



Sustainability-related information

SC CLIMATE IMPACT FUND III, F.C.R.E.

SC CLIMATE IMPACT FUND III PLUS, F.C.R.E., S.A.

This document provides information about the financial product in accordance with the Sustainable Finance Disclosure Regulation (SFDR). The information contained in this document is required by the regulation to promote transparency and understanding of the sustainability-related characteristics and/or, the objectives and risks of this financial product, and is not for advertising or marketing purposes.

A. Summary

Summary of the information contained in the different sections of this document.

The indicated financial product (hereinafter the "Fund") managed by SUMA CAPITAL S.G.E.I.C., S.A. (hereinafter the "Management Company") is defined as an article 9 under the Sustainable Finance Disclosure Regulation (SFDR), defining as its sole objective sustainable investment in the objectives of "climate change mitigation" and "transition to a circular economy" in accordance with the European Taxonomy Regulation. The Fund also commits to invest a minimum of 60% on sustainable investments in accordance with the Taxonomy Regulation, over the life of the Fund. To achieve the sustainable investment objective, the Fund invests in projects that promote energy transition and circular economy, through the reuse and optimisation of resources. In addition, the Fund pursues the goal of reducing carbon emissions in line with the Paris Agreement. Investments made by the Fund will also contribute to the UN Sustainable Development Goals (SDGs) linked to the above sustainability objectives. The Fund has not designated a reference benchmark to meet the sustainable investment objective.

To ensure that the Fund invests in companies that contribute to the defined investment objectives, a due diligence process is carried out by external and independent experts, who analyse that Target Companies have a clear intention to promote the defined sustainable investment objective, to measure their performance and contribution on a regular basis, and that have the capacity to adequately manage the ESG Criteria specific to their activity.

The Management Company has its proprietary methodology for monitoring its investments, through an internal data management tool, which ensures that the management indicators and metrics are compiled in an appropriate and homogeneous manner. The metrics monitored include impact metrics on the contribution to the sustainable investment objective, metrics in accordance with the SFDR Regulation, as well as ESG (environmental, social and governance) performance metrics included in international frameworks. The data provided by the investees is obtained from their information systems as well as from external service providers. The performance of investees and the Fund against the sustainable investment objective is monitored quarterly and annually, along with financial results. In addition, the Fund has established an Impact Committee, composed by independent experts, which defines impact indicators and targets associated with the achievement of the sustainable investment objectives, and that annually verify their compliance.

The Fund also aligns the governance and management practices of its portfolio investments with the good governance practices established in international benchmark standards and implements the necessary control measures to respond to the sustainability risks identified, through its active presence in the management bodies of the investee companies.



B. No significant harm to the sustainable investment objective

The Fund has defined sustainable investment as its sole objective. The Fund is classified as Article 9 under the Sustainable Finance Disclosure Regulation (SFDR).

To ensure that sustainable investments made by the Fund do not cause significant harm to any of the sustainable investment objectives of the Taxonomy Regulation, which are not the primary objective of the Fund (i.e. sustainable investment objectives other than "climate change mitigation" and "transition to a circular economy"), the investment team conducts an analysis prior to the selection of assets to assess their potential contribution to each sustainable investment objectives, as well as their potential harm. The potential harm that an economic activity contributing to a sustainable investment objective may generate on other sustainable investment objectives will be a factor taken into consideration in view of the Management Company's intention to increase, to the extent possible, the percentage of Taxonomy aligned sustainable investments in the Fund.

In addition, prior to the investment, the investment team engages with independent experts in a due diligence process which include the following actions: (a) review and assessment of key sustainability risks and opportunities, including PAIs, to ensure that the Fund's sustainable investments do not generate a significant harm and comply with minimum social and environmental safeguards; (b) identification of potential negative impacts on environmental, social and governance issues, and their corrective measures; (c) assessment of the potential of alignment of the economic activities comprising the transaction with the technical screening criteria of the Taxonomy Regulation.

In addition, 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 Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The Fund also carries out an assessment of the potential for alignment of portfolio investments with the economic activities included in the Taxonomy Regulation, through the annual review of the technical screening criteria, the no significant harm criteria and the minimum social safeguards, all of which are included in the Regulation and its delegated acts.

Finally, in the portfolio management phase, the Fund monitors sustainability indicators, including the principle adverse impacts (PAIs) of the SFDR, and discloses them to stakeholders on a quarterly and annual basis. The implementation of the Management Company's reporting framework is one of the tools used by the Fund to identify and monitor the negative impacts of sustainable portfolio investments and to follow up on the corrective measures to be implemented.

C. Sustainable investment objective of the financial product

Describe the sustainable investment objective of the financial product.

The Fund defines as its sole objective the sustainable investment in the environmental objectives of "climate change mitigation" and "transition to a circular economy", which form part of the list of sustainable investment objectives defined in the European Taxonomy Regulation. The Fund undertakes a minimum commitment to investments that qualify as sustainable, in accordance with the Taxonomy Regulation, of 60% over the life of the Fund. To achieve the sustainable investment objective, the Fund invests in projects that promote energy transition and the circular economy, through the reuse and optimisation of resources. The Fund also pursues the goal of reducing carbon emissions in line with the Paris Agreement. In addition, the investments made by the Fund will also contribute to





the UN Sustainable Development Goals (SDGs) linked to the beforementioned sustainability objectives. 100% of the investments made by the Fund will contribute to one or more SDGs and may collaterally impact the rest of the SDGs.

D. Investment strategy

Description of the investment strategy used to attain the sustainable investment.

The investment strategy used to meet the sustainable investment objective will be based on the investment in companies or projects that promote energy transition (through energy efficiency, the promotion of renewable energy, or the energy rationalization of transport and sustainable mobility), and circular economy projects (which may include the reuse or recycling of waste for the generation of other resources and energy, the promotion of the water cycle and the optimization of its management); sectors in which the Management Company has extensive experience.

Policy to assess the good governance practices of investee companies, regarding governance structures, employee relations, staff remuneration and compliance with obligations.

As part of the Fund's investment policy, a due diligence process will be conducted to identify Sustainability Risks, including Governance Risks, in each Target Company, using specialised external resources where necessary. This due diligence process will consider the assessment of good governance practices, including the following aspects: (a) corporate integrity, (b) the existence of programmes for compliance with internal rules and applicable regulations, (c) existing governance structure (Board of Directors, Management Committee, Monitoring Committees, etc.), (d) risk management, (e) business continuity, (f) conflict of interest management, and (g) alignment of interest schemes and corporate social responsibility actions, among others.

In the portfolio management phase, the investment team will ensure that good governance practices are maintained and that the necessary control measures are in place to address the identified sustainability risks, including the minimum social safeguards of the Taxonomy Regulation. The Fund, through the investment team, will have an active presence in the management bodies of the investee companies to ensure adequate monitoring and control of the implementation of good governance practices.

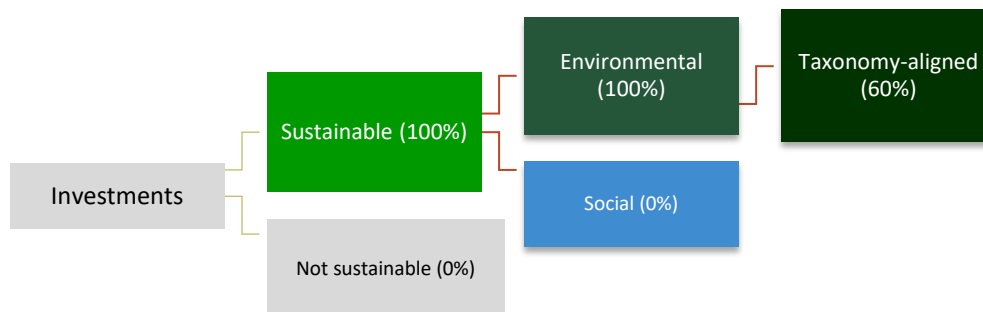
E. Proportion of investments

100% of the Fund's assets will be invested in sustainable investments, that is investments that contribute to achieving the sustainable investment objectives defined in the Taxonomy Regulation. Specifically, the Fund will focus on the following two objectives within the list of sustainable objectives defined in the Taxonomy Regulation, "climate change mitigation" and "transition to a circular economy", through companies active in projects and entities that promote energy transition (through energy efficiency, promotion of renewable energy, or energy rationalisation in transport and mobility), and circular economy projects (which may include the reuse or recycling of waste for the generation of other resources and energy, the promotion of the water cycle and the optimisation of its management). The Fund set a minimum commitment of 60% of sustainable investments in accordance with the Taxonomy Regulation, over the life of the Fund. In addition, the Fund will make sustainable investments that contribute to the carbon emission reduction target in accordance with Article 9.3 of the SFDR. The achievement of such sustainable investment objectives in which the Fund invests will be measured by



various sustainability and impact indicators, as detailed in section F. Monitoring of sustainable investment objective.

The Asset Allocation is set out below:



The Fund is a thematic product that will invest primarily in circular economy and energy transition projects, which will therefore seek to contribute in full to the objectives defined in the Taxonomy Regulation of "climate change mitigation" and "transition to a circular economy". The percentage of sustainable investments aligned with the Taxonomy Regulation out of the total investments of the Fund will vary according to the investments and divestments undertaken, at the date of submission of this document, the Fund sets a minimum commitment on investments that are classified as sustainable, in accordance with the Taxonomy Regulation, of 60% over the life of the Fund, which will be reported to investors in the various periodic reports provided to them in accordance with the applicable regulations.

F. Monitoring of sustainable investment objective

Description of how the sustainable investment objective and the sustainability indicators used to measure the attainment of the sustainable investment objective, are monitored throughout the lifecycle of the financial product, as well as the related internal or external monitoring mechanisms.

The Management Company, through its proprietary evaluation methodology, which includes the monitoring of indicators and metrics that measure the value and sustainable impact of the economic activities of the investments made by the Fund, periodically monitors the achievement of the Fund's sustainable investment objectives.

In the contracts signed between the Investee Companies and the Fund, the Investee Companies commit to report, on a regular basis, financial and non-financial indicators on the impact on environmental, social and governance criteria ("defined ESG Criteria") used to measure the contribution to the Fund's sustainable investment objectives. As an example, the impact indicators of the defined ESG Criteria include, among others, the following:

- the avoided greenhouse gas (GHG) emissions.
- the avoided primary energy from fossil fuels.
- the ratio of waste valorised.
- the amount of water reused or recycled.
- the amount of renewable energy generated.
- the number of direct jobs generated.
- gender diversity on boards of directors.



- absence of a gender pay gap.
- policies or mechanisms for compliance with international standards to ensure human rights and business ethics.

In addition, the Fund may establish additional impact measurement indicators depending on the thematic focus of the investee project. To determine the investments are indeed in companies that contribute positively to the achievement of the SDGs, as described in section "C. Sustainable investment objective of the financial product", the Fund performs a series of analyses described in the following section "G. Methodologies".

G. Methodologies

Description of the methodologies used to measure the attainment of the sustainable investment objective and how the sustainability indicators to measure the attainment of that sustainable investment objective are used.

To ensure the Fund invests in Companies that contribute to the achievement of the sustainable investment objective through the defined ESG Criteria, a due diligence process is carried out by external and independent experts, which analyses that the Target Companies have a clear intention to promote the sustainable investment objectives defined by the Fund, to measure their performance and contribution on a regular basis, and that also have the capacity to adequately manage the ESG Criteria specific to their activity.

If the due diligence process concludes that the Target Company, in its contribution to the sustainable investment objective, generates negative impacts on other sustainable investment objectives, this does not imply the immediate exclusion of the investment opportunity, but it is an element to be considered for the allocation of assets that the Fund will have, given the intention of the Management Company to gradually increase, over time, the percentage of sustainable investments aligned with the Taxonomy Regulation. Once the investment has been materialized, the Fund establishes monitoring mechanisms on the investee's activity and performance, including compliance with the sustainable investment objective and the improvement of the aspects identified in the ESG due diligence process.

A roadmap containing action plans on the defined ESG Criteria is established for each investment. The content of the plans is based on the conclusions and recommendations of the various ESG analyses conducted, including the ESG due diligence, and the recommendations of the Investment Committee. The proposed roadmap ensures the alignment of the investee with the Fund's sustainable investment objective, and incorporates risk mitigation strategies, levers for value creation, as well as qualitative and quantitative objectives and targets to be achieved during the investment period. Each investee appoints an ESG Manager to coordinate the implementation of the action plans and to report progress, as well as any deviations or non-compliance, to the Board of Directors of the Company, or to a specialized Committee.

The Management Company has its proprietary methodology for monitoring its investments, through an internal data management tool, which ensures that management indicators and metrics are collected in an appropriate and homogeneous manner. The metrics monitored are selected based on the ESG Criteria relevant to the investment activities, and are grouped into three categories: Environmental, Social and Governance. The monitored indicators include impact metrics on the contribution to the sustainable investment objective, indicators under the SFDR Regulation and principle adverse impacts (PAIs), as well as ESG and climate change performance metrics included in international frameworks, such as the TCFD. In addition, additional ESG indicators or metrics linked to the investee companies'



business may be established, as well as possible improvements in the scope of the monitoring system for indicators and metrics.

The performance of investee companies and the Fund in relation to the sustainable investment objective is monitored quarterly and annually, together with financial results.

In addition, the Fund has set up an Impact Committee, composed of independent experts in the field of impact investment and sustainability, which defines impact indicators and targets associated with the achievement of the sustainable investment objective for each of the Fund's investments. On an annual basis, the Committee verifies compliance with the established objectives and proposes corrective measures to achieve the defined sustainable investment objectives.

H. Data sources and processing

Description of the data sources used to achieve the sustainable investment objective of the financial product, the measures taken to ensure data quality, how the data are processed and the proportion of data that have been obtained by estimation.

The metrics and performance indicators are provided by the management teams of the investees, or by the technical partners responsible for their operation, and reviewed and consolidated by the Fund's investment teams. To ensure the quality, accuracy and comparability of the data provided, the investment team carries out various controls together with the investee companies, either with the management teams or the technical partners, such as follow-up meetings, resolution of doubts or requests for evidence on the evolution and performance of the defined ESG Criteria. The data provided by investees are derived from their information systems as well as from external service providers. The Fund does not obtain data from estimates.

I. Limitations to methodologies and data

Description of the limitations of the methodologies and data sources mentioned; and how these limitations do not affect the achievement of the sustainable investment objective.

The methodologies and data sources mentioned above are provided directly by the management teams of the investees, or by external service providers contracted by the investees, not by independent third parties. To prevent the resulting limitations from affecting compliance with the environmental and social characteristics, the investment team ensures that it complies with the processes detailed in the above sections, as well as implements any controls it deems necessary to ensure the quality, accuracy and comparability of the data provided.

J. Due diligence

Description of the due diligence measures taken in respect of the underlying assets of the financial product, including external and internal controls over such due diligence.

The due diligence measures adopted by the Fund, including the external and internal controls in place, are detailed in section "G. Methodologies".



K. Engagement policies

Description of the engagement policies applied where engagement is part of the sustainable investment objective, including management procedures applicable to sustainability-related litigation in investee companies.

In the event of an incident, complaint or sanction regarding environmental, social, labour, gender-based violence, exploitation and abuse, occupational health and safety, fatal accidents or retaliation, among others, with the potential to cause a severe or adverse impact on the investee, the investment team will be informed within 10 days of receipt of the communication to assess its potential impact and communicate it to the Fund's investors. If an investee of the Fund is or may be in breach of the Target ESG Criteria, the Investment Committee will meet to discuss the nature and extent of the breach(es), assess their impact on the business and achievement of the Fund's objectives, and take steps to ensure compliance.

L. Attainment of the sustainable investment objective

Description of whether a referenced benchmark has been designated to meet the sustainable investment objective, and how that reference benchmark is aligned with the sustainable investment objective of the financial product, including input data, methods used to select that data, rebalancing methods and how the reference benchmark is calculated.

The Fund has not designated a reference benchmark to meet its sustainable investment objective. As of the date of publication of this document, no reference benchmark is available for the measurement of the carbon reduction objective. The investments targeted by the Fund will be aligned with the Paris Agreement and will contribute to limiting the temperature increase to 1.5°C, through projects that contribute to climate change mitigation by promoting energy efficiency, renewable energy and/or energy efficiency in transport and sustainable mobility.