 30 ★ from 10 indicators). Your score includes 3 additionally assessed indicators and the additional part of your score was calculated from SG 08.a, SG 08.b, SG 11.
Band	A+

SECTION	INDICATOR	MEDIAN PEER SCORE (N PEERS)	YOUR SCORE
	TOPIC		
RI Policy	RI Policy and coverage	★★★★ (1728)	★★★★
	Publicly available RI policy or guidance documents	★★★★ (1728)	★★★★
	Conflicts of interest	★★★★ (1728)	★★★★
Objective & Strategies	RI goals and objectives	★★★★ (1728)	★★★★
Governance & Human Resources	RI roles and responsibilities	★★★★ (1728)	★★★★
	RI in performance management & rewards	★★★★ (1728)	★★★★
	RI in personal development / training	★★★☆☆ (1728)	★★★★
Promoting RI	Collaborative organisations / initiatives	★★★☆☆ (1728)	★★★★
	Promoting RI independently	★★★★ (1728)	★★★★
	Dialogue with public policy makers or standard setters	☆☆☆☆ (1728)	★★★★
ESG Issues In Asset Allocation	Investment risks and opportunity	★★★★ (1728)	★★★★
Assurance of Responses	Assurance, verification, or review	★★★☆☆ (1728)	★★★★



Private Equity section:

This module looks at responsible investment implementation during fundraising, pre- and post-investment processes.

Module	PRIVATE EQUITY
Total Score	29 ★ (out of a maximum 30 ★ from 10 indicators). Your score includes 3 additionally assessed indicators and the additional part of your score was calculated from PE 04, PE 07, PE 08.
Band	A+

SECTION	INDICATOR	MEDIAN PEER SCORE (# PEERS)	YOUR SCORE
	TOPIC		
OVERVIEW	Investment guidelines and RI	★★★ (428)	★★★★
FUNDRAISING	Fund placement documents and RI	★★★ (379)	★★★★
	Formal commitments to RI	★★★ (378)	★★★★
PRE-INVESTMENT (SELECTION)	Types of ESG information considered in investment selection	★★★ (428)	★★★★
	Encouraging improvements in investees	★★★ (428)	★★★★
	ESG impact measures in selection process	★★★ (428)	★★★★
POST-INVESTMENT (MONITORING & ACTIVE OWNERSHIP)	Proportion of companies monitored on their ESG performance	★★★ (428)	★★★★
	Proportion of portfolio companies with sustainability policy	★★★ (428)	★★★☆
	Actions taken by portfolio companies to incorporate ESG issues into operations	★★★ (428)	★★★★
	Disclosure of ESG issues in pre-exit	★★★ (321)	★★★★
OUTPUTS AND OUTCOMES	ESG issues affected financial/ESG performance	★★★ (428)	★★★★
COMMUNICATION	Disclosure of approach to public	★★★ (428)	★★★★
	Disclosure of approach to clients/beneficiaries	★★★ (428)	★★★★

The UN PRI is a network of international investors working together to ensure that ESG issues are given appropriate consideration in the investment process.

This A+ rating reflects Suma Capital high standards in embedding ESG criteria through investment strategy.

Source: www.unpri.org
See methodology at:
www.unpri.org/signatories/about-pri-assessment

Suma's consistent achievement in obtaining the highest possible score available from PRI demonstrates our long-term success in putting ESG and transparency at the core of our daily work



Appendix: Responsible Investment Policy

(see: www.sumacapital.com/rsc)

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 Sustainable Development Goals**, 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.

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 benefiting 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 achieve 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-faceted 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 procedu-



res 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*
- *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*
- *Meritocracy*

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 ┐







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