



Sustainability-related information

SC GROWTH FUND II, F.C.R.E., S.A.

SC GROWTH FUND II PLUS, F.C.R.E.

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 Article 8 under the Sustainable Finance Disclosure Regulation (SFDR), given that it primarily promotes environmental or social characteristics, and that additionally it will also make sustainable investments in a minimum proportion of 30% over the life of the Fund. To this end, the Fund will invest in small and medium-sized enterprises (SMEs) that benefit from and contribute to the macro trends of lifestyle, digitalization, and sustainability, and that are associated with the environmental and social goals specified in the UN international SDG framework. No reference benchmark has been designated to meet the environmental or social characteristics promoted by the Fund.

To ensure that the Fund invests in companies that contribute to the defined investment objectives, a due diligence process is carried out by independent external experts, which assesses that the Target Companies have a clear intention to promote the environmental and social characteristics defined by the Fund, to measure their performance and contribution on a regular basis, and to have the capacity to manage them.

The Management Company has its own methodology for monitoring its investments through an internal data management tool, which ensures that management indicators and metrics are collected in an appropriate and consistent manner. The metrics monitored include 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 are derived from their information systems as well as from external service providers. The performance of investee companies and the Fund in promoting environmental and social characteristics is monitored quarterly and annually, along with financial results.

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



B. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment. Notwithstanding the above, the Fund aims to make investments that contribute to both environmental and social objectives in economic activities not aligned with the European Taxonomy Regulation. The Fund is defined as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR).

To ensure that sustainable investments made by the Fund do not have negative impacts on the other sustainable investment objectives, the Fund undertakes a pre-investment due diligence process that includes the following actions: (a) review and assessment of key sustainability risks and opportunities; (b) identification of potential negative impacts on environmental, social and governance issues, and establish the necessary corrective measures.

The Fund also 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.

In the portfolio management phase, the Fund monitors on a quarterly and annual basis the 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 portfolio investments, both for sustainable and non-sustainable investments, and to follow up on the corrective measures to be implemented.

C. Environmental or social characteristics of the financial product

Description of the environmental or social characteristics promoted by the financial product.

The Fund defines as its objective the promotion of environmental and social characteristics in its investments. While the Fund does not aim to make exclusively sustainable investments, it aims to make sustainable investments that contribute to environmental objectives in economic activities not aligned with the Taxonomy Regulation, and to social objectives, in a minimum proportion of 30% over the life of the financial product.

The promotion of environmental and social characteristics is based on investing in small and medium-sized enterprises (SMEs) that benefit from and contribute to macro-trends associated with environmental and social objectives identified through the international framework of the UN Sustainable Development Goals (SDGs).

Details of the macro-trends and SDGs in which the Fund invests:

- **Lifestyle:** includes the thematic areas of investment in Food, Home, Personal Care, Leisure, etc. and promote the achievement of the following SDGs:
 - SDG 8 - Decent Work and Economic Growth.
 - SDG 9 - Industry, Innovation, and Infrastructure
 - SDG 10 - Reducing Inequality



- **Digitalization:** which includes the thematic areas of investment in Industry 4.0, New Technologies/Services, Networks and Communication, SaaS, and E-commerce, and promote the achievement of the following SDGs:
 - SDG 8 - Decent Work and Economic Growth.
 - SDG 9 - Industry, Innovation, and Infrastructure
 - SDG 11 - Sustainable Cities and Communities
- **Sustainability:** which includes the thematic areas of investing in Responsible Consumption, Climate Change, Inclusion/Diversity, Education and Health, and which promote the achievement of the following SDGs:
 - SDG 3 - Health and Wellbeing
 - SDG 4 - Quality Education
 - SDG 10 - Reducing Inequality
 - SDG 12 - Responsible Consumption and Production
 - SDG 13 - Climate Action

100% of the investments made by the Fund will promote the environmental or social characteristics of one or more SDGs and may have a collateral impact on the other SDGs.

D. Investment strategy

Description of the investment strategy used to comply with the environmental or social characteristics promoted by the financial product.

The investment strategy used to meet the objective of promoting environmental or social characteristics will be based on the investment in small and medium-sized enterprises (SMEs) that benefit from and contribute to the macro trends of lifestyle, digitalization, and sustainability, and that are associated with the environmental and social objectives specified in the UN international SDG framework. 100% of the investments made by the Fund will promote the environmental and social characteristics of one or more SDGs.

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

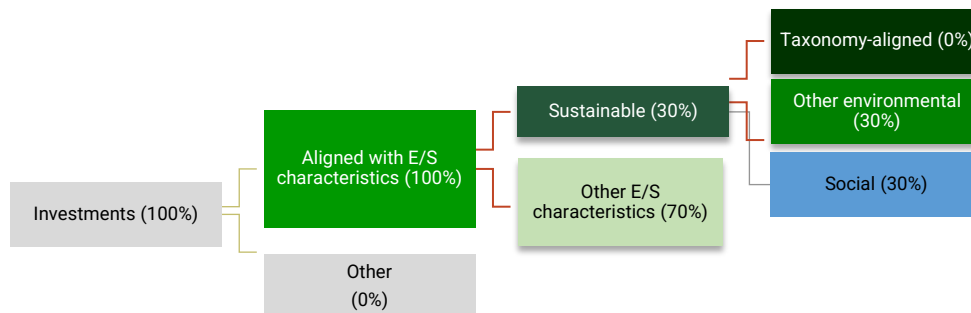
As part of the Fund's investment policy, a due diligence process will be conducted to identify Sustainability Risks, including Governance Risks, in each Target Company, using specialized external resources where necessary. This due diligence process will consider the assessment of good governance practices, including the following aspects: (a) corporate integrity, (b) the existence of programs 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 sustainability risks identified. 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 are invested in investments that promote the defined environmental or social characteristics, i.e., investments adjusted to the environmental or social characteristics promoted by the Fund. Although the Fund does not have a sustainable investment objective, it aims to make sustainable investments that contribute to environmental objectives in economic activities not aligned with the Taxonomy Regulation, and to social objectives, in a minimum proportion of 30% over the life of the financial product. The Asset Allocation Table is presented below:



F. Monitoring of environmental or social characteristics

Description of how the environmental or social characteristics promoted by the product are monitored throughout the life of the financial product and the sustainability indicators used to measure the effective promotion of each such environmental or social feature, 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 sustainable value of the economic activities of the investments made by the Fund, periodically monitors the promotion of environmental and social characteristics of its portfolio investments.

In the contracts between the Investee Companies and the Fund, a set of clauses are established whereby the Investee Companies commit to report on a regular basis, financial and non-financial indicators to assess the contribution to the promotion of environmental and social and governance criteria by the Fund ("defined ESG Criteria").

As an example, indicators on the promotion of the defined ESG Criteria include, among others, the following:

- total greenhouse gas emissions (tCO₂e).
- carbon footprint intensity (tCO₂e/M€).
- reduction in energy consumption (GWh).
- the amount of energy consumed from renewable sources (%).
- the number of direct jobs.
- the number of new direct jobs created.
- gender diversity.
- the implementation of Equality Plans.





- number, frequency, and severity of work accidents.
- the availability of Compliance Policies and whistleblowing channels.
- the implementation of Sustainability Policies.

To determine that investments are indeed made in companies that contribute positively to the achievement of the SDGs described in section "C. Environmental or social characteristics of the financial product", the Fund performs a series of analyses described in the following section "G. Methodologies".

G. Methodologies

Description of the methodologies to measure how the environmental or social characteristics promoted by the financial product are met.

To ensure that the Fund invests in companies that contribute to the achievement of the defined ESG Criteria, a due diligence process is carried out by external and independent experts, which assesses that the Target Companies have a clear intention to promote the environmental and social characteristics defined by the Fund, to measure their performance and contribution on a regular basis, and also have the capacity to adequately manage the ESG Criteria specific to their business. The ESG due diligence analysis assesses the performance of the Target Companies in the following aspects, among others:

- Environmental: compliance with regulations and best practices, certifications, energy efficiency, circular economy, efficient use of resources, key environmental performance indicators (energy consumption, waste, etc.) and climate risks.
- Social: compliance with labour and human rights regulations, company culture, equity, meritocracy, diversity and equality, and other labour issues (human resources practices, health and safety, work-life balance, etc.).
- Governance: corporate integrity, existence of compliance programmes, existing governance structure (Board of Directors, Management Committee, Monitoring Committees, etc.), risk management, business continuity, conflict of interest management, alignment of interest schemes, corporate social responsibility.

If the due diligence process concludes that the starting point for the promotion of environmental and social characteristics of the investee company is not optimal, this does not result in the immediate exclusion of the investment opportunity but is an element to be considered for the allocation of assets that the Fund will have. Once the investment is materialised, the Fund establishes monitoring mechanisms on the investee company's activity and performance, including compliance with the promotion of environmental or social characteristics 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 ESG due diligence, and the recommendations of the Investment Committee. The proposed roadmap ensures the alignment of the investee with the objectives of promoting environmental or social characteristics of the Fund, 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 deviation or non-compliance, to the Board of Directors of the Company, or to a specialized Committee.

The Management Company has a 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 metrics 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 promotion of environmental and social characteristics is monitored quarterly and annually, together with the financial results.

H. Data sources and processing

Description of the data sources used to achieve each of the environmental or social characteristics promoted by 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 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 investees and the management teams, such as follow-up meetings, resolution of doubts or requesting evidence on the evolution and performance of the ESG Criteria. The data provided by investees is sourced 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 way in which the environmental or social characteristics promoted by the financial product are met.

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 environmental or social strategy, 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. Designated reference benchmark

A description of whether a reference benchmark has been designated to meet the environmental or social characteristics promoted by the financial product, and how that reference benchmark matches the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select that data, the rebalancing methodologies and how the reference benchmark is calculated.

The Fund has not designated a reference benchmark to meet the environmental or social characteristics promoted by the Fund.