2022 ESG & Impact Report SCEEF II Fund

-J Suma Capital GROWING TOGETHER

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1. Introduction

At Suma Capital we have identified **sustainable investments as the strategy to generate positive impacts on the environment, people and society**, generating market returns for our investors while responding to global challenges like climate change, energy transition and circular economy. As an impact investor, we recognize the social role of impact investing on supporting **economic activities that increase the resilience** of the natural and social capital and that **provide solutions** to global needs.

Suma Capital is committed to redirecting capital flows towards sustainable economic activities, with a **clear and measurable environmental objective**, and reinforce its **commitment with the integration of ESG** (*Environmental, Social and Governance*) **matters** on the different stages of the investment process and enhance its stakeholders' commitments with sustainability. Suma Capital has **deployed the SCEEF II Fund** as a thematic fund with investments in energy transition, climate change mitigation and circular economy as its main objectives.

The development of a product that has sustainable investment as its main objective means putting **sustainability at the core of our investment strategy**, and it also represents an exercise of coherence, truthfulness and alignment with the best market practices and with the commitments of our **Responsible Investment Policy**. Suma Capital completed during 2022 the formal register on the CNMV of the SCEEF II Fund as an **article 9** product under the **SFDR Regulation**, with sustainable investments in environmental activities as its main objective.





2. Areas of focus

We focus our investments in two impact and sustainability areas to deliver results that benefit the planet, the people and the society in general.

Energy Transition



Power generation from renewable technologies



Wide range of technologies to reduce industry energy consumption



Promotion of shared mobility and zero emissions fleets

Circular Economy



Power and heat generation from the treatment of waste





Conversion of waste into new resources

Promotion of water cycle and optimization of water resources



3. Sustainable investment objectives

SCEEF II Fund has defined **sustainable investment as its main objective.** From the six environmental objectives defined by the European Commission on the Taxonomy Regulation (*Regulation (EU) 2020/852*), the Fund seeks to contribute to: (1) **climate change mitigation** and (4) **transition to a circular economy.**





4. Contribution to the impact objectives of the Fund

We measure the impacts that the projects invested by the SCEEF II Fund generate on the environment. Annually we review the impact metrics that drive the sustainable development and performance of our two sustainable investment objectives: **climate change mitigation** and **transition to circular economy**. Additionally, we evaluate and **monetize** the **environmental and social externalities** generated and avoided trough our investments by the SCEEF II Fund with the **SEROI methodology**.



S&E benefit related to climate change damages avoided

S&E benefit related to the surplus cost of extracting fossil fuels avoided 6



5. Portfolio summary

Investment / divestment	Investee	Sector	Description	EU Environmental Objective	Main SDGs impacted
2018 /	Efficiency & Environmen Infrastructures II	t Energy Efficiency	Energy efficiency platform offering different solutions to industrial, retail and public clients	Climate change mitigation	7 STERAME CORE CLARMENT T1 RETAMANE CORE A SECONDANCE A SECONDANCE
2019 /	SC Valorizaciones Agropecuarias	Waste to Energy & Resource	Combined heat and power plant with pig slurry treatment and biogas units	Transition to a circular economy	7 dilaterare
2019 /	SC Zero Waste Energy	Waste to Energy & Resource	Platform comprising combined heat plants with waste (pig slurry and olive pomace) treatment and biogas units	Climate change mitigation & Transition to a circular economy	12 EXCRAMENT REFERENCE
2020 /	QOICHI 1	Renewable Generation	Development and construction of small-scale solar PV plants	Climate change mitigation	7 definition 13 action T definition 13 action
2020 /	Anoltri Invest	Waste to Energy & Resource	Treatment and recovery of non-hazardous organic sludge for the generation of biogas and discharge to the electricity grid	Climate change mitigation & Transition to a circular economy	12 EXCEPTION 13 CART
2020 /	SC Gases Renovables	Waste to Energy	Transformation of biogas into biomethane for injection into the natural gas network	Climate change mitigation	7 ATRODUCE AND TO ALL AND ALL
2019 /	Producción Renovable	Renewable Generation	Development and construction of solar PV plants	Climate change mitigation	7 стоязне на 13 слина:
2018 / 2021	Aranda District Heating	Waste to Energy	Conversion of biomass from wood waste for residential heating	Climate change mitigation	7 ATRANEAR 13 ACTOR 13 ACTOR
2018 / 2021	Guadalajara District Heating	Waste to Energy	Conversion of biomass from wood waste for residential heating	Climate change mitigation	7 CLARINGER
2019 / 2021	Hinojosa Solar	Renewable Generation	Photovoltaic solar energy generation	Climate change mitigation	7 ATRIBUTER
2018 / 2022	Cooltra Inversión Motos	Smart Mobility	Fleet transformation to electric scooters fleet for a moto sharing platform	Climate change mitigation	11 REFERENCE OFFICE

These projects are included in SEROI calculations, as SEROI methodology involves considering the whole lifespan of SCEEF II projects.



6. How do we manage ESG & Impact?

The integration of ESG & Impact factors in the management of our investments, is vital to guarantee a balanced risk management, including Sustainability matters, along with the development of opportunities and value creation, which form part of the core of all SCEEF II Fund investment. To ensure an organized approach to ESG & Impact matters, Suma Capital has set various internal processes and practices to identify and manage the ESG & Impact aspects of our investees:

- 1. Identification of impact potential and alignment with fund's objectives of climate change mitigation and circular economy
- 2. ESG materiality assessment to identify the financially-material ESG & Impact drivers for each sector/investment.
- 3. External ESG Due Diligence
- 4. Deployment of ESG Governance
- 5. Periodic monitoring of ESG & Impact metrics
- 6. Drafting of ESG strategies and value creation opportunities
- 7. Drafting of ESG policies package for investees
- 8. Periodic review of ESG & Impact matters by the Board of Directors of the investees, including the progress on the strategies, plans and commitments approved





6. How do we manage ESG & Impact?

As defined in our **Responsible Investment Policy**, we integrate ESG & Impact factors in all stages of our investment process in our sustainable infrastructure funds.

Some of the guiding principles that we follow when integrating ESG & Impact considerations are as follows:

- The UN Principles for Responsible Investment (PRI)
- The UN Sustainable Development Goals (SDGs)
- The UN ten Global Compact Principles
- The recommendations of the National Securities Market Commission (CNMV)
- The Global Reporting Initiative (GRI Standards)
- The OECD anti-corruption and anti-bribery convention
- The fundamental conventions of the International Labour Organization (ILO)
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Regulation (EU) 2019/2088 (SFDR)
- Regulation (EU) 2020/852 (EU Taxonomy)
- The climate action commitment of Initiative Climate International (iC International)

Exit

Assessment and evaluation of the investee, to capture the additional ESG & Impact value generated during the holding period and prepare an ESG & Impact value Memorandum for potential buyers.

Portfolio Management

Approval of an ESG Roadmap including plans and initiatives for ESG & Impact value creation, the implementation of SC ESG Reporting framework, ESG Governance and stewardship measures



countries are excluded, following the exclusion lists of the International Finance Corporation, the European Investment Bank and the European Investment Fund.

ESG Due Diligence

Company current and planned operations and supply chain, including EPC and O&M contracts. Assessment of negative impacts and EU Taxonomy eligibility.

Investment decision

Investment Committee reviews the positive impact contribution criteria and the alignment with the desired ESG & Impact performance, thresholds and objectives.

Contract formalization

The contract includes the requirement to adhere to the ESG and Impact commitments supported by Suma Capital along with the compliance with article 9 (SFDR) and positive impact requirements, including in EPC and O&M contracts.



6. How do we manage ESG & Impact?

01 | ESG & Impact materiality & risks assessment

We perform ESG materiality analyses, through materiality maps, based on SASB and GRESB, to identify the financially-material drivers for each investment, and adapt and enhance the ESG due diligence or perform assessments. We use the IMP to further understand the positive and negative impacts generated by our investments.



IMPACT MANAGEMENT PROJECT

02 | ESG Roadmaps

We propose ESG strategies and action plans for each investment. that include material risks mitigation initiatives. based on the guidance from the Investment Committee, the ESG Due Diligence results and the experience of Suma Capital's teams on ESG and Impact value creation

03 | ESG policies

We promote the commitment towards best-in-class ESG management practices and objectives throughout the organization and its value chain, by supporting our investees with ESG policy packages and external commitments.

04 | ESG governance

We define an ESG Governance scheme for each investment, including an ESG Manager or an equivalent committee, that reports to the Board of Directors.

06 | Climate Change

Our commitments to integrate and mitigate climate change in our investments, pushes our efforts to calculate the carbon footprint of investments, set reduction plans and define emission reduction objectives.

05 | ESG & Impact monitoring

At Suma Capital we undertake annual and quarterly monitoring of ESG and Impact metrics, following bestin-class reporting standards. Our SC ESG Reporting framework includes the principal adverse impacts of SFDR, along with climate metrics of the TCFD or ESG reporting metrics of ILPA, EDCi, GRI and GHG Protocol, among others.





7. ESG & Impact developments of the Fund

Register of the fund as an art. 9 Financial
Product under SFDR Regulation, our
commitment to sustainable and impact
investing in environmental activities and the
integration of Sustainability risks and
opportunities through the investment process.



Upgrade of the SC ESG Reporting framework, our reporting guidelines for investees, including the principal adverse impacts of SFDR Regulation and internationally recognized standards on ESG: SASB, TCFD, GHG Protocol, GRI, SDGs or ILPA, among others. We also adhered our Infra Funds to the ESG Data Convergence Initiative (EDCi).

ESG Data Convergence Initiative



We continued the implementation of the **5 dimensions** of impact investing of the **IMP**, together with our **SEROI impact valuation methodology** (co-developed with PwC), improving the assessment of the impacts generated, the understanding of the beneficiaries and their unsatisfied needs, and our contribution as an investor.



Completed the calculation of all investees carbon footprint (scopes 1, 2 & 3), and implemented a cloud-based **reporting & management tool**, helping our investees to gain efficiency on environmental data management, assess through the year their environmental performance and simplify the reporting of environmental data.

- Progress on SC Gases Renovables, by implementing an **ESG policy package** at the asset level including policies on Sustainability, Environment, Corporate Governance, Code of Conduct for suppliers and Supplier Sustainability Commitments, and the development of **physical climate risk vulnerability assessment** that concluded with no further adaptation measures needed.
- 6

5

Progress on Anoltri, by **increasing the stake** on the entity up to 60% in order to extend the impact through future developments, like **building a new plant** for waste valorization, and the implementation of a stripping system in Gestcompost, Pina de Ebro, for the **reduction of water consumption**.



8. Annual ESG performance of the portfolio

In addition to calculating the impacts contribution of our investments in environmental objectives, and the long-lasting benefits generated through the lifespan of the projects developed, we continuously monitor the **ESG performance** of our investments through **environmental, social and governance metrics**. Suma Capital developed the **SC ESG Reporting framework**, a reporting guidance for our investees, that allow us to understand the ESG performance of our investments, the contribution to the ESG objectives set at a Fund level and the implementation of adequate action plans to improve the asset performance.





8. Annual ESG performance of the portfolio

In addition, the Fund measures its impact on the UN Sustainable Development Goals (SDGs) as a measure of its contribution to the global sustainability goals. The contribution of the Fund's portfolio investments has been measured as the percentage of capital invested in investments that have contributed to each SDG, relative to the total capital invested by the Fund as at year end.



100% of the Fund's portfolio investments have contributed to at least one of the above-mentioned SDGs, being the environmental focused objectives, the most substantial contributions made by our investments: 6. Clean water and sanitization, 7. Affordable and clean energy, 9. Industry, Innovation and Infrastructure, 12. Responsible consumption and production and 13. Climate Action.





9. Our alignment with the EU Taxonomy

The **EU Taxonomy** (*Regulation (EU) 2020/852 and its Delegated Acts*) is a regulation of the Sustainable Finance Package of the European Commission, that is aiming to standardize the universe of sustainable economic activities, by studying their potential to contribute to the six environmental objectives set by the EU:

- 1. Climate change mitigation
- 2. Climate change adaptation
- 3. The sustainable use and protection of water and marine resources
- 4. The transition to a circular economy
- 5. Pollution prevention and control
- 6. The protection and restoration of biodiversity and ecosystems

From the abovementioned EU environmental objectives, our SCEEF II Fund is aiming to contribute to the objectives of (1) Climate Change mitigation and (4) Transition to a circular economy. During the period of 2022 only the substantial contribution criteria of objectives 1 and 2 were available, Climate Delegated Act of June 2021. Suma Capital has not yet completed the evaluation of the alignment potential of its investments, and aims to complete the assessment in 2023, together with the substantial contribution criteria for the pending environmental objectives (3 to 6), Environmental Delegated Act of June 2023. The 2022 alignment of the SCEEF II Fund portfolio is reported as zero (0%).









Appendix

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Appendix 1. Efficiency & Environment Infrastructures II

1. What:

The projects developed by Efficiency & Environment Infrastructures II implement energy efficiency measures in domestic, commercial and industrial sites, generating relevant primary energy savings and a decrease in the energy expenses for the owner/user of the asset. The impacts are accomplished by providing ESCO financing on system upgrades like: LED lighting and presence detectors, heat recovery boilers, cooling and and compressor systems or photovoltaic energy self consumption systems.

2. Who:

Reductions in primary and secondary energy consumption contribute to the expense control of **owners/users of the assets**, reducing their energy OPEX, and mitigating the increase of energy prices. **Owners/users** of the assets and the **society in general** benefit from a lower demand on fossil fuels, heat and electricity, and the indirect reduction of emissions improving the air quality.

3. How much:

The implementation of energy efficiency measures and renewable selfconsumption installations resulted in total yearly savings of around **15,810 MWh**, accounting for a **63% of average savings**, well above the EU's objective of 30% energy efficiency savings, according to the 2030 Framework for climate and energy.

SEROI 2022 assessment





This project directly contributes to the following **SDGs: 7.1, 7,3 and 11.6**



2022 performance

Impacts			
86,527	GJ of primary energy from fossil fuels avoided	3,243	tones of CO2-eq emissions avoided
8.4	tones of NOx-eq emissions avoided	19.3	tones of SO2-eq emissions avoided
ESG			
50 (+14%)	tones of CO2-eq emissions (Scopes 1,2,3)	5.7 (+6%)	Tones of CO2-eq emissions per M€ invested

4. Suma Capital's contribution:

- ✓ Financial resources for new investments in energy efficiency and self consumption installations
- ✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

Although significant emission reductions are attained, a relevant share of the efficiency solutions are impacting technologies **dependent on fossil fuels**, which may be subject to **regulations and environmental taxes** that limit its future use. The environmental benefits of electricity efficiency measures heavily rely on the extent to which the **mix of electricity** sources will evolve through time into renewable sources.



Appendix 1. SC Valorizaciones Agropecuarias

1. What:

The project is a pig slurry treatment plant, integrating a cogeneration heat and power system (CHP) powered by natural gas and biogas, the last generated onsite during the anaerobic digestion of the pig slurry. The electricity produced is loaded into the grid and the heat is used in the slurry treatment, generating relevant **primary energy savings** and a **reduction of pollutant emissions** (CH4, CO, SOx, NOX, etc.) thanks to the controlled treatment of the slurry waste. The neutralization of the pollutants of the pig slurry, also avoids the negative effects in **aquatic and terrestrial ecosystems** including acidification, eutrophication and the acceleration of climate change.

2. Who:

The controlled treatment of pig slurry generates benefits in the nearby **communities**, reducing the negative effects that could limit their access to drinking water or fertile soil. The anaerobic digestion treatment produces fertilizers that contribute to the circularity of the primary sector and provide **local farmers** with access to high quality fertilizers.

3. How much:

The amount of pig slurry treated in 2022 was **40,680 tonnes***, producing a total of **2,015 tones of organic fertilizer.** **During 2022 the plant operations have been impacted by the energy crisis in Europe, reducing their operating hours, and the amounts of energy consumption and waste treated.*

SEROI 2022 assessment





This project directly contributes to the following **SDGs: 7.1, 12.4, 12.5 and 12.6**



2022 performance

Impacts			
66,694	GJ of primary energy from fossil fuels avoided	15,816	tones of CO2-eq emissions avoided
5.6	tones of NOx-eq emissions avoided	97.6	tones of SO2-eq emissions avoided
ESG			
38 622	tones of CO2-eq	2 264	Topos of CO2 og
(-47%)	emissions (Scopes 1,2,3)	(-31%)	emissions per M€ invested
(-47%) 176.9 (-48%)	emissions (Scopes 1,2,3) Energy consumed (GWh)	(-31%) 1.7 (-0.6%)	emissions per M€ invested Renewable energy consumed (%)

4. Suma Capital's contribution:

- Support on the Zero Waste strategy through the reuse of wastewater from pig slurry treatment for cooling the CHP systems
- ✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

As natural gas is used to feed the CHP system along with biogas, the most significant risk according to the current energy situation is the **uncertainty of natural gas future costs** that could impact the viability of the facility. Other risks identified are related to **regulatory changes** on the operational permissions levels of biogas, wastewater and emissions to air.



Appendix 1. SC Zero Waste Energy

1. What:

The project comprises seven cogeneration heat and power systems (CHP) and biomass assets that manage two types of organic waste: olive mill waste (OMW) and pig slurry. Biogas generated onsite in the anaerobic digestion of pig slurry, and OMW are used, together with natural gas in CHPs to generate electricity and heat. The electricity is loaded into the grid and the heat is used onsite to dry the OMW and in the slurry treatment, generating relevant primary energy savings and a reduction of pollutant emissions (CH4, CO, SOx, NOX, etc.) thanks to the controlled treatment of the slurry waste.

The neutralization of the pollutants of the pig slurry, also avoids the negative effects in aquatic and terrestrial ecosystems including acidification, eutrophication and the acceleration of climate change.

2. Who:

The controlled treatment of pig slurry and OMW generates benefits in the nearby communities, reducing the negative effects that could limit their access to drinking water or fertile soil. The anaerobic digestion treatment produces fertilizers that contribute to the circularity of the primary sector and provide local farmers with access to high quality fertilizers.

3. How much:

23.7

M€

The amount of waste treated in 2022 was 489,956 tonnes*, producing a total of 3,090 tones of organic fertilizer. *During 2022 the plant operations have been impacted by the energy crisis in Europe, reducing their operating hours. and the amounts of energy consumption and waste treated.

SEROI 2022 assessment





This project directly contributes to the following SDGs: 12.4, 12.5, 12.6 and



2022 performance

Impacts			
56,597	GJ of primary energy from fossil fuels avoided	153,083	tones of CO2-eq emissions avoided
0	tones of NOx-eq emissions avoided	904,3	tones of SO2-eq emissions avoided
ESG			
241,667 (-37%)	tones of CO2-eq emissions (Scopes 1,2,3)	1,789 (-52%)	Tones of CO2-eq emissions per M€ invested
1,441 (- 37%)	Energy consumed (GWh)	40.4 (+15%)	Renewable energy consumed (%)

4. Suma Capital's contribution:

- ✓ Support on the Zero Waste strategy through the reuse of wastewater from pig slurry and OMW treatment for cooling the CHP systems
- Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

As natural gas is used to feed the CHP system along with biogas, the most significant risk according to the current energy situation is the uncertainty of natural gas future costs that could impact the viability of the facility. Other risks identified are related to regulatory changes on the operational permissions levels of biogas, wastewater and emissions to air.



Appendix 1. QOICHI 1

1. What:

The entity business is the development and construction of small-scale solar PV plants (1-5MW), with which it increases the **renewable energy power** along with the promotion of **distributed generation**. The production of solar electricity has a direct contribution to **climate change mitigation** through the reduction of CO2 emissions.

2. Who:

The projects developed will positively impact the **society and the planet** by producing local energy and decreasing air pollution and climate change adverse impacts. During the construction phase, the projects also benefit **local labour markets** contributing to the maintenance of qualified technical jobs. Finally, the **owners** of the projects will benefit from a low-impact energy and energy cost savings on the mid/long term.

3. How much:

The company will complete the construction of solar power plants in the coming years with an aggregated installed capacity of **30 MW** and an estimated net electricity generation equal to **57,000 MWh**.

SEROI 2022 assessment





This project directly contributes to the following **SDGs: 7.2 and 13.2**

7 AFORDABLE AND CLEANEBERGY 13 ACTION

2022 performance

Impacts			
181,589	GJ of primary energy from fossil fuels avoided	10,774	tones of CO2-eq emissions avoided
46.1	tones of NOx-eq emissions avoided	98.3	tones of SO2-eq emissions avoided
ESG			
562 (-13%)	tones of CO2-eq emissions (Scopes 1,2,3)	124.6 (-20%)	Tones of CO2-eq emissions per M€ invested

4. Suma Capital's contribution:

✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

The supply chain disruptions and cost increase of fleets have impacted **global supply chains**, including photovoltaic solar panels. Failing to comply with projects' deadlines could delay the attainment of renewable energy objectives and negatively impact the national decarbonization targets.



Appendix 1. Anoltri Invest

1. What:

The entity is the major shareholder of Gestcompost, a leading company in the treatment of sewage sludge, originated from wastewater treatment plants, paper mills, breweries and other industries. Its waste valorisation activities are helping its clients to transition to circular economy and reduce the emission of CO2 due to efficient composting procedures of the sludge. The reduction of pollutants, also avoids the negative effects in acuatic and terrestrial ecosystems including acidification, eutrophication and the acceleration of climate change.

2. Who:

The controlled treatment of sludge benefits both the **clients**, who engage in an activity to reduce the impacts of the generated waste, and the nearby communities, reducing the negative effects that could limit their access to drinking water or fertile soil. The composting process produces fertilizers that contribute to the circularity of the primary sector and provide local farmers with access to high quality fertilizers.

3. How much:

The amount of sludge waste treated in 2022 was 394,477 tonnes which produced approximately 203.000 tonnes of fertilizer and 2.2 GWh of renewable electricity from Biogas produced onsite.

SEROI 2022 assessment





This project directly contributes to the following SDGs: 12.4, 12.5, 12.6 and



2022 performance

Impacts			
1,929,155	GJ of primary energy from fossil fuels avoided	174,317	tones of CO2-eq emissions avoided
0	tones of NOx-eq emissions avoided	0	tones of SO2-eq emissions avoided
ESG			
27,832 (+3%)	tones of CO2-eq emissions (Scopes 1,2,3)	404 (-31%)	Tones of CO2-eq emissions per M€ invested
21.5 (-)	Energy consumed (GWh)	89 (-)	Renewable energy consumed (%)
6,087 (+52%)	Water consumed (m ³)	0 (-)	Water reused/recycled (m ³)

4. Suma Capital's contribution:

- ✓ Support to implement a stripping system to reduce process water consumption and allow the valorization of ammonium sulphate.
- Agreement for the construction of a new valorization plant and to develop 2 new biomethane upgrading systems
- ✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

The risks that could impact the attainment of the outcomes are related to a decrease of production on the industrial activities that provide the sewage sludge to be processed. An economic recession could lead to a decrease in production levels with an impact on waste generation which would negatively impact the capacity of operation of Anoltri Invest and its production of compost and biogas.



Appendix 1. SC Gases Renovables

1. What:

The entity is the major shareholder of UNUE, an upgrading plant that converts biogas into biomethane for its injection into the natural gas grid. The process significantly reduces the content of **pollutants** from biogas (H_2S and CO_2) and replaces conventional natural gas in the grid with locally produced renewable gas, reducing **fossil fuel dependency** and contributing to the increase of local non-fossil natural gas in the grid.

2. Who:

Beneficiaries of the outcomes are the **society** and the **planet** in general, since the substitution of fossil fuels contribute to a better air quality and general environmental conditions, along with climate change mitigation. Additionally, the reduction of fossil fuel dependence, benefits **users of the natural gas grid, including** industrial users who can speed up the decarbonization of their energy intensive operations.

3. How much:

In 2022 the upgrading plant has injected over **15.2 GWh** of biomethane, avoiding the emission of over **3,400 tones of CO2-eq**.

SEROI 2022 assessment





This project directly contributes to the following **SDGs: 7.1, 7.2 and 13.2**



2022 performance

Impacts			
56,182	GJ of primary energy from fossil fuels avoided	3,458	tones of CO2-eq emissions avoided
0	tones of NOx-eq emissions avoided	0	tones of SO2-eq emissions avoided
ESG			
298 (-20%)	tones of CO2-eq emissions (Scopes 1,2,3)	42.5 (-63%)	Tones of CO2-eq emissions per M€ invested

4. Suma Capital's contribution:

- ✓ Proposal of a new set of ESG policies, including Sustainability, Environment, Corporate Governance, Code of Conduct for suppliers and Sustainability Commitment for Suppliers.
- ✓ Support to perform a Climate change risks vulnerability assessment, and progress towards EU Taxonomy alignment
- ✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

With the increase of natural gas prices, there is a risk that certain heating processes are **electrified**, reducing the contribution of the renewable gas to the energy efficiency and emission reduction objectives. Moreover, the lack of appropriate **natural gas infrastructure**, including the grid, could reduce the interest of industrial consumers to source for renewable gas.



Appendix 1. Producción Renovable

1. What:

The entity business is the development and construction of two solar PV plants (20MW and 40.5MW respectively), with which it increases the **renewable energy power** along with the promotion of **distributed generation**. The production of solar electricity has a direct contribution to **climate change mitigation** through the reduction of CO2 emissions. Construction operations will start in 2023.

2. Who:

The project to be developed will positively impact the **society and the planet** by producing local energy and decreasing air pollution and climate change adverse impacts. During the EPC and the O&M phase, the projects also benefit **local labour markets** contributing to the maintenance of qualified technical jobs. Finally, the **owners** of the projects will benefit from a low-impact energy and energy cost savings on the mid/long term.

3. How much:

The company is expected to complete the construction of the first solar PV plant, located in Toledo, in year 2024 with an overall capacity of **20 MW** and an estimated electricity generation equal to **42GWh/yr**. The second project, located in Palencia,, with a total capacity of **40.5MW** is expected to reach RTB status in Q3 2023.

SEROI 2022 assessment

The SEROI assessment has not been performed for year 2022 Construction operations will start in 2023



This project directly contributes to the following **SDGs: 7.2 and 13.2**



2022 performance



4. Suma Capital's contribution:

- ✓ Financial support for the start of construction phase in 2023
- ✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

The supply chain disruptions and cost increase of fleets have impacted **global supply chains**, including photovoltaic solar panels. Failing to comply with projects' deadlines could delay the attainment of renewable energy objectives and negatively impact the national decarbonization targets.



Appendix 1. Cooltra Inversión Motos*

1. What:

The vehicles in this sustainable mobility project operate exclusively with renewable electricity, contributing and promoting the **decarbonization and electrification of the urban transport**, which results in the improvement of the **air quality** in cities (by diminishing NOx, SO2 and particulate matter (PM2.5) concentrations and noise levels). The outcomes of the investment are aligned with the European Commission's **Sustainable Urban Mobility Planning**.

2. Who:

Citizens and commuters experience significant benefits thanks to the avoided combustion of fossil fuels, a decrease in private vehicles and an increase of the transport means available to commute around urban areas. Sustainable mobility provides transport alternatives to all **segments of the population**, including those that live or work in districts with fewer transport alternatives.

3. How much:

The **number of scooters** of the project is around **1,000**, with and estimated distance covered per year by the whole fleet of **2,560,000 km/year**, and an estimated **green electricity** consumption by the fleet of **117 MWh/year**.

SEROI 2022 assessment





This project directly contributes to the following **SDGs: 7.2 and 13.2**



2022 performance**

Impacts			
1,969	GJ of primary energy from fossil fuels avoided	193	tones of CO2-eq emissions avoided
1	tones of NOx-eq emissions avoided	0.2	tones of SO2-eq emissions avoided
ESG			
0.79 (-34%)	tones of CO2-eq emissions (Scopes 1,2,3)	0.35 (-26%)	Tones of CO2-eq emissions per M€ invested

**Company was divested in October 2022, before the fiscal year-end date.

4. Suma Capital's contribution:

✓ Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection

5. Risks:

The **lack of urban planning** for the energy transition or the slow implementation of **restrictions on private vehicles** can become obstacles for the extension of the project. Additionally **socioeconomic and cultural behaviours** need to be changed to increase citizens' and commuters' use of sustainable mobility alternatives and participate in public-private cooperation projects of this nature.



Appendix 1. Aranda District Heating**

1. What:

The project consists of the valorisation of biomass from wood waste for residential heating, contributing to reducing fossil fuel dependence and **CO2** emissions. The project supports the use of local biomass for heat uses contributing to the diversification of the energy mix.

Regarding **atmospheric pollution**, the impact is lower than the impact associated with conventional boilers, thanks to the gas cleaning systems installed (cyclone and sleeve filter), which reduce particulate matter (PM2.5) emissions. All the biomass supply comes from **PEFC-certified** forests. The sustainable management of these natural resources helps diminish the occurrence of forest fires and promote local employment, along with other positive effects.

2. Who:

Residential consumers take advantage of this technology by reducing the installation and maintenance costs, compared to standard heating systems, while offering competitive kWh/prices, with a lower volatility compared to fossil fuels. Society also benefits from the reduction of fossil fuel dependency and the lower atmospheric pollution.

3. How much:

Since the production of heating energy is centralized, the resulting increase in energy efficiency will produce up to 35,000 MWh per year and consume over 13,700 tonnes of locally sourced biomass pellets.

...every **1€ invested** in the project results in

damages avoided

SEROI Lifespan Assessment





This project directly contributes to the following SDGs: 7.1, 7.3 and 13.2



2022 performance



4. Suma Capital's contribution:

- ✓ Financial support for the construction of the district heating project
- ✓ Definition of an ESG assessment, with the support of external partner, including a materiality matrix on ESG risk and opportunities
- ✓ Bargaining for the use of 100% PEFC certified biomass from local sources

5. Risks:

Failure to follow the appropriate processes for treating and converting biomass into energy could generate adverse impacts on pollution prevention and control, in particular, the emission of polluting particles associated with the burning of biomass. It is important to note that this kind of impact has been adequately managed, thanks to the installation of gas purification systems, which very significantly limit the emissions of particles.

**Company divested in the course of 2021, before the fiscal year-end date.



Appendix 1. Guadalajara District Heating**

1. What:

The project consists of the valorisation of biomass from wood waste for residential heating, contributing to reducing fossil fuel dependence and **CO2** emissions. The project supports the use of local biomass for heat uses contributing to the diversification of the energy mix.

Regarding **atmospheric pollution**, the impact is lower than the impact associated with conventional boilers, thanks to the gas cleaning systems installed (cyclone and sleeve filter), which reduce particulate matter (PM2.5) emissions. All the biomass supply comes from **PEFC-certified** forests. The sustainable management of these natural resources helps diminish the occurrence of forest fires and promote local employment, along with other positive effects.

2. Who:

Residential consumers take advantage of this technology by reducing the installation and maintenance costs, compared to standard heating systems, while offering competitive kWh/prices, with a lower volatility compared to fossil fuels. Society also benefits from the reduction of fossil fuel dependency and the lower atmospheric pollution.

3. How much:

Since the production of heating energy is centralized, the resulting increase in energy efficiency will produce over 80,000 MWh per year and consume over 31,500 tonnes of locally sourced biomass pellets..

SEROI Lifespan Assessment





This project directly contributes to the following SDGs: 7.1, 7.2 and 13.2



2022 performance



4. Suma Capital's contribution:

- ✓ Financial support for the construction of the district heating project
- ✓ Definition of an ESG assessment, with the support of external partner, including a materiality matrix on ESG risk and opportunities
- ✓ Bargaining for the use of 100% PEFC certified biomass from local sources

5. Risks:

Failure to follow the appropriate processes for treating and converting biomass into energy could generate adverse impacts on pollution prevention and control, in particular, the emission of polluting particles associated with the burning of biomass. It is important to note that this kind of impact has been adequately managed, thanks to the installation of gas purification systems, which very significantly limit the emissions of particles.



Appendix 1. Hinojosa Solar**

1. What:

This is a PV solar energy generation installation, located in Hinojosa, Badajoz. The project aims to increase the production of photovoltaic electricity in Spain and the share of **renewable electricity** in the overall electricity generation mix (including renewable and non-renewable sources), contributing to the **decarbonization** of the Spanish electricity mix, and **reducing the dependency on fossil fuels** and the need to **import energy sources** for power generation. Additionally, the production of electricity from local renewable sources **increase the efficiency** of its value chain along with **local employment**

2. Who:

The main beneficiaries of the project are **local communities**, which benefit from the local production of electricity free from CO2 emissions and the increase of **local employment** during the EPC and the O&M phase. The **society**, and the **planet**, are also positively impacted by the reduction of air pollution and the decrease on import of fossil fuels.

3. How much:

The total installed capacity of the PWV plant is **22 MW**, which will be producing renewable electricity of up to **40,800 MWh per year**.

SEROI Lifespan Assessment





This project directly contributes to the following **SDGs: 7.2 and 13.2**



2022 performance

Company divested in the course of 2021 Performance data is not available for 2022

4. Suma Capital's contribution:

✓ Financial support for the construction of the solar PV plants

5. Risks:

The highest risks exist on the potential change of legislation regarding the renewable electricity integration on the national grid and the tariffs paid to renewable producers, potentially affecting the installation's income generation, putting its viability at risk. Another factor that can affect its viability is the variable price to which the plant may be subject within the established price schemes.





Appendix

- Appendix 1: SCEEF II's ESG & Impact detailed portfolio performance
- Appendix 2: SCEEF II's Lifespan Impacts
- Appendix 3: SCEEF II's response to periodic reporting requirements for art. 9 products (SFDR)
- Appendix 4: Summary of methodologies
 used



Appendix 2: SCEEF II's Lifespan Impacts

Headline Results

Based on the Key Impact Indicators for SCEEF II, some additional information related to the **social and environmental impact (S&E impact)** to be achieved during the lifespan of the projects have been obtained, as follows:



¹¹⁷ years is the weighted average life span of SCEEF II Projects, according to estimated S&E Benefit. ² DALYs stands for: Disability-Adjusted Life Years, and it is a measurement of one lost year of 'healthy' life. ³ The indicator: 'species-year' is established by ReCiPe methodology, and accounts for the Ecological Damage caused or avoided in terrestrial, freshwater and marine water ecosystems.



Appendix 2: SCEEF II's Lifespan Impacts

Headline Results

Based on the Key Impact Indicators for SCEEF II, some additional information related to the **social and environmental impact (S&E impact)** to be achieved during the life span of the projects have been obtained, as follows:

Energy efficiency	Emissions to water	Terrestrial acidification	Creation of jobs
Increase of +21% of energy efficiency performance	~ 10 hm³	~ 8,000 ha	+4,800 net jobs
thanks to around 1,100 million kWh of energy consumption reduction, throughout the life span of Energy Efficiency projectsof fresh water will not be eutrophized throughout the life span of the projects. This is approximately equal to 4,000 Olympic swimming-pools.		of land will be preserved from acidification ¹ throughout the life span of these projects. This is approximate equivalent to 10,000 football pitches.	SCEEF II's projects will help create.
	SCEEF II's waste to energy & waste to resource investments help diminish nutrients (Nitrogen and Phosphorus) release of freshwater ecosystems	SCEEF II's projects, and in particular waste to energy & waste to resource projects, help diminish terrestrial acidification	
7 AFFORMATION CLARING 22 SECONDARY AMPRODUCTION COOD 13 CLARINE COOD 14 CLARINE COOD 14 CLARINE COOD 14 CLARINE	6 CLANNEE ANGAMATION	15 ^{df.} 01300 \$	8 ECENT MIRIX AND Economic Convert International Sector And Address Convert



SCEEF II investment

Appendix 2: SCEEF II's Lifespan Impacts

SEROI Lifespan Assessment

After applying the Impact Valuation methodology, it has been demonstrated that SCEEF II generates value through the lifespan of the projects invested, beyond what is captured by traditional financial valuation. Alongside traditional expected benefits, SCEEF II's projects turn out to be a trigger for additional positive co-benefits for the society which are represented in these monetized **Key Impact Indicators**, which are related to the referred SDG:



SCEEF II

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lifespan of the projects) which,





Appendix

- Appendix 1: SCEEF II's portfolio detailed ESG developments and impacts
- Appendix 2: SCEEF II's Lifespan Impacts
- Appendix 3: SCEEF II's response to periodic reporting requirements for art.
 9 products (SFDR)
- Appendix 4: Summary of methodologies
 used

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph of Regulation (EU) 2020/852

This document is a consolidated version of the periodic reporting template referred in the abovementioned regulation, for the vehicles that form part of the SC EFFICIENCY & ENVIRONMENT FUND, see details below, and which were submitted to the CNMV before the 30th of June 2023. The contents of this document are a direct translation of the original Spanish version.

Product name:

SC EFFICIENCY & ENVIRONMENT FUND II FCR SC EFFICIENCY & ENVIRONMENT FUND PLUS II FCRE Legal entity identifier:

> 9598008K7AV2LLKRXC83 959800BRNPTNV9M86F90

Sustainable investment objective

Did this financial product have a sustail	nable investment objective?
•• 🗶 Yes	• No
 It made sustainable investments with an environmental objective: 100% in economic activities that qualify as environmentally sustainable under the EU Taxonomy in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of % of sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy with a social objective
It made sustainable investments with a social objective:%	It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The Fund has defined sustainable investment as its sole objective in the environmental objectives of climate change mitigation and transition to a circular economy, two of the sustainable investment objectives defined in the Taxonomy Regulation (Regulation 2020/852 on the establishment of a framework to facilitate sustainable investments). The 100% of the Fund's portfolio investments are oriented towards projects or companies whose core business are

focused on the energy transition and the reduction of CO2 emissions, such as renewable energy projects, industrial energy efficiency, high efficiency cogeneration and smart mobility, as well as the transition to the circular economy, in projects for the treatment of organic waste and its valorisation into energy and secondary materials.

Throughout 2022, the Fund made investments in its portfolio investees to further contribute to the achievement of the sustainable investment objectives, including (1) the increase of the stake in Anoltri Invest, holding company of Gestcompost, a company dedicated to the recovery of organic waste from livestock and the food industry, (2) the investment in new industrial energy efficiency projects through Efficiency & Environment Infrastructures II, and (3) the investment in SC Producción Renovable to start the construction of a solar PV plant on the ground. In October 2022, it also divested Cooltra Inversión Motos, a company dedicated to smart mobility with electric motorbikes, which contributed to the objective of mitigating climate change through the decarbonisation of urban road transport.

In addition, the Fund measures its impact on the United Nations Sustainable Development Goals (SDGs) as a measure of its contribution to global sustainability goals. The contribution of the Fund's portfolio investments has been measured as the percentage of capital invested in investments that have contributed to each SDG, relative to the total capital invested by the Fund at year end:



A 100% of the portfolio investments that make up the Fund have contributed to at least one of the sustainable environmental objectives mentioned above, through investment in economic activities eligible under the Taxonomy Regulation, and economic activities that have generated a reduction in emissions, through energy efficiency projects, the development of solar photovoltaic projects or the production of renewable non-fossil fuels, and the circular economy, through the valorisation of livestock, forestry and food industry waste.

How did the sustainability indicators perform?

...and compared to previous periods?

To assess the contribution to the sustainable investment objectives of climate change mitigation and transition to a circular economy, the Fund regularly monitors the performance of its portfolio investments through the following sustainability performance indicators:

Environmental sustainability indicators	2021	2022	
Scope 1 GHG emissions (tCO2e)	367,205	186,237*	-49%
Scope 2 GHG emissions (tCO2e)	3,302	3,276	-1%
Scope 3 GHG emissions (tCO2e)	111,319	119,531*	7%
Avoided emissions (tCO2e)	385,970	360,884	-6%
Total energy consumption (GWh)	2,627	1,640*	-38%
Renewable energy consumption (GWh)	598	604	+1%
Renewable energy production (GWh)	19.9	41.4	+108%
Recycled and reused water (m3)	158,810	112,504	-29%
Waste valorised (t)	1,125,397	780,733*	-31%

(*) During financial year 2022, the environmental performance indicators were impacted by the disruption in the high-efficiency cogeneration activities of the investees SC Valorizaciones Agropecuarias and SC Zero Waste, because of the energy crisis in Europe and the fossil fuel crisis, reducing their operating hours, consumption, and the volume of waste valorised. On the other hand, the increase in the consumption and production of renewable energy has been the result of improvements in the measurement of biogas produced at Gestcompost, subsidiary of Anoltri Invest, and the increase in biomethane production at UNUE, subsidiary of SC Gases Renovables.

Social sustainability indicators	2021	2022	
Total number of employees	165	168	+2%
Net job creation	4	11	+175%
Total number of Board members	19	20	+5%
Number of women on the Board	1	1	-
Lost time accidents	10	16*	+60%
Fatal accidents	0	0	-
Days lost per accident	94	259*	+176%

In addition, the Fund monitors sustainability performance indicators in the social and labour sphere to ensure a balanced performance in the management practices of its portfolio:

(*) In the 2022 financial year, the disruption in cogeneration activities at SC Zero Waste, whose personnel provides operation and maintenance services at SC Valorizaciones Agropecuarias, has been responsible for the increase in the number of accidents and days lost per accidents.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The sustainable investments made by the Fund contribute to the objectives of energy transition and circular economy, so the Fund's understanding is that their potential to generate significant harm to other environmental or social objectives is limited. However, to ensure that impacts are assessed and managed, and to ensure that good governance practices are in place, during the pre-investment due diligence process, Suma Capital undertakes the following actions: (a) reviews and assesses the main sustainability risks and

opportunities through a materiality analysis, in which it analyses the most relevant sustainability and climate change aspects of the transaction, based on SASB and GRESB guidelines; (b) identifies potential negative impacts on environmental, social and governance issues, and establishes the necessary corrective measures; (c) assesses the potential of alignment of the economic activities included on the operation with the technical screening criteria of the Taxonomy Regulation; and (d) monitors on a quarterly and annual basis the indicators, including the principle adverse impacts (PAIs), and discloses them to stakeholders on a quarterly and annual basis.

During the portfolio management phase, the Fund regularly monitors key portfolio investment management metrics. Throughout 2022 the compilation of environmental, social and governance sustainability indicators, increased the scope of the management metrics monitored, including the PAIs and the sources necessary for the calculation of the carbon footprint of each investee (scopes 1 and 2) and of its value chain (scope 3). The implementation of Suma Capital's reporting framework is one of the tools used by the Fund to identify and monitor the negative impacts of portfolio investments and to follow up on the corrective measures to be implemented. A "cloud" tool has also been implemented in all investees for the collection and reporting of environmental indicators, including upstream logistic routes, raw materials, and downstream logistic routes, waste and subproducts, in their value chain.

In 2022, the disruption in the high-efficiency cogeneration activities of the investees SC Valorizaciones Agropecuarias and SC Zero Waste, resulting from the energy crisis in Europe and the fossil fuel crisis, significantly reduced the negative impacts of the investment portfolio due to the lower consumption of fossil fuels, which has led to a reduction in the associated CO2 emissions. Moreover, the consumption of biogas from renewable sources by Gestcompost, subsidiary of Anoltri Invest, has increased the relative consumption of renewable energy from 23% to 37% of the total energy consumption of the investments in the portfolio.

Lastly, a review of the ESG policies was started at UNUE, subsidiary of SC Gases Renovables, including policies and commitments on Sustainability, the Environment, Corporate Governance, a Code of Conduct for suppliers and a Sustainability Commitment for Suppliers.

The above activities were carried out with the support of Suma Capital's internal ESG team and the support, when necessary, of specialised external advisors.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Fund considers the principle adverse impacts (PAIs) on sustainability factors from the pre-investment due diligence process, reviewing and assessing the main sustainability risks and opportunities, as well as identifying negative impacts on environmental, social and governance issues, and establishing the necessary corrective measures.

During the portfolio management phase, the Fund monitors quarterly and annually the sustainability indicators of each investee, including the PAIs, and reports them their stakeholders. The monitoring of principle adverse impacts allows the Fund to identify possible deviations in the performance of the investees, assess the degree of compliance with the approved sustainability strategies and propose new measures to mitigate the negative impacts identified.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund aligns the governance and management practices of its portfolio investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights, through the development of a package of ESG policies that includes the development and approval by the Board of the investee companies of policies and objectives in the areas of Sustainability, Environment, Criminal Compliance, Corporate Governance and Sustainability in the supply chain.

Suma Capital monitors the sustainability indicators of each investee on a quarterly and annual basis and incorporates social and good governance indicators to ensure compliance with the standards described. For example, metrics of exposure to companies with evidence of cases of violation of the OECD Guidelines for Multinational Enterprises, or where there are no policies or mechanisms to ensure compliance with labour, human rights, or good governance standards, are included.

All portfolio investments with their own staff have appointed an ESG Manager, responsible for leading the implementation of the ESG Strategies and reporting to the Board on the evolution of sustainability indicators and possible incidents or non-compliance by the company. Suma Capital has an active presence on all the Boards of the investees, as a monitoring and control mechanism.



How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considers the principle adverse impacts as a method to measure the adverse impact of the Fund's investments on sustainability factors, both for environmentally sustainable investments aligned with the Taxonomy Regulation and non-aligned investments. Through its monitoring, the Fund tracks developments and determines the initiatives and objectives to be implemented to reduce the negative impacts generated or mitigate their relevance to the investment portfolio:

Indicators applicable to investments in investee companies			SC EFFICIENCY & ENVIRONMENT FUND II FCR		IENCY & NMENT JS II FCRE		
Adverse sustainability indicator	Metric	2021	2022	2021	2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period
	Indicators related to climate change an	d other env	/ironment	-related in	dicators		
	Scope 1 GHG emissions (tCO2eq)	276,338	140,109	90,499	45,884	(a) Shutdown of high- efficiency cogeneration activities due to fossil fuel energy crisis	(i) Implementation of decarbonisation measures
1. GHG emissions	Scope 2 GHG emissions (tCO2eq)	2,419	2,359	792	773	Adjustment in emission factors of electricity traders due to energy crisis.	(i)
	Scope 3 GHG emissions (tCO2eq)	71,822	79,721	23,521	26,108	(a)	(i)
	Total GHG emissions (tCO2eq)	350,580	222,189	114,812	72,765	(a)	(i)
2. Carbon footprint	Carbon footprint (tCO2eq./€M)	3,075.3	1,395.9	3,075.3	1,395.9	(a)	(i)
3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2eq./€M sales)	5,904	3,626	1,934	1,188	(a)	(i)
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	-	-	-	-	The Fund, due to exclusion criteria, does not invest in	-

						companios activo in fossil	
						fuels.	
5. Share of non-renewable energy	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	77.2%	63.1%	77.2%	63.1%	Start of biogas production measurement at Gestcompost (Anoltri Invest)	-
consumption and production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	-	-	-	-	Portfolio investments do not produce energy from non-renewable 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/€M)	14.44	6.71	14.44	6.71	(a)	(i)
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	0.0%	0.0%	0.0%	0.0%	Portfolio investments have no operations in biodiversity-sensitive areas.	-
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)	-	-	-	-	Portfolio investments do not release pollutants into water.	-
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/€M)	0.3	0.1	0.3	0.1	(a) and the waste generated comes from maintenance activities, not from the operation activities.	No actions have been identified
In	dicators on social and labour issues, respect for hum	an rights, ar	nd the fight	against cor	ruption an	d bribery	
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	0.0%	0.0%	0.0%	0.0%	Portfolio investments have not breached the principles of the Global Compact or the OECD Guidelines.	-
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	87.8%	80.5%	87.8%	80.5%	The Fund has a portfolio of several SPV-type companies which make the implementation of policies and procedures difficult due to the lack of employees.	Board approval of the ESG Policy package, as well as of the Criminal Compliance plans

	UNGC principles or OECD Guidelines for Multinational Enterprises					Some companies have pending the review of their ESG policy packages.	and whistleblowing mechanisms.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	30.3%	16.1%	30.3%	16.1%	Only 2 portfolio investments have direct employees: SC Zero Waste and Anoltri Invest (Gestcompost). The adjustment of staff at SC Zero Waste and the increase of women at Gestcompost have reduced the pay gap.	No actions have been identified
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	19.9%	14.5%	19.9%	14.5%	The number of board members in investee companies has increased from 19 to 20.	The entry of independent directors is proposed
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	-	-	-	-	The Fund, as an exclusion criteria, does not invest in companies involved in the manufacture or sale of weapons.	-

Indicators applicable to investments in investee companies				SC EFFICIENCY & ENVIRONMENT FUND II FCR		CIENCY & ONMENT US II FCRE		
Additional adverse sustainability indicator	М	2021	2022	2021	2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	
	Additional indicate	ors related to climate chang	e and other	environm	ent-relate	d indicato	rs	
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		22.7%	30.5%	22.7%	30.5%	The portfolio investments have recalculated their carbon footprint for the years 2021 and 2022, and scopes 1, 2 and 3, with comparable methodology and scope.	Proposal and approval of reduction plans aligned with Paris Agreement targets
	Share of energy from non-renewable sources used by investee companies broken down by each non- renewable energy source	Natural Gas (GWh)	2,012	1,019	2,012	1,019	(a) Shutdown of high-efficiency cogeneration activities due to fossil fuel energy crisis	(i) Implementation of decarbonisation measures
		Gasoline (GWh)	0.04	0.07	0.04	0.07	Increased vehicle activity at Gestcompost (Anoltri Invest)	No actions have been identified
type of non-renewable sources of energy		Diesel A (GWh)	0.70	0.15	0.70	0.15	Replacement of diesel generator with grid-connected electricity at UNUE (SC Gases Renovables)	No actions have been identified
		Diesel B (GWh)	3.07	2.63	3.07	2.63	(a)	No actions have been identified
6. Water usage and recycling	Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies (m3/€M sales)		2,464.9	1,833.8	807.2	600.6	(a)	No actions have been identified
	Weighted average percentage of water recycled and reused by investee companies (m3/€M sales)		730.5	507.1	239.2	166.1	The recovery of water from slurry drying used for cooling of CHP plants has been impacted by (a). Installation of a water recovery system for the production cycle at Gestcompost (Anoltri Invest).	No actions have been identified

8. Exposure to areas of high-water stress	Share of investments in investee companies with sites located in areas of high-water stress without a water management policy	0.0%	0.0%	0.0%	0.0%	Portfolio investments have not operated in areas of high-water stress.	-
13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)	68.3	56.1	68.3	56.1	(a) Non-recyclable waste comes from customer waste recovery activities as well as from maintenance operations at the plants.	No actions have been identified
	Share of investments in investee companies whose operations affect threatened species	0.0%	0.0%	0.0%	0.0%	Portfolio investments have not carried out operations with an impact on endangered species.	-
14. Natural species and protected areas	Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	0.0%	0.0%	0.0%	0.0%	Portfolio investments have no operations in biodiversity- sensitive areas.	-
Additiona	al indicators on social and labour issues, respect for	human righ	ts, and the	fight agai	nst corrup	tion and bribery.	
2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average (number of accidents/€M)	0.062	0.071	0.062	0.071	The disruption in cogeneration activities has impacted the turnover and hiring of temporary employees for maintenance and operation services, leading to a slight increase in the number of accidents.	Reinforcement of Health and Safety training and implementation of corrective measures in the workplace.



What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
SC Zero Waste Energy	Electricity, gas, steam, and air-conditioning supply	100%	Spain
Anoltri Invest	Water supply, sanitation, waste management and decontamination activities	60%	Spain
SC Valorizaciones Agropecuarias	Electricity, gas, steam, and air-conditioning supply	100%	Spain
Efficiency & Environment Infrastructures II	Electricity, gas, steam, and air-conditioning supply	100%	Spain
Producción Renovable	Electricity, gas, steam, and air-conditioning supply	75%	Spain
QOICHI 1	Electricity, gas, steam, and air-conditioning supply	80%	Spain
SC Gases Renovables	Electricity, gas, steam, and air-conditioning supply	100%	Spain



What was the proportion of sustainability-related investments?

What was the asset allocation?



*As of the date of publication of this document, the Fund has not yet completed the analysis of the alignment of its sustainable investments in accordance with the Taxonomy Regulation, so its alignment percentage is zero.

In which economic sectors were the investments made?

This Fund is a thematic product that invests in sectors that directly contribute to the achievement of the environmental objectives of energy transition and the circular economy. The distribution of portfolio investments made by the Fund by sector and sub-sector is as follows:

Sectors and Subsectors	Distribution (%)
Water supply, sanitation, waste management and decontamination activities	18,2%
Treatment and disposal of non-hazardous waste	18,2%
Electricity, gas, steam, and air-conditioning supply	81,8%
Electricity production	65,2%
Steam and air conditioning supply	15,0%
Gas production	1,6%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

As of the date of publication of this document, the Fund has not yet completed the analysis of the alignment of its sustainable investments under the Taxonomy Regulation and therefore its alignment percentage is zero. The Fund does not hold any investments that qualify as sustainable under article 3 of the Taxonomy Regulation, i.e. that: (a) meet the criteria of substantial contribution to environmental objectives as defined in article 9 of the Taxonomy Regulation (for the Fund the contribution to objective (1) Climate Change Mitigation), (b) meet the criteria of no significant harm to other environmental objectives, (c) meet the criteria of minimum social safeguards, and (d) complies with the technical screening criteria of the economic activity. The Management Company is in the process of completing the analysis of its investment portfolio and its potential alignment with the criteria of the Taxonomy Regulation, with the objective of identifying investments with alignment potential, and establishing action plans for compliance with the established criteria.

On the 13th of June 2023, the European Commission adopted the Environmental Delegated Act, which takes over the criteria set for objectives 3 to 6 of the Taxonomy Regulation ((3) sustainable use of water and protection of maritime resources, (4) transition to the circular economy, (5) prevention and control of pollution and (6) protection and restoration of biodiversity and ecosystems). The Fund indicates that the new criteria will be of relevance for portfolio investments under objective (4) transition to the circular economy. Their entry into force is postponed until 1 January 2024.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?



*The Fund has not made any investments in Sovereign Bonds during the financial year, nor does it contain any investments in Sovereign Bonds in its investment portfolio as at the date of submission of this document.

What was the share of investments made in transitional and enabling activities?

As of the date of publication of this document, the Fund has not yet completed the analysis of the alignment of its sustainable investments with the Taxonomy Regulation and therefore its percentage of alignment in transitional and enabling activities is zero. The Management Company is in the process of completing the analysis of its investment portfolio and its potential alignment with the criteria of the Taxonomy Regulation, with the objective of identifying investments with alignment potential, and establishing action plans for compliance with the established criteria.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

As at the date of publication of this document, the Fund has not yet completed the analysis of the alignment of its sustainable investments to the Taxonomy Regulation and therefore its alignment percentage is zero. The Management Company is in the process of completing the analysis of its investment portfolio and in future reports will be able to report on the

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

percentage of investments aligned to the EU taxonomy compared to previous reporting periods.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

100% of the Fund's investments are classified as environmentally sustainable investments, not aligned with the Taxonomy Regulation, which contribute to the objectives of climate change mitigation and transition to the circular economy, as defined in art.2 (17) of Regulation 2019/2088. As of the date of publication of this document, the Fund has not yet completed the analysis of the alignment of its sustainable investments under the Taxonomy Regulation, therefore 100% of the sustainable investments are classified as environmental not aligned with the EU Taxonomy or Other environmental.



What was the share of socially sustainable investments?

The Fund has not made any sustainable investments in social objectives. 100% of the Fund's investments correspond to sustainable investments in the environmental objectives of climate change mitigation and transition to a circular economy.



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The Fund has not made any investments that qualify as non-sustainable. 100% of the Fund's investments correspond to sustainable investments in the environmental objectives of climate change mitigation and the transition to a circular economy.



What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund has developed the following actions during the period 2022, with the objective of contributing to the achievement of the defined sustainable investment objectives:

- Obtaining the approval of the supervisor (CNMV) for the classification of the investment product as an art. 9 financial product under Regulation 2019/2088, thus confirming its commitment to sustainability and the Fund's thematic environmental sustainability objectives.
- Increase the invested stake in Anoltri Invest, the holding company of Gestcompost, up to 60%, and approval of the investment in a stripping system to reduce the plant's water consumption by recovering process water at the Pina de Ebro plant.
- Expansion of the scope of the sustainability indicators the Fund monitors quarterly and annually, including the main adverse incidents of the SFDR Regulation, as well as key indicators of sustainability reference standards such as SASB, TCFD, GHG Protocol, GRI, EDCI or ILPA, to measure the main impacts of the activity of the investees.
- Implementation of a "cloud" tool in all portfolio investments for the collection and reporting of environmental performance metrics, including upstream logistics routes, raw materials, and

downstream, waste and by-products, of its investees, to improve their environmental performance and enable a complete calculation of their carbon footprint.

- Calculation of the carbon footprint of all investments in the portfolio, including both its own operations (scopes 1 and 2) and those of its value chain (scope 3), for the financial years 2021 and 2022.
- Review and approval of a set of ESG policies at UNUE, subsidiary of SC Gases Renovables, including policies and commitments on Sustainability, Environment, Corporate Governance, Code of Conduct for suppliers and Sustainability Commitment for Suppliers.
- Start of the analysis of the potential alignment of portfolio investments with the Taxonomy Regulation with respect to the Delegated Climate Act ((1) Mitigation of climate change and (2) Adaptation to climate change). As a result of the preliminary analysis, an opportunity was identified to advance the alignment of the company SC Gases Renovables, developing a physical climate risk vulnerability analysis of its investment in UNUE, which concluded without additional physical risk adaptation measures.
- In addition, Suma Capital has progressed in its use of the Impact Management Project (IMP) methodology to improve the identification and reporting of positive and negative impacts of portfolio investments to investors, taking a further step in the integration of impact investment best practices into our investment model.



How did this financial product perform compared to the reference sustainable benchmark?

In accordance with Article 9.2 of Regulation 2019/2088, the Fund has not designated a sustainable benchmark. Information not applicable to the Fund.

How did the reference benchmark differ from a broad market index?

Information not applicable to the Fund.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

Information not applicable to the Fund.

How did this financial product perform compared with the reference benchmark?

Information not applicable to the Fund.

How did this financial product perform compared with the broad market index?

Information not applicable to the Fund.





Appendix

- Appendix 1: SCEEF II's portfolio detailed ESG developments and impacts
- Appendix 2: SCEEF II's Lifespan Impacts
- Appendix 3: SCEEF II's response to periodic reporting requirements for art. 9 products (SFDR)
- <u>Appendix 4: Summary of</u>
 <u>methodologies used</u>



We have used Impact Valuation to take our investments beyond traditional reporting frameworks, to help us and our investors to understand the full extent of our impact and the value that is created for society. Whilst conventional measurement techniques mainly focus on the inputs and outputs of a given activity, Impact Measurement & Valuation (IM&V) techniques can reveal the relationship between a business's inputs and activities, their outputs and their longer-term outcomes and impacts for society.

Impact measurement is gaining momentum in the Impact Investment industry and relevant international organizations, such as the **World Economic Forum**, have proposed a set of relevant impact indicators with the aim of attaining a set of common impact metrics to be used in Sustainability & Impact reporting. As a result, impact investors can clearly measure their **social and environmental impact (S&E impact)** generated alongside their financial return.



Note: The KPIs used in the SEROI methodology are projects' lifespan indicators.

Note: Also, see the slide "Appendix 4: Summary of methodologies used - Reference schemes" for further discussion on SEROI alignment with WEF scheme on ESG reporting.



We have used IM&V to take traditional environmental and social metrics (e.g. kgCO2-eq, m³ of water, net job creation, etc.) and convert them into monetary values, allowing comparison and evaluation across impact themes. This approach to IM&V seeks to **value the impacts on people and the planet that result from corporate-driven changes** in the natural and socio-economic environment, for example the use of natural resources within a corporate value chain. The values generated represent an estimate of the **change in wellbeing** (or in economic terms 'welfare') experienced by people and the planet as a result of corporate activities. These values, or '**externalities**', can be either positive or negative in order to reflect an associated benefit or an associated cost to society.

These 'externalities' can be categorised in a series of **Key Impact Indicators (KII)**, thus, obtaining a complete understanding of the social and environmental performance of the projects. Also, through these KII, these externalities can be monetized, allowing us to reflect the performance of the projects also through their **SEROI (Social and Environmental Return on Investment)**.

Expression of impacts from investments in monetary terms

Externalities avoided thanks to sustainability positive investments









The Impact Valuation calculations have considered all SCEEF II Projects as of December 31st of 2022 and have integrated the financial inputs required for the project to function (CAPEX and OPEX). In this sense, CAPEX invested by the Fund has a multiplier effect by permitting additional expenditures (OPEX and additional CAPEX) throughout the life span of the projects.

Type of project	Project	Sector	Total amount (CAPEX) ¹	Total amount (OPEX) ²	Total amount (CAPEX+OPEX)
Climate Change mitigation	E&E Infrastructures II*	Energy Efficiency	11.2 M€	5.7 M€	16.9 M€
Circular Economy	SC Valorizaciones Agropecuarias	Waste to Energy & Resource	7.4 M€	125.3 M€	132.6 M€
Circular Economy	SC Zero Waste Energy	Waste to Energy & Resource	101.0 M€	743.1 M€	844.1 M€
Climate Change mitigation	QOICHI 1	Solar Power	18.0 M€	4.1 M€	22.1 M€
Circular Economy	Anoltri Invest	Waste to Energy & Resource	45.4 M€	193.9 M€	239.3 M€
Circular Economy	SC Gases Renovables	Waste to Energy	2.2M€	8.5 M€	10.6 M€
Climate Change mitigation	Producción Renovable**	Solar Power	-	-	-
Climate Change mitigation	Cooltra Inversión Motos*	Mobility	5.0 M€	0.06 M€	5.1 M€
Climate Change mitigation	Red de Calor de Aranda*	Waste to Energy	11.0 M€	17.4 M€	28.4 M€
Climate Change mitigation	Red de Calor de Guadalajara*	Waste to Energy	24.8 M€	39.7 M€	64.5 M€
Climate Change mitigation	Hinojosa Solar*	Solar Power	16.5 M€	5.7 M€	22.2 M€

Notes: ¹ The figures included in this table, and considered in the IM&V calculations, do not include committed quantities that are add-ons. ² OPEX estimated for the life span of the projects and discounted at 6%.

Total amount (CAPEX+OPEX)

1.385.9 M€

Also, SCEEF II's projects contribute significantly to the following **Sustainable Development Goals (SDGs)**:









SDG 8: Decent work and economic growth



SDG 11: Sustainable cities and communities



SDG 13: Climate Action









SDG 9: Industry, innovation and infrastructure



SDG 12: Responsible consumption and production



* Note: results include those projects (in E&EI II) and investments that have been divested before the end of the year 2022, as the EROI lifespan assessment calculations involve considering the whole lifespan of SCEEF II projects, even after our managing period. **Note: The construction operations of Producción Renovable assets will start in 2023, no CAPEX or OPEX was yet deployed during 2022.



Appendix 4: Summary of methodologies used – reference schemes

With the aim of reporting the most meaningful and relevant aspects of the sustainability performance of SCEEF II projects, Suma Capital, along with complying with SFDR requirements, has prepared a set of additional impact indicators, which comprise the SEROI scheme (as explained in this document).

Also, SEROI methodology shares many features with papers from international organizations that intend to homogenize ESG indicators in a consistent manner. For instance, it is worthy to note the work done by the World Economic Forum (WEF)*, which has proposed a set of metrics grouped in 4 pillars: "governance", "planet", "people" and "prosperity". For each pillar, WEF identifies two types of metrics.

- Core metrics: quantitative metrics related to a traditional reporting scheme ("output" indicators). This
 includes most of SFDR disclosures.
- **Expanded metrics:** quantitative metrics related to an impact measurement scheme. This type of metrics are intrinsically related to the SEROI model.

SEROI model is highly consistent with those metrics in the "planet" pillar. In the tables below there is an explanation of the link between WEF "planet" metrics model and Suma Capital's Impact reporting model:

Suma Capital - Impact reporting



	Theme	Core metric	Explanation	Alignment with SUMA CAPITAL's Impact reporting
Core metrics	Climate change	Greenhouse gas (GHG) emissions	GHG Protocol Scope 1 and 2 emissions and upstream and downstream (GHG Protocol Scope 3) emissions were material.	 ✓ (although GHG scope 3 emissions still to be disclosed).
	Theme	Expanded metric	Explanation**	Alignment with Suma Capital's Impact reporting (SEROI)***
	Climate change	Impact of greenhouse gases.	Valued societal impact of greenhouse gas emissions.	 Valued in societal, monetary terms, in €, expressed as "S&E benefit related to climate change damages avoided" and complemented with the metric: "tones of CO2-eq emissions avoided".
	Nature Loss	Impact of land use	Valued societal impact of use of land and conversion of ecosystems.	 Valued in societal, monetary terms, in €, embedded in the quantity: "S&E benefit related to ecosystem damage avoided" and complemented with the metric: "species-year gained".
Expanded metrics	Air pollution	Impact of air pollution	Valued social impact of air pollution.	 Valued in societal, monetary terms, in €; embedded in the quantity: "S&E benefit related to air pollution and climate change-related diseases avoided" and complemented with the metric: "DALYs gained".
	Water pollution	Impact of water pollution	Valued societal impact of water pollution, including excess nutrients, heavy metals and other toxins.	 Valued in societal, monetary terms, in €, embedded in the quantity: "S&E benefit related to ecosystem damage avoided". Also, the metric: "species-year gained" encompasses positive water pollution impacts.
	Solid waste	Impact of solid waste disposal	Valued societal impact of solid waste disposal, including plastics and other waste streams*.	 Valued in societal, monetary terms, in €. Benefits, which derive from the use of fertilizers, are modelled, valued and integrated in the aforementioned indicators).

* Note: see document: "Toward Common Metrics and Consistent Reporting of Sustainable Value Creation".

** Note: these metrics ought to be reported, wherever material, along the value chain.

*** Note: considered impacts in the model include both operational impacts and most upstream impacts. Downstream impacts, according to the nature or the projects, have been considered as non-relevant.



The following quantitative KII were used to reflect the environmental and social impact that arise from SCEEF II's investment activities. Other benefits (i.e. noise reduction, integration of renewables, etc.) have been considered through a qualitative assessment.

Theme	KII	KII description	Raw/intermediate data
Energy savings	Energy efficiency of Suma Capital's investments	Amount of total energy savings by using funded technologies compared to the initial amount of total energy consumed (MJ)	 Amount of fuel/electricity consumption avoided by using funded technologies (in kWh, kg, m³, l) Heating value of fuels (in MJ/kg, m³, l) Amount of total electricity energy avoided by using funded technologies (in MJ)
Energy savings	Total primary energy savings	Amount of total primary energy savings by using funded technologies (MJ)	 Amount of total energy savings by using funded technologies compared to the initial amount of total energy consumed (MJ) Factors of primary energy consumed over energy consumed in the combustion (MJ)
Depletion of energy resources	S&E benefit related to the surplus cost of extracting fossil fuels avoided	Estimation of the Surplus cost potential avoided, derived from fossil resources not extracted thanks to primary energy savings (€ 2022)	 Amount of total primary energy savings by using funded technologies (MJ) End-point Characterization Factor: Fossil Fuel Scarcity (in \$/kg, m3, I) GDP deflator (annual %) and Exchange rate
Climate change	Greenhouse gas emissions reduction	Amount of carbon savings by using funded technologies (ton CO2-eq)	 Amount of fuel consumption avoided by using funded technologies (in kg, m3, l) Emission factor for every energy sources used (in ton CO2-eq/kg, m3, l)
Climate change	S&E benefit related to air pollution and climate change-related diseases avoided	Economic estimation of the societal damages associated to climate change (\in 2022)	 Amount of carbon savings by using funded technologies (ton CO2-eq) Societal Cost of Carbon (\$/ton CO2-eq) GDP deflator (annual %) and Exchange rate
Air pollution	Particulate Matter emissions avoided	Estimation of particulate matter emissions avoided by using funded technologies (kg PM2.5,eq)	 Amount of fuel/electricity consumption avoided by using funded technologies (in kWh, kg, m3, I) Emission factor for every energy sources used (in kg pollutant/kWh, kg, m3, I) Mid-point Characterization Factor: (in kg PM2.5,eq/kg pollutant)
Air pollution	Photochemical ozone formation avoided	Estimation of photochemical ozone formation avoided by using funded technologies (kg NOx-eq)	 Amount of fuel/electricity consumption avoided by using funded technologies (in kWh, kg, m3, I) Emission factor for every energy sources used (in kg pollutant/kWh, kg, m3, I) Mid-point Characterization Factor: (in kg NOx-eq/kg pollutant)
Air pollution	Acidification potential avoided	Estimation of Acidification potential avoided by using funded technologies (kg SO2-eq)	 Amount of fuel/electricity consumption avoided by using funded technologies (in kWh, kg, m3, I) Emission factor for every energy sources used (in kg pollutant/kWh, kg, m3, I) Mid-point Characterization Factor: (in kg SO2-eq/kg pollutant)
Human Health	S&E benefit related to climate change damages avoided	Disability-adjusted life years (DALY) gained thanks to funded technologies Cost avoided on air pollution and climate change-related human diseases (€ 2022)	 Amount of air pollutants avoided by using funded technologies (in kg pollutant) End-point Characterization Factor: (in DALY/kg pollutant) GDP deflator (annual %) and Exchange rate
Biodiversity	Eutrophication avoided	Avoidance of nutrients (N,P) infiltrated to fresh water, leading to a reduction in eutrophication	 Amount (ton) of olive mill and slurry treated LCA data on olive mill and slurry untreated
Biodiversity	S&E benefit related to ecosystem damage avoided (including climate change effects avoided)	Species-year gained thanks to funded technologies Benefit related to species-year preserved thanks to funded technologies (€ 2022)	 Amount of SO2 avoided by treating olive mill and slurry Amount of nutrients (N,P) avoided by treating olive mill and slurry End-point Characterization Factor (in species-year/kg pollutant) GDP deflator (annual %)



1.- Methodologies:

- PwC Methodology (Valuing corporate environmental impacts)
- ReCiPe Methodology (Report I: Characterization).

2.- Main documentation and papers consulted:

- <u>EMEP/EEA air pollutant emission inventory guidebook 2019</u>: (documents on Energy Combustion).
- <u>Table 8.2. Average Tested Heat Rates by Prime Mover and Energy Source, 2010 2020 (EIA, U.S. Energy Information</u> <u>Administration)</u>
- Escenarios para el sector energético en España 2030-2050. Economics for Energy ('Maintenance of current policies' scenario).
- Getting Energy Prices Right. From Principle to Practice. IMF

3.- Additional documentation:

- Monetary valuation in Life Cycle Assessment: A review
- Emisiones de CO2 asociadas a la generación. REE
- UK Government GHG Conversion Factors for Company Reporting (DEFRA)
- Inflation, consumer prices (annual %). The World Bank; GDP per capita. The World Bank
- Tipos de Interés y Tipos de cambio Banco de España
- Cuadros de cálculo de las emisiones para los ganaderos (avícola y porcino). PRTR
- <u>Comparison of Olive Pomace and Biowaste Composts in a Vegetable Cropping System</u>
- Life Cycle Assessment of Slurry Management Technologies Danish Ministry of Environment
- Life Cycle Assessment of waste disposal from olive oil production: Anaerobic digestion and conventional disposal on soil



3.- Additional documentation (continued):

- Life cycle assessment (LCA) of different fertilizer product types
- Solid and gaseous bioenergy pathways: input values and GHG emissions. JRC
- Sistema Español de Inventario de Emisiones. Metodologías de estimación de emisiones. MITECO
- Development of a weighting approach for the Environmental Footprint. JRC
- Fijación de CO2 por Pinus sylvestris L. y Quercus pyrenaica Willd. en los montes «Pinar de Valsaín» y «Matas de Valsaín»
- Population and population change statistics. Eurostat
- Final Energy consumption by sector. EEA
- Brief on biomass for energy in the European Union. JRC
- Renewable energy statistics Electricity production, consumption and market overview. Eurostat
- Response of paddy rice to fertilisation with pig slurry in northeast Spain: Strategies to optimise nitrogen use efficiency
- A Global Analysis of Acidification and Eutrophication of Terrestrial Ecosystems
- Biodiesel production from an industrial residue: Alperujo



Appendix 4: Summary of methodologies – Impact performance

The following Key Impact Indicators (KII) were selected by Suma Capital to reflect the positive environmental and social impacts of the investee companies and the SCEEF II Fund's investment activities, and their contribution to the sustainable investment Fund objectives on climate change mitigation and transition to circular economy:

Type of indicator	Section	КРІ	KPI description
Impact indicator	Climate change mitigation	Avoided GHG Emissions	Amount of carbon savings from the balance between the replaced technologies and funded technologies, considering the emissions of the value chain (ton CO2-eq)
Impact indicator	Climate change mitigation	Primary energy from fuels avoided	Amount of total primary energy savings from the balance between the replaced technologies and funded technologies (in MJ)
Impact indicator	Climate change mitigation	Renewable energy consumed	Amount of renewable energy consumed (GWh). Def. "Energy from renewable sources" or "renewable energy" means energy from renewable non- fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.
Impact indicator	Transition to Circular Economy	Treated waste	Amount of recycled waste (tones). Def. "Recycling' means any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations;
Impact indicator	Transition to Circular Economy	Water reused or recycled	Amount of water reused or recycled on site operations for its use as process water or colling (m3)
Impact indicator	Transition to Circular Economy	Renewable energy generated	Amount of renewable energy generated and injected in the grid or natural gas network, excluding the renewable energy generated and self-consumed on site (GWh).
Impact indicator	Lifespan Impacts	DALYs gained	Disability-adjusted life years (DALY) gained thanks to funded technologies. Cost avoided on air pollution and climate change-related human diseases (in €).
Impact indicator	Lifespan Impacts	Species-year gained	Species-year gained thanks to funded technologies. Benefit related to species-year preserved thanks to funded technologies (in €)
Impact indicator	Lifespan Impacts	Emissions to water	Avoidance of nutrients (N,P) infiltrated to fresh water, leading to a reduction in eutrophication
Impact indicator	Lifespan Impacts	Terrestrial acidification	Avoidance of nutrients (N,P) infiltrated to the soil, leading to a reduction in acidification
Impact indicator	Lifespan Impacts	Social & Environmental Return on Investment (SEROI)	S&E benefit related to climate change damages avoided



Appendix 4: Summary of methodologies – ESG performance

The following Key Performance Indicators (KPIs) were selected by Suma Capital to reflect the environmental and social performance of the investee companies and the SCEEF II Fund's investment activities, and their contribution to the sustainable investment's Fund's objective focused on climate change mitigation and transition to circular economy:

Type of indicator	Section	KPI	KPI description
ESG indicator	Environment	Scope 1 Emissions	Sum of Scope 1 GHG emissions of each investee company (ton CO2-eq)
ESG indicator	Environment	Scope 2 Emissions	Sum of Scope 2 GHG emissions of each investee company (ton CO2-eq)
ESG indicator	Environment	Scope 3 Emissions	Sum of Scope 3 GHG emissions of each investee company (ton CO2-eq)
ESG indicator	Environment	Total energy consumed	Total energy consumption (kWh)
ESG indicator	Environment	Renewable energy consumed	Total renewable energy consumption (kWh) 'energy from renewable sources' or 'renewable energy' means energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.
ESG indicator	Environment	Entities with Environmental policies	Existence of an Environmental policy approved among investees (%)
ESG indicator	Social	Total number of employees	Total Number of employees at the end of the year (employees)
ESG indicator	Social	Net job creation	(Total New Hires - Total terminations)
ESG indicator	Social	Women employees	Share of women employed annually out of total number of employees (%)
ESG indicator	Social	Number of work-related fatalities	Number of work-related fatalities
ESG indicator	Social	Number of work-related accidents	Number of work-related injuries
ESG indicator	Social	Number of days lost due to accidents	Days lost due to injury (days)



Appendix 4: Summary of methodologies – ESG performance

Type of indicator	Section	КРІ	KPI description
ESG indicator	Governance	Total number of board members	Total number of board members (in absolute and relative values) Def. 'Board' means the administrative, management or supervisory body of a company;
ESG indicator	Governance	Number of women board members	Number of women board members (in absolute and relative values)
ESG indicator	Governance	Investments with TOP 10 financial auditors	Existence of a TOP 10 global financial auditor firms approved to perform the annual financial audit among investees (%)
ESG indicator	Governance	Entities with Compliance policies and whistleblowing channels	Existence of a Compliance policy and whistleblowing channels approved among investees (%)
ESG indicator	Governance	Entities with Sustainability policies	Existence of a Sustainability policy approved among investees (%)
ESG indicator	Governance	Entities with Sustainability on the Supply Chain policies	Existence of a Sustainability on the Supply Chain policy approved among investees (%)



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