

# SC INFRA STRATEGY

## 2023 IMPACT REPORT



# > Content

1. About this report
2. SC Infra track record
3. SC Infra Strategy
4. SC Infra - 2023 at a glance
5. 2023 Portfolio summary
6. Sustainable and Impact objectives of the Funds
7. Taking action on ESG and Impact
8. 2023 Performance and additionality

## **Appendixes:**

- A1: SC Infra II Portfolio performance
- A2: SC Infra III Portfolio performance
- A3: Periodic reporting requirements for art. 9 products (SFDR)
  - SC Infra II: SC Efficiency & Environment Fund II
  - SC Infra III: SC Climate Impact Fund III

## 1 > ABOUT THIS REPORT

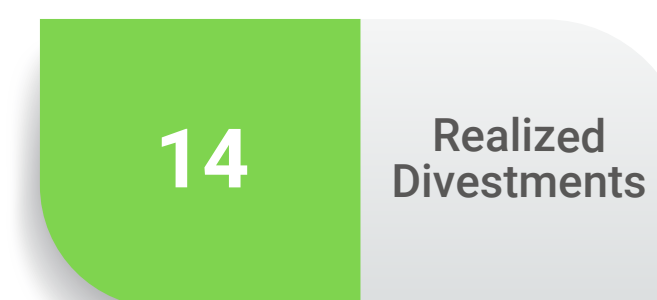
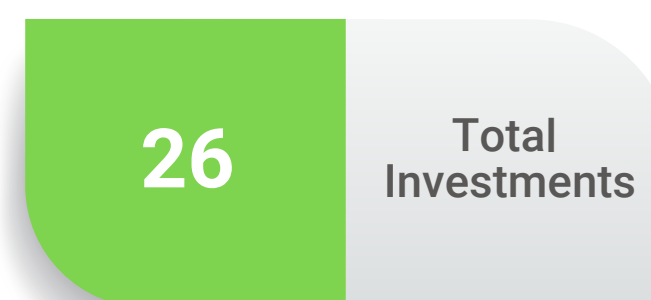
This report is aimed to build confidence on our stakeholders by offering transparency on the track record, the investment thesis, the integration of sustainability investing and impact investing practices and the annual portfolio performance of our **SC Infra funds**.

Our commitment to redirect capital flows towards sustainable economic activities with a significant impact contribution to the environmental objectives of climate change mitigation, energy transition and circular economy, is central to our strategy. As an impact investor, we recognize and promote the role of impact investing on supporting infrastructures that increase the resilience of the natural and social capital, following the guidelines and tools defined in our **Responsible Investment Policy**.

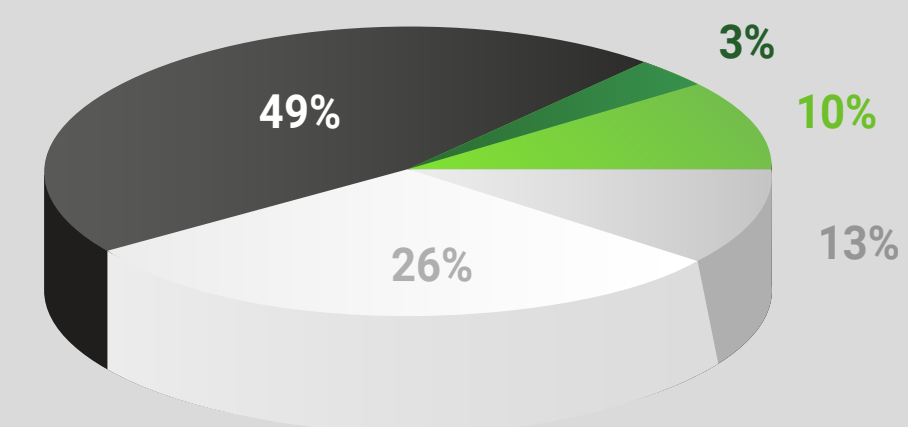
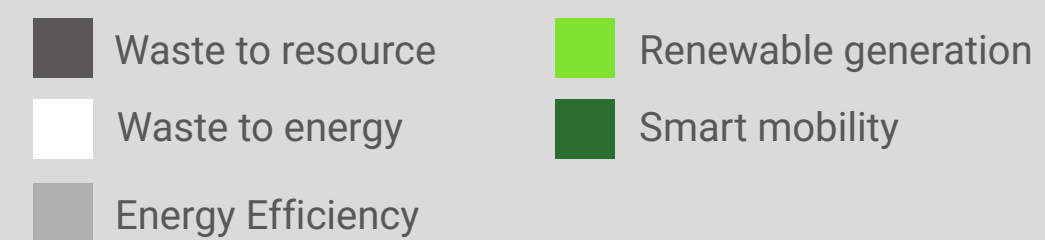
Suma Capital has identified sustainable and impact investing as the most suitable strategies to generate positive impacts on the environment, people and society, bringing solutions on the market to global challenges, while generating market returns with a balanced risk for our investors.

Since 2022 all SC Infra Funds are classified as **article 9** financial products under the **SFDR Regulation**, with sustainable investments in environmental activities as their main objective, contributing to the achievement of the 2030 Agenda of the SDGs, the environmental objectives set on the EU Green Deal, and the global decarbonization pathways set on the Paris Agreement and the Net Zero by 2050.

## 2 > SC INFRA TRACK RECORD



Distribution per sectors (% of capital invested)




## 3 > SC INFRA STRATEGY

Independent Asset Manager with an Integrated Impact Investing approach

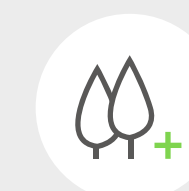
### > INVESTMENT STRATEGY

- > Value-add infra investment approach driving returns through execution-driven value creation during the holding period
- > Control-oriented infrastructure transactions with limited downside risk and high visibility of cash flows
- > Strategy focused on **three types of transactions:**
  - **Build to Core:** Investments that offer long-term fundamentals where we lead the project from development to operation
  - **Operational value creation:** Investments that offer the potential to enhance operational value through growth and efficiency improvements
  - **Platform expansion:** Investments with potential to grow their asset base through accretive acquisitions or enhanced project pipeline
- > Double objective in our investments: financial and social-environmental return

### > INVESTMENT CRITERIA

-  **TARGET** Assets and Platforms
-  **STAGE** Greenfield and Brownfield
-  **INSTRUMENT** Equity + Shareholders Loans
-  **TICKET** €20m – €50m
-  **OWNERSHIP** >50%
-  **SFDR (Art.9)** 100% Sustainable Investments

### > AREAS OF FOCUS



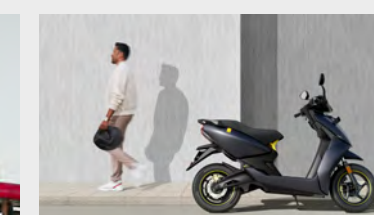
#### Energy Transition



Renewable Generation



Energy Efficiency



Sustainable Mobility



#### Circular Economy



Waste-to-Energy



Waste-to-Resource



Water Cycle

### 3 > SC INFRA STRATEGY

#### ESG and Impact investing international track record

Suma Capital takes a **systematic approach to the integration of ESG & Impact**, including its promotion, reinforcement, review, and reporting. The firm promotes ESG initiatives, fosters value creation initiatives linked to the core business of each company and adapted to its improvement potential and maturity; measures relevant KPIs, tracks improvement and reports back to investors on a quarterly basis.

**This approach has been internationally recognized:**



### 3 > SC INFRA STRATEGY

#### ESG and Impact awards of 2023



Suma has achieved the top rating in Responsible Investment in the latest United Nations PRI Assessment for the fourth consecutive year



- > Suma Capital has achieved the highest rating in the four categories assessed in the **United Nations Principles for Responsible Investment (PRI)** for the year 2023. This achievement, obtained for the **fourth consecutive year**, consolidates Suma Capital as a benchmark in responsible investment.
- > Compared to the previous year, Suma Capital has demonstrated continued progress in **Governance, Policy and Strategy**, Private Equity and **Infrastructure modules**, and achieving the highest score in **Confidence Building Measures**. Notably, this year, Confidence Building measures has become a separate category, reflecting Suma Capital's ongoing commitment to transparency and trust.



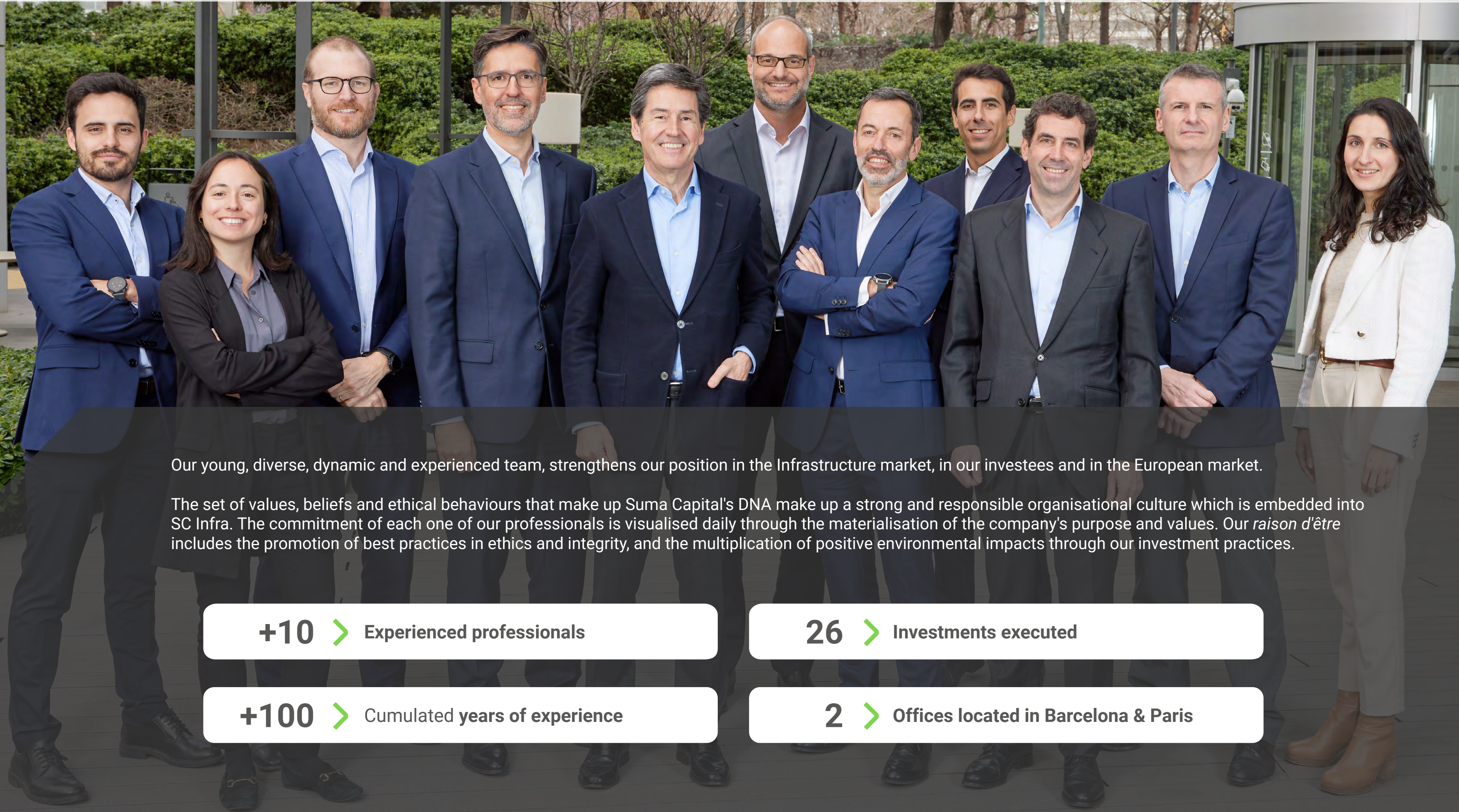
- > Suma Capital has been selected in the prominent **Real Deals Future 40 Climate Change Champions** list; a distinction awarded by the private equity-focused publishing group Real Deals in association with Private Equity Recruitment (PER). This recognition positions the company as a leading manager in the fight against **climate change**, and as a key driver of **sustainability in investments**.
- > Suma Capital was recognized in this list due to taking robust action against climate change and environment impact. Prioritising decarbonisation, proactive engagement with climate risks and participation in the ICI initiative, Suma Capital aligns its sustainable investment strategy with the Paris Agreement and EU Taxonomy.



- > The fund manager has been honoured at the **Environmental Finance Awards 2023**, specifically in the **Impact Investing category**. These awards recognise Suma Capital's work in impact investment during 2023.
- > Gestcompost, a subsidiary of a company majority-owned by Suma Capital (Anoltri Invest), has recently completed the construction of a new treatment plant, doubling its **waste treatment capacity**. The judges of the Awards complimented Gestcompost's "**circular economy** approach to dealing with waste, with lots of **impact** generated at scale **throughout the value chain**".

### 3 > SC INFRA STRATEGY

#### Our Team



Our young, diverse, dynamic and experienced team, strengthens our position in the Infrastructure market, in our investees and in the European market.

The set of values, beliefs and ethical behaviours that make up Suma Capital's DNA make up a strong and responsible organisational culture which is embedded into SC Infra. The commitment of each one of our professionals is visualised daily through the materialisation of the company's purpose and values. Our *raison d'être* includes the promotion of best practices in ethics and integrity, and the multiplication of positive environmental impacts through our investment practices.

**+10** > Experienced professionals

**26** > Investments executed

**+100** > Cumulated years of experience

**2** > Offices located in Barcelona & Paris

## 4 > SC INFRA

2023 at a glance

### Year end

25.7 M€

New Invested  
Capital

3

New  
Investments

0

Divestments

0

Add-ons

### Accumulated at year-end

3.3 MW  
installed  
21 MW  
under construction

Renewable  
Energy Power

100%

Sustainable  
investments

108 MW

Cogeneration  
Power

283

Total  
Employees

2.9  
million tonnes  
109 ktn  
under construction

Waste  
treatment  
capacity

+233 M€

Total Sales

15

Efficiency projects  
implemented

1,531  
tCO<sub>2</sub>eq./M€  
sales

Carbon  
intensity

## 5 > 2023 PORTFOLIO SUMMARY

### SC Infra II



#### Efficiency & Environment Infrastructures (2018)

*Energy efficiency platform developing projects for commercial, industrial and public clients*



#### Valorizaciones Agropecuarias (2019)

*Plant for slurry treatment and high-efficiency cogeneration with biogas and natural gas*



#### Zero Waste Energy (2019)

*Platform for the construction and operation of cogeneration, waste treatment and biogas and biomass production plants*



#### Anoltri Invest (2020)

*Investment in a company of treatment and recovery of non-hazardous organic waste*



#### Qoichi (2020)

*Development, construction and sale of small-scale distributed generation PV installations*



#### SC Gases Renovables (2020)

*Build and operate biogas upgrading units that generate biomethane and inject it into the natural gas grid*



#### SC Producción Renovable (2021)

*Development, construction and operation of two solar PV plants located in Toledo and Palencia, respectively*

Note: Year of Investment (xxxx)

## 5 > 2023 PORTFOLIO SUMMARY

SC Infra III



### Biomethane initiatives (2022)

*Organic waste treatment plant for biomethane production via Anaerobic Digestion*



### ADEC Global (2022)

*Plant dedicated to the treatment and recovery of Steel Slag and Construction and Demolition Waste (CDWs)*



### Zamora Eco Energías (2023)

*Construction and operation of a district Heating network in Zamora (Spain)*



### ATH Bioenergy (2023)

*Development, construction and operation of 4 biomethane plants in the Canary Islands for organic waste from hospitality*



### CH4T (2023)

*Acquisition of 7 biogas plants (anaerobic digestion) to be transformed into biomethane plants in the following two years*

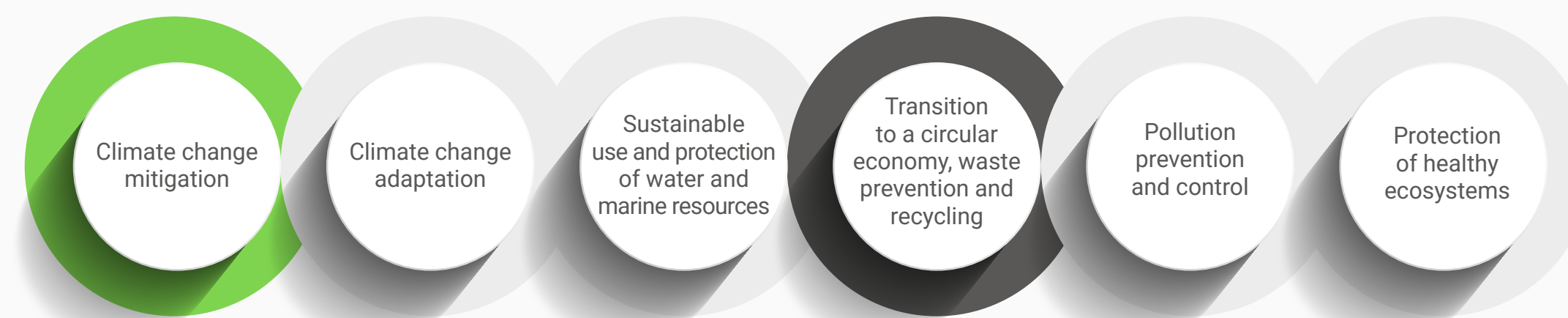
Note: Year of Investment (xxxx)

## 6 > SUSTAINABLE AND IMPACT OBJECTIVES OF THE FUNDS

SC Infra targets **100% environmentally sustainable investments**, it is the sole investment objective of our funds, that is why all of our funds are classified as **art.9 under SFDR Regulation**. From the six environmental objectives defined by the European Commission on the Taxonomy Regulation (Regulation (EU) 2020/852), our Funds seek to significantly contribute to two of them: (1) **climate change mitigation** and (4) **transition to a circular economy**.

### > EU Taxonomy Environmental objectives

The EU has defined **6 environmental objectives**, and for each objective, the EU Taxonomy specifies a list of eligible economic activities that may substantially contribute to that environmental objective by complying with its Technical Screening Criteria.



### > Sustainable and Impact objectives



#### Climate change mitigation

Holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement.



#### Transition to a circular economy

Maintaining the value of products and materials in the economy for as long as possible, enhancing their efficient use in production and consumption, and reducing waste.

## 6 > SUSTAINABLE AND IMPACT OBJECTIVES OF THE FUNDS

In addition to the significant contribution to the EU Taxonomy environmental objectives, our SC Infra Funds target and measure its positive contribution to the **United Nations Sustainable Development Goals** (SDGs), as a contribution to the global sustainability goals. During the pre-investment assessments, an analysis is performed to identify the potential contribution to each SDG and the alignment with the overall positive contribution of the business activity.

At year end, SC Infra measures the contribution of all its portfolio investments as the percentage of capital invested in investments that contribute to each SDG, relative to the total accumulated capital invested by SC Infra, excluding the divestments of the funds.

### > Principal SDGs impacted



89%

86%

89%

100% of the Fund's portfolio investments have contributed to at least one of the above-mentioned SDGs through their core business activities or the implementation of ESG & Impact initiatives for value creation and value protection on environmental, social, governance and economic matters.

### > Secondary SDGs impacted



100%

100%

100%



75%

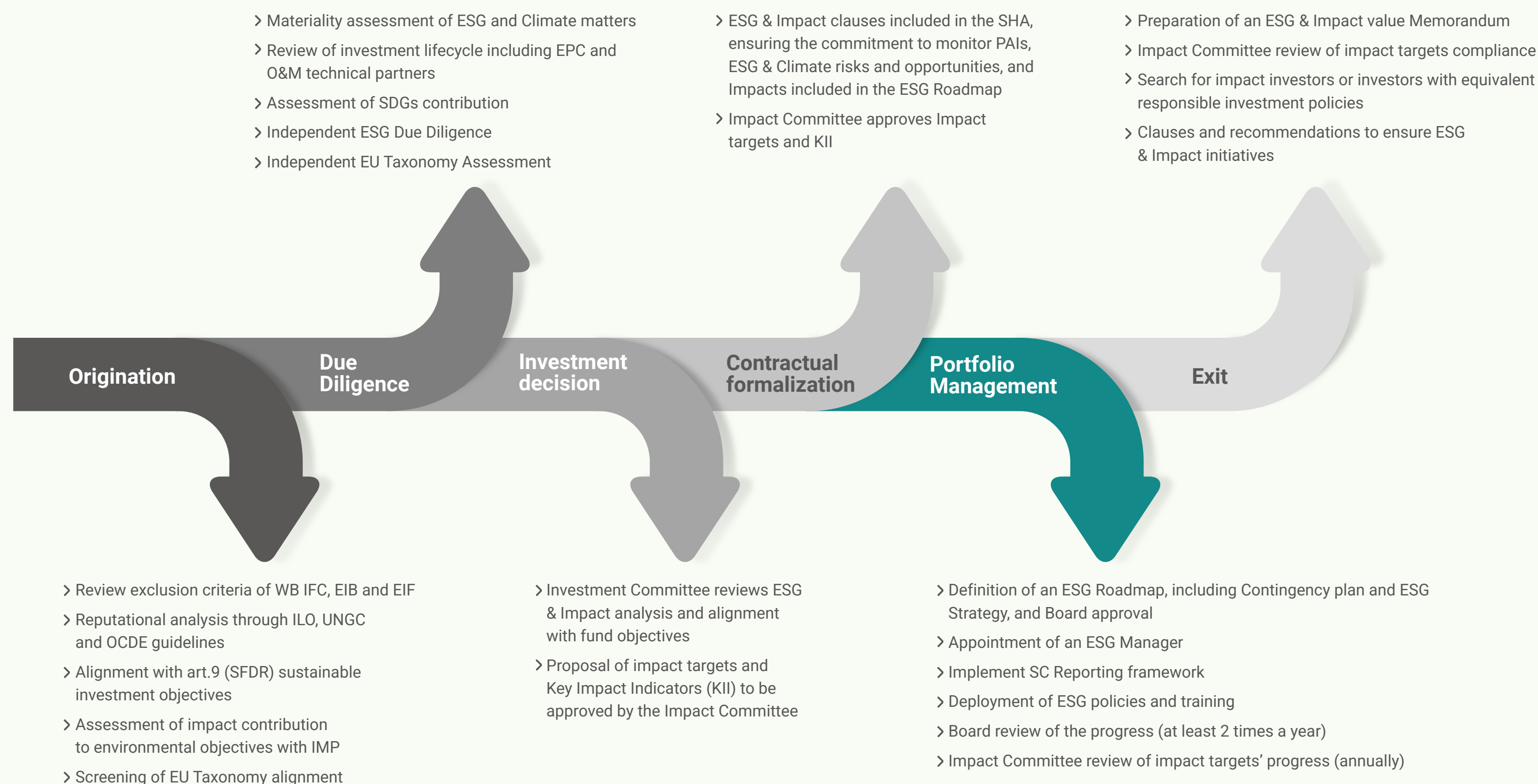
65%

27%

69%

## 7 > TAKING ACTION ON ESG AND IMPACT

The integration of ESG, Climate & Impact matters throughout our investment process, is critical to guarantee a balanced risk management, including Sustainability matters, along with the development of opportunities for value creation and the generation of additional positive impacts on the planet and society. To ensure a value-focussed approach, Suma Capital has set various internal processes and practices to identify, assess and manage the ESG, Climate & Impact matters of our investments, all of which are described in our **Responsible Investment Policy**, publicly available on our website.



## 7 > TAKING ACTION ON ESG AND IMPACT

One of the key values of our differential investment strategy is that we work to align our procedures with market best practices, international standards and the latest developments on ESG, Climate & Impact management, to ensure we respond to the expectations of our investors and investees. Our double focus on the value-protection and value-generation, ensures that we conduct our business with a strategic focus on making resilient and impactful projects and companies. Some of the guiding principles of our ESG, Climate and Impact strategy are outlined as follows:



- > The **Principles for Responsible Investment** (UN PRI)
- > The Ten Principles of the **Global Compact** (UN Global Compact)
- > The **Sustainable Development Goals** (UN SDG)
- > The recommendations of the **Spanish National Securities Market Commission** (CNMV)
- > The Standards for Disclosure of Financially Relevant Sustainability Information of the **Sustainability Assurance Standard Board** (SASB)
- > The **OECD** anti-corruption and anti-bribery convention
- > The fundamental conventions of **International Labor Organization** (ILO)
- > The **Task Force on Climate-related Financial Disclosures** (TCFD)
- > The climate action of **Initiative Climate International** (iC International)
- > The five dimensions of impact of **Impact Management Project** (Impact Frontiers)
- > The **EU SFDR** and **Taxonomy Regulations**, among other EU Sustainable Finance developments

## 7 > TAKING ACTION ON ESG AND IMPACT

### > SC Infra III Impact Committee

In our journey towards integrating the best market practices on Impact investing, we launched in 2023 the SC Infra III Fund Impact Committee (IC).

The role of the IC is to provide an external and independent assessment of the key impact indicators (KII) and impact targets to be achieved by the investments of the Fund in their contribution to the climate change mitigation and/or transition to circular economy objectives. The impact and business interests are totally aligned by linking a share of our carried interest to the performance of the KII and the achievement of the approved targets.

The IC meets a maximum of 3 months after a new investment is closed and reviews and approves 1 to 3 impact targets proposed by the investment team for each investment. The review of the degree of compliance of the impact targets approved for each investment is performed once a year and at exit and communicated to our investors on annually.

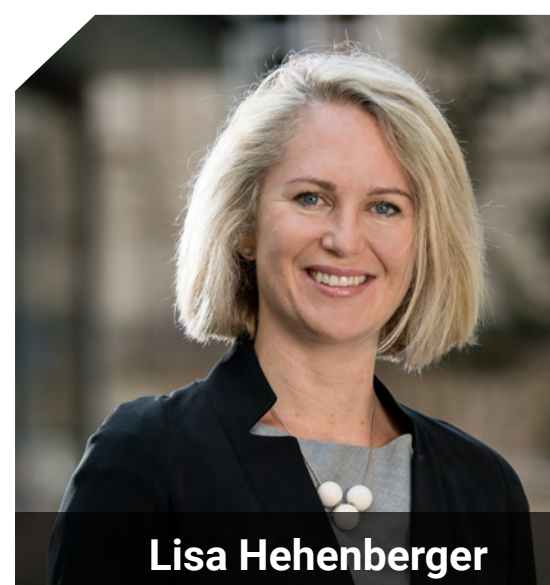
If the expected performance is not achieved, Suma Capital will distribute the carried interest amounts to an NGO approved by the IC and proposed by Suma Capital, to ensure the achievement of the targeted impact.



Mariluz Castilla

#### BOARD ADVISOR SUSTAINABILITY AND CLIMATE CHANGE

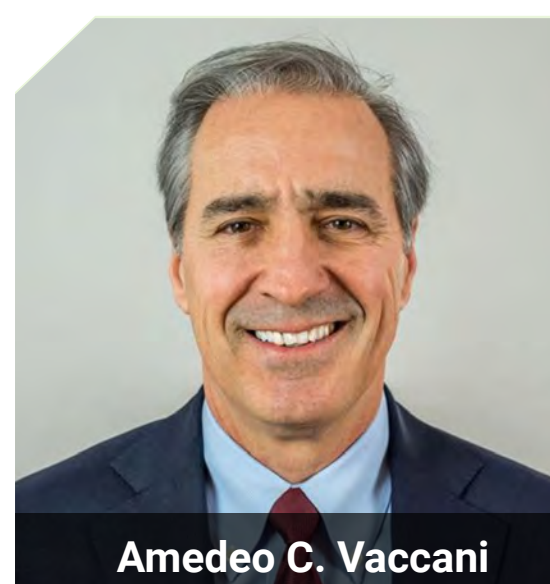
- > Former **PwC** Partner of Sustainability and Climate Change
- > Founding member of the **Spanish Green Growth Group**, member of the Board of Directors and General Technical Secretariat
- > Founder President of **Sustainability Hub** at **EJE&CON** (Spanish Association of Executives and Board Directors)



Lisa Hehenberger

#### PROFESSOR AND SOCIAL IMPACT EXPERT & ADVISOR

- > Associate Professor & Director of **Center for Social Impact at ESADE**
- > Visiting Scholar at **Stanford PACS**
- > Board member of OECD Centre for Entrepreneurship, SMEs, Regions & Cities, European Commission Expert Group on Social Businesses (GECES)
- > Advisor at **Impact Europe** (ex-EVPA)

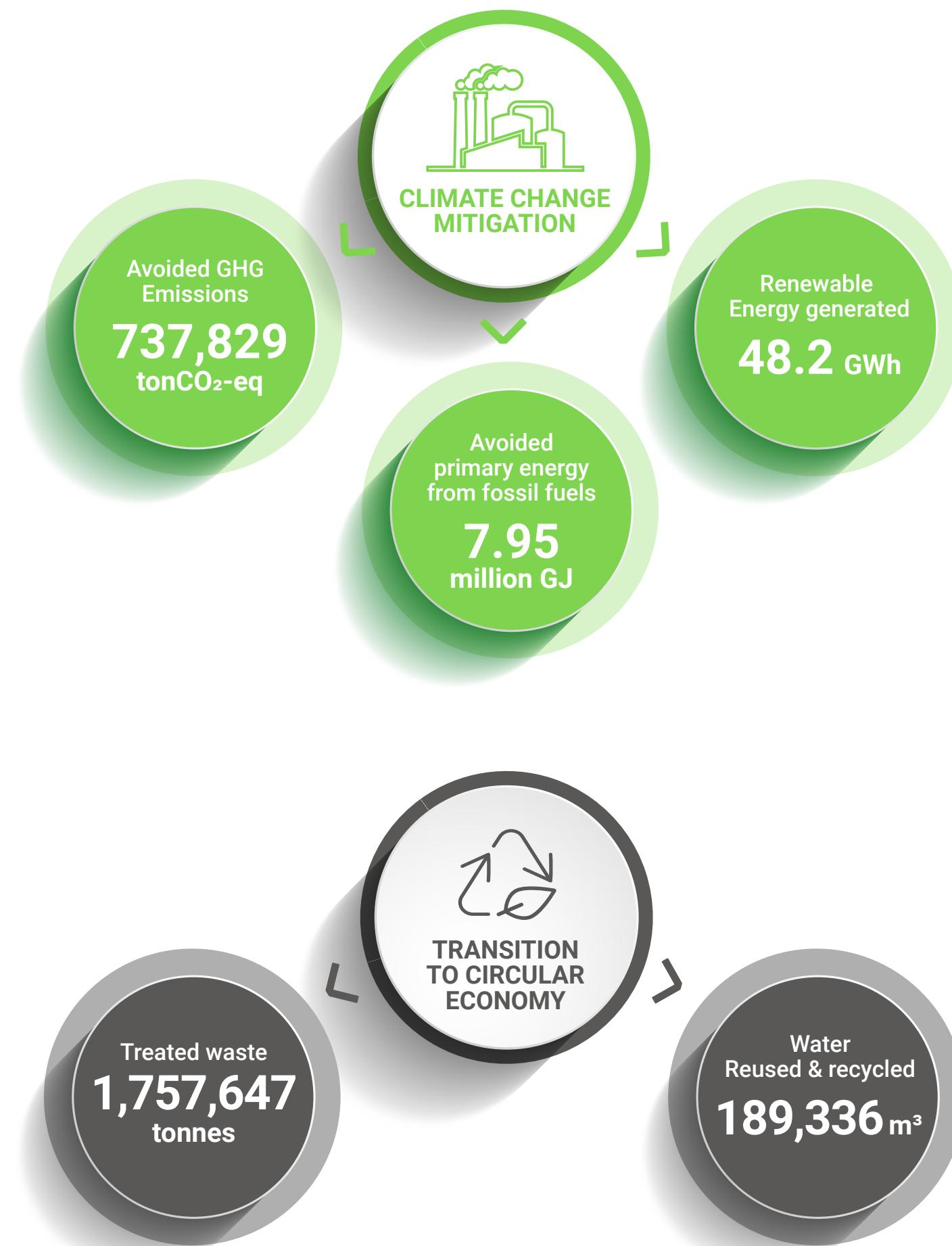


Amedeo C. Vaccani

#### TECHNICAL ADVISOR ON RESOURCES MANAGEMENT

- > Equity partner at **Amane Advisors** on Water and Resource Recovery
- > Founding partner at **A.Vaccani&Partners** and M&A Advisors in Resource Recovery
- > Advisory Board Member of waste to energy power plants in **EQT Partners**
- > Managing Partner at **Rhincodon Corp.** on Private Equity & Direct Investments

## 8 > 2023 PERFORMANCE AND ADDITIONALITY



Note: Data included for 2023 performance and additionality includes only active Funds activities: SC Infra II and SC Infra III.  
For SC Infra III all projects with impact on Climate Change are either in permitting or started construction during 2023, meaning no operational data is available.

**352,148 tCO<sub>2</sub>e**  
Scope 1  
GHG Emissions

**4,772 tCO<sub>2</sub>e**  
Scope 2  
GHG Emissions

**107,516 tCO<sub>2</sub>e**  
Scope 3  
GHG Emissions

**2,250 GWh**  
Total Energy  
consumed

**12.2%**  
Renewable energy  
consumed

**1,531 tCO<sub>2</sub>e/€M**  
Carbon footprint intensity  
(Scopes 1+2) on Sales

**283**  
Number of employees

**34**  
Net job creation

**15.9%**  
Women employed

**24**  
Work-related  
accidents

**511**  
Days lost due to  
accident

**31%**  
Entities with Compliance and  
whistleblowing policies

**25%**  
Entities with an  
ESG Roadmap

**53%**  
Entities with  
ESG policies

**0%\***  
EU Taxonomy  
alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics  
\*All investment have performed an EU Taxonomy Assessment and are progressing towards their alignment.

## 8 > 2023 PERFORMANCE AND ADDITIONALITY

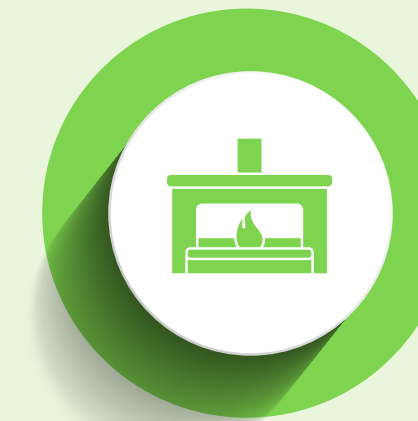
> Following a sample of the main developments and progress made by our SC Infra portfolio companies:



**Adec Global** extended its impact towards circular economy on the construction and demolition waste (CDW) and steel slag, by multiplying x8 the total amount treated and valorised, and achieving a 98% of average valorisation ratio on its waste treatment plant.



Outstanding progress achieved by **Anoltri Invest** with the implementation of a stripping process for water recovery, the certification of the plants Gestcompost I and II under ISOs 14001, 9001 and 45001, the start of operations in Gestcompost II and the acquisition of an agricultural waste treatment plant located on the north-east of Spain to increase treatment capacity.



Kick-off for the construction of Biomethane Initiatives **Montes de Toledo project**, that will produce biomethane from agricultural organic waste, and of **Zamora Eco Energías project** for the sourcing of hot water and heating for residential use through a biomass powered district heating in the city. The design and operation conditions of the infrastructures ensure potential compliance with EU Taxonomy.



**Zero Waste Energy (ZWE)** and **Valorizaciones Agropecuarias (SAVA)** recovered from the legislation uncertainties and the energy crisis of the previous years by repumping its waste treatment over x4,5 times and its electricity generation from the cogeneration plants, with a reduction of emissions intensity by sales of 22% compared to 2021 figures.



Our portfolio companies participated in **R+D projects**, to foster innovation and promote a circular economy, like Anoltri Invest with the European Project **NENUPHAR** (New governance models to enhance nutrient pollution handling and nutrient recycling), or Adec Global with the project **KEOPS** demonstrating the viability of using steel slag and CDW for sustainable cement production.



The SC Infra III **Impact Committee**, formed by independent advisors, approved the first set of **impact targets** for the first investments of the Fund, aiming to increase Construction Waste valorisation, Renewable heat production, Biomethane production and EU Taxonomy alignment. A milestone on the impact journey of our third Infra Fund.

# > Appendix



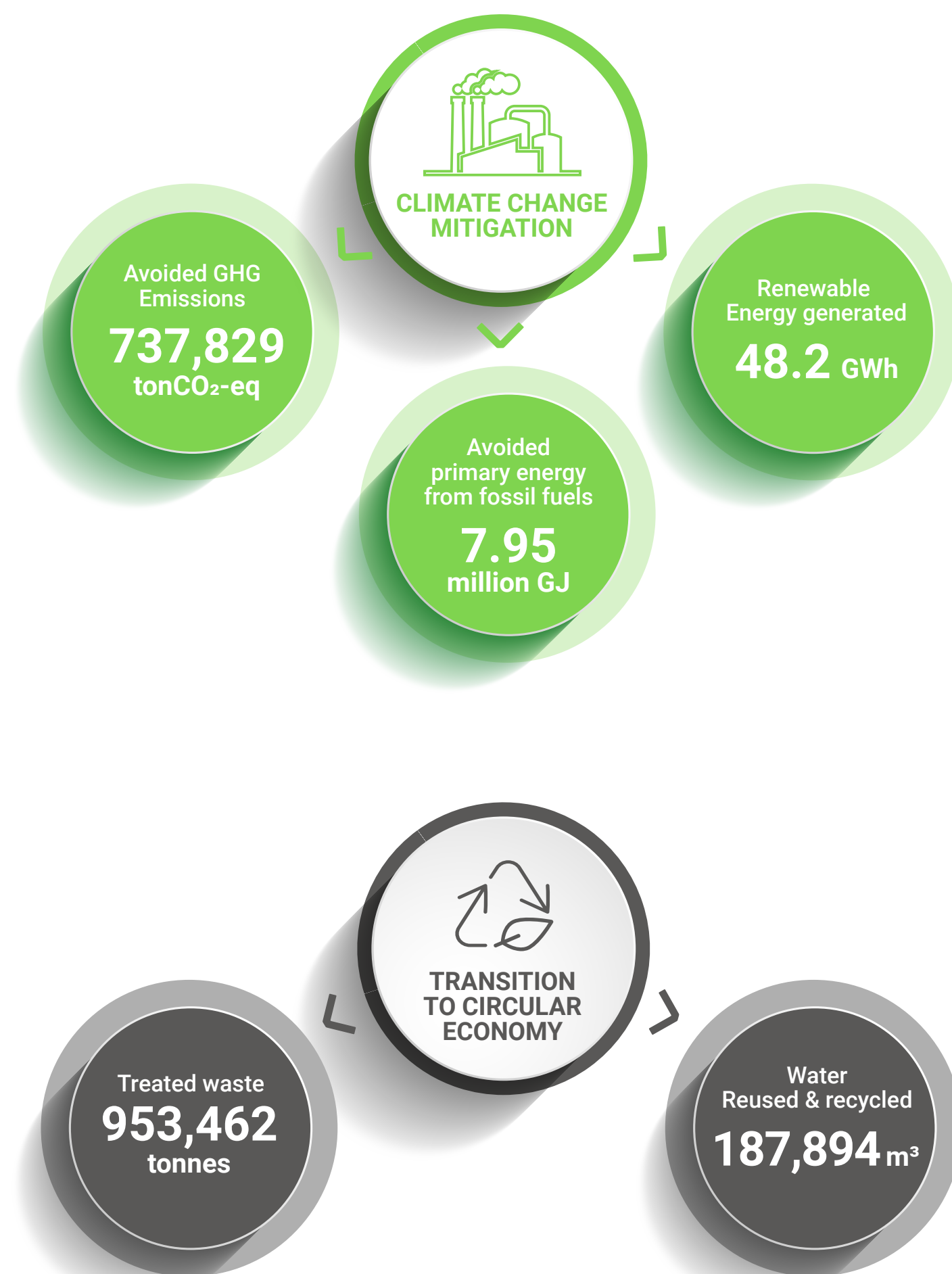
> Appendix 1: SC Infra II Portfolio performance

> Appendix 2: SC Infra III Portfolio performance

> Appendix 3: Periodic reporting requirements for art. 9 products (SFDR)

- SC Infra II: SC Efficiency & Environment Fund II
- SC Infra III: SC Climate Impact Fund III

## A1 > SC INFRA II – 2023 SCORECARD



**348,697 tCO<sub>2</sub>e**  
(+81%)  
Scope 1  
GHG Emissions

**4,740 tCO<sub>2</sub>e**  
(+44%)  
Scope 2  
GHG Emissions

**97,147 tCO<sub>2</sub>e**  
(-1%)  
Scope 3  
GHG Emissions

**2,238 GWh**  
(+34%)  
Total Energy  
consumed

**12.3%**  
(-24%)  
Renewable energy  
consumed

**1,750 tCO<sub>2</sub>e/€M**  
(+49%)  
Carbon footprint intensity  
(Scopes 1+2) on Sales

**207**  
(+23%)  
Number of employees

**13**  
(+18%)  
Net job creation

**16.9%**  
(-)  
Women employed

**18**  
(+13%)  
Work-related  
accidents

**464**  
(+79%)  
Days lost due to  
accident

**54%**  
Entities with Compliance and  
whistleblowing policies

**29%**  
Entities with an  
ESG Roadmap

**90%**  
Entities with  
ESG policies

**0%**  
Entities with EU  
Taxonomy alignment\*

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

\* All investment have performed an EU Taxonomy Assessment and are progressing towards their alignment.

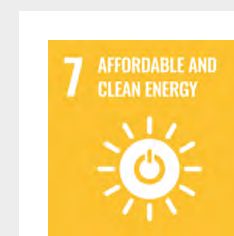
# A1 > EFFICIENCY & ENVIRONMENT INFRASTRUCTURES II

**Sector:** Energy Efficiency  
**Strategy:** Platform Expansion  
**Headquarters:** Barcelona (Spain)

**Year of investment:** 2018  
**Equity Share:** 100%



This project directly contributes to the  
**SDGs:** 7.2, 7.3 and 11.6



## > 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 compressor systems or photovoltaic energy self consumption systems.

## > 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 and the improvement of air quality.

## > Contribution

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

## > Risks

External risks: A relevant share of the efficiency solutions are implemented in technologies dependent on fossil fuels, which may be subject to future regulations and environmental taxes that limit its use, thus reducing the impact expected. For example, the environmental benefits of electricity efficiency measures rely on the extent to which the mix of electricity sources evolve into renewable sources.

## > How much

### > Impact

**3,357 tCO2e**  
(+4%)  
tones of GHG emissions avoided

**84,366**  
(-2%)  
GJ of primary energy from fossil fuels avoided

**2.2 GWh**  
(+9%)  
Renewable energy produced

### > Sustainability metrics

**- tCO2e**  
Scope 1 GHG Emissions

**- tCO2e**  
Scope 2 GHG Emissions

**47.6 tCO2e**  
(-5%)  
Scope 3 GHG Emissions

**- GWh**  
Total Energy consumed

**-%**  
Renewable energy consumed

**- tCO2e/€M**  
Carbon footprint intensity  
(Scopes 1+2) on Sales

**n/a**  
Number of employees

**n/a**  
Net job creation

**n/a**  
Women employed

**n/a**  
Work-related accidents

**n/a**  
Days lost due to accidents

**No**  
Compliance policies and  
whistleblowing channels

**No**  
ESG Roadmap

**No**  
ESG policies

**Not started**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

## A1 > VALORIZACIONES AGROPECUARIAS

**Sector:** Circular Economy  
**Strategy:** Operational Value-add  
**Headquarters:** Lérida (Spain)

**Year of investment:** 2019  
**Equity Share:** 100%



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



### > 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 pig slurry. The electricity produced is loaded into the grid and the heat is used for the pig slurry treatment, generating relevant **primary energy savings** and a **reduction of pollutant emissions** (CH<sub>4</sub>, CO, SO<sub>x</sub>, NO<sub>x</sub>, etc.) thanks to the controlled treatment of 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.

### > Who

The controlled treatment of pig slurry generates benefits in the nearby **communities**, reducing the negative effects that could potentially limit their access to clean 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, and an environmentally friendly solution for pig slurry waste.

### > Contribution

- > Financial resources for new investments in efficiency & optimization of the plant.
- > Support on the installation of wastewater reuse system from pig slurry treatment for the cooling of CHP systems.
- > Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection.

### > Risks

**Efficiency 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.

**External risks:** **regulatory changes** on the operational permissions levels of biogas, wastewater and emissions to air.

### > How much

#### > Impact

**50,530 tCO<sub>2</sub>e**  
(+219%)  
tones of GHG emissions avoided

**493,817**  
(+640%)  
GJ of primary energy from fossil fuels avoided

**70,036**  
(+79%)  
Tonnes of Waste treated

#### > Sustainability metrics

**53,462 tCO<sub>2</sub>e**  
(+70%)  
Scope 1 GHG Emissions

**700 tCO<sub>2</sub>e**  
(+215%)  
Scope 2 GHG Emissions

**11,437 tCO<sub>2</sub>e**  
(+66%)  
Scope 3 GHG Emissions

**299.3 GWh**  
(+69%)  
Total Energy consumed

**1 %**  
(-)  
Renewable energy consumed

**1,808 tCO<sub>2</sub>e/€M**  
(+12%)  
Carbon footprint intensity (Scopes 1+2) on Sales

**n/a**  
Number of employees

**n/a**  
Net job creation

**n/a**  
Women employed

**n/a**  
Work-related accidents

**n/a**  
Days lost due to accidents

**Yes**  
Compliance policies and whistleblowing channels

**No**  
ESG Roadmap

**Yes**  
ESG policies

**In progress**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

# A1 > ZERO WASTE ENERGY



**Sector:** Circular Economy  
**Strategy:** Build to Core  
**Headquarters:** Málaga (Spain)

**Year of investment:** 2019  
**Equity Share:** 100%



This project directly contributes to the  
**SDGs:** 12.4, 12.5, 12.6 and 13.2



## > 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 is 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 pig 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.

## > 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 clean 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, and waste management solution for pig slurry waste.

## > Contribution

- > Financial resources for new investments in efficiency & optimization of 7 plants.
- > Support on the installation of wastewater reuse system from pig slurry treatment for the cooling of CHP systems.
- > Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection.

## > Risks

**Efficiency 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.

**External risks:** **regulatory changes** on the operational permissions levels of biogas, wastewater and emissions to air.

## > How much

### > Impact

**238,092 tCO2e**  
 (+56%)  
 tones of GHG emissions avoided

**2,308,508**  
 (+3979%)  
 GJ of primary energy from fossil fuels avoided

**490,248**  
 (+42%)  
 Tonnes of Waste treated

### > Sustainability metrics

**294,644 tCO2e**  
 (+83%)  
 Scope 1 GHG Emissions

**3,717 tCO2e**  
 (+34%)  
 Scope 2 GHG Emissions

**57,553 tCO2e**  
 (+66%)  
 Scope 3 GHG Emissions

**1,914 GWh**  
 (+30%)  
 Total Energy consumed

**13.1 %**  
 (-26%)  
 Renewable energy consumed

**1,978 tCO2e/€M**  
 (+53%)  
 Carbon footprint intensity (Scopes 1+2) on Sales

**162**  
 (+16%)  
 Number of employees

**2**  
 (100%)  
 Net job creation

**16%**  
 (-)  
 Women employed

**12**  
 (-14%)  
 Work-related accidents

**247**  
 (-1%)  
 Days lost due to accidents

**Yes**  
 Compliance policies and whistleblowing channels

**No**  
 ESG Roadmap

**Yes**  
 ESG policies

**In progress**  
 EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

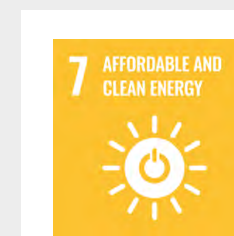
# A1 > QOICHI 1

**Sector:** Energy Transition  
**Strategy:** Build to Core  
**Headquarters:** Pamplona (Spain)

**Year of investment:** 2020  
**Equity Share:** 100%



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



## > 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 of the national electricity mix.

## > Who

The projects developed positively impact the **society and the planet** by producing green and local energy and preventing climate change adverse impacts. The **owners** of the projects benefit from a green energy with low impact on the territory, along with energy cost savings on the mid/long term. The **national grid and operator** also benefits from a more distributed generation that lowers the demand for transport of electricity. During the construction phase, the projects also benefits **local labour markets** contributing to the maintenance of qualified technical jobs in non-urban areas.

## > Contribution

- > Financial support for the construction of PV plants.
- > Support on the EPC & O&M supplier selection, contracts review and project management follow-up.
- > Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection.

## > Risks

**Execution risks:** the supply chain disruptions and cost increase of fleets have impacted **global supply chains**, including photovoltaic solar panels.

**Efficiency risks:** delays on the construction could negatively impact on the attainment of renewable energy objectives by technology, allowing other renewable sources to provide the energy expected by solar.

## > How much

### > Impact

**- tCO2e**  
tones of GHG emissions avoided

**-**  
GJ of primary energy from fossil fuels avoided

**- GWh**  
Renewable energy produced

### > Sustainability metrics

**- tCO2e**  
Scope 1 GHG Emissions

**- tCO2e**  
Scope 2 GHG Emissions

**5 tCO2e**  
(-99%)  
Scope 3 GHG Emissions

**- GWh**  
Total Energy consumed

**-%**  
Renewable energy consumed

**- tCO2e/€M**  
Carbon footprint intensity  
(Scopes 1+2) on Sales

**-**  
Number of employees

**-**  
Net job creation

**-%**  
Women employed

**-**  
Work-related accidents

**-**  
Days lost due to accidents

**-**  
Compliance policies and  
whistleblowing channels

**No**  
ESG Roadmap

**Yes**  
ESG policies

**Not started**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

## A1 > ANOLTRI INVEST

**Sector:** Circular Economy  
**Strategy:** Platform Expansion  
**Headquarters:** Zaragoza (Spain)

**Year of investment:** 2020  
**Equity Share:** 67%



This project directly contributes to the  
**SDGs:** 12.4, 12.5, 12.6 and 13.2



### > 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 aquatic and terrestrial ecosystems** including acidification, eutrophication and the acceleration of climate change.

### > 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 clean 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.

### > Contribution

- > Financing support on the construction of the new valorisation plant in Belinchón and the development of 2 new biomethane upgrading systems.
- > Hiring of an ESG Director and reinforcement of Corporate teams.
- > Acquisition of Gestcompost CAT (plant) and Ecobiogas (biogas consultancy).
- > Environmental Finance Award: Impact Project of the year: Pollution and waste Management.
- > Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection.

### > Risks

**External risks:** a **decrease of feedstock**, due to an economic recession for example, would lead to a decrease in production and waste generation, which would negatively impact the capacity of operation and production of compost and biogas.

### > How much

#### > Impact

**442,281 tCO2e**  
(+154%)  
tones of GHG emissions avoided

**5,001,582**  
(+159%)  
GJ of primary energy from fossil fuels avoided

**393,178**  
(-)  
Tonnes of Waste treated

#### > Sustainability metrics

**591 tCO2e**  
(+21%)  
Scope 1 GHG Emissions

**114 tCO2e**  
(-2%)  
Scope 2 GHG Emissions

**26,615 tCO2e**  
(-2%)  
Scope 3 GHG Emissions

**22.6 GWh**  
(+5%)  
Total Energy consumed

**93 %**  
(+4%)  
Renewable energy consumed

**39.7 tCO2e/€M**  
(+9%)  
Carbon footprint intensity (Scopes 1+2) on Sales

**45**  
(+61%)  
Number of employees

**11**  
(-15%)  
Net job creation

**20%**  
(-1%)  
Women employed

**6**  
(+200%)  
Work-related accidents

**217**  
(+2311%)  
Days lost due to accidents

**In process**  
Compliance policies and whistleblowing channels

**In process**  
ESG Roadmap

**Yes**  
ESG policies

**In progress**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

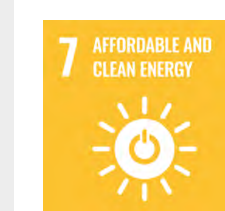
## A1 > SC GASES RENOVABLES

**Sector:** Circular Economy  
**Strategy:** Build to Core  
**Headquarters:** Burgos (Spain)

**Year of investment:** 2020  
**Equity Share:** 51%



This project directly contributes to the  
**SDGs:** 7.2, 7.3 and 13.2



### > What

The entity is the major shareholder of UNUE, the first private project in Spain of an upgrading plant that converts biogas into biomethane for its injection into the natural gas grid. The process of upgrading significantly reduces the content of **pollutants** from biogas (H<sub>2</sub>S and CO<sub>2</sub>) and replaces conventional fossil natural gas in the national grid with locally produced renewable gas, reducing **fossil fuel dependency** and contributing to the decarbonization of the natural gas in the grid, lowering its emissions of GHG per unit.

### > 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 the mitigation of climate change. 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 on thermal uses. The operational management of the facilities is performed by a technical partner who is also shareholder.

### > Contribution

- > Approval of ESG policies and corporate commitments on Sustainability, Environment, Corporate Governance, Code of Conduct for suppliers and Sustainability Commitment for Suppliers.
- > Support to perform a Physical 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.

### > Risks

**Efficiency risks:** with the increase of natural gas prices, certain heating processes could be **electrified**, reducing the contribution of the renewable gas to the national energy efficiency and emission reduction objectives.

**External risks:** the lack of appropriate **natural gas infrastructure**, including the grid, could reduce the interest of industrial consumers to source for renewable gas.

### > How much

#### > Impact

**3,570 tCO<sub>2</sub>e**  
(+3%)  
tones of GHG emissions avoided

**57,937**  
(+3%)  
GJ of primary energy from fossil fuels avoided

**15.6 GWh**  
(+3%)  
Renewable energy produced

#### > Sustainability metrics

**- tCO<sub>2</sub>e**  
Scope 1 GHG Emissions

**209 tCO<sub>2</sub>e**  
(+19%)  
Scope 2 GHG Emissions

**717 tCO<sub>2</sub>e**  
(+488%)  
Scope 3 GHG Emissions

**0.8 GWh**  
(+2%)  
Total Energy consumed

**0 %**  
Renewable energy consumed

**155 tCO<sub>2</sub>e/€M**  
(+85%)  
Carbon footprint intensity (Scopes 1+2) on Sales

**n/a**  
Number of employees

**n/a**  
Net job creation

**n/a**  
Women employed

**n/a**  
Work-related accidents

**n/a**  
Days lost due to accidents

**In process**  
Compliance policies and whistleblowing channels

**Yes**  
ESG Roadmap

**Yes**  
ESG policies

**In progress**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

## A1 > SC PRODUCCIÓN RENOVABLE

**Sector:** Energy Transition  
**Strategy:** Build to Core  
**Headquarters:** Toledo (Spain)

**Year of investment:** 2021  
**Equity Share:** 100%



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



### > What

The entity business is the development and construction of two solar PV plants (20MW and 40.5MW respectively), with which it will increase the national **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. The construction of both plants started in 2023; the company does not have operational activity in 2023.

### > Who

The projects developed positively impact the **society and the planet** by producing green and local energy and preventing climate change adverse impacts. The **owners** of the projects benefit from a green energy with low impact on the territory, along with energy cost savings on the mid/long term. The **national grid and operator** also benefits from a more distributed generation that lowers the demand for transport of electricity. During the construction phase, the projects also benefits **local labour markets** contributing to the maintenance of qualified technical jobs in non-urban areas.

### > Contribution

- > Financial support for the construction of plants during 2023.
- > Support on the EPC & O&M supplier selection, contracts review and project management follow-up.
- > Implementation of SC Reporting framework and environmental management tool for ESG/impact data collection.

### > Risks

**Execution risks:** the supply chain disruptions and cost increase of fleets have impacted **global supply chains**, including photovoltaic solar panels supply.

**Efficiency risks:** delays on the construction could negatively impact on the attainment of renewable energy objectives by technology, allowing other renewable sources to provide the energy expected by solar power plants.

### > How much

#### > Impact

**- tCO2e**  
tones of GHG emissions avoided

**-**  
GJ of primary energy from fossil fuels avoided

**-**  
Renewable energy produced

#### > Sustainability metrics

**- tCO2e**  
Scope 1 GHG Emissions

**- tCO2e**  
Scope 2 GHG Emissions

**733 tCO2e**  
(+100%)  
Scope 3 GHG Emissions

**- GWh**  
Total Energy consumed

**-%**  
Renewable energy consumed

**- tCO2e/€M**  
Carbon footprint intensity  
(Scopes 1+2) on Sales

**-**  
Number of employees

**-**  
Net job creation

**-%**  
Women employed

**-**  
Work-related accidents

**-**  
Days lost due to accidents

**No**  
Compliance policies and  
whistleblowing channels

**No**  
ESG Roadmap

**No**  
ESG policies

**Not started**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

# > Appendix



> Appendix 1: SC Infra II Portfolio performance

> Appendix 2: SC Infra III Portfolio performance

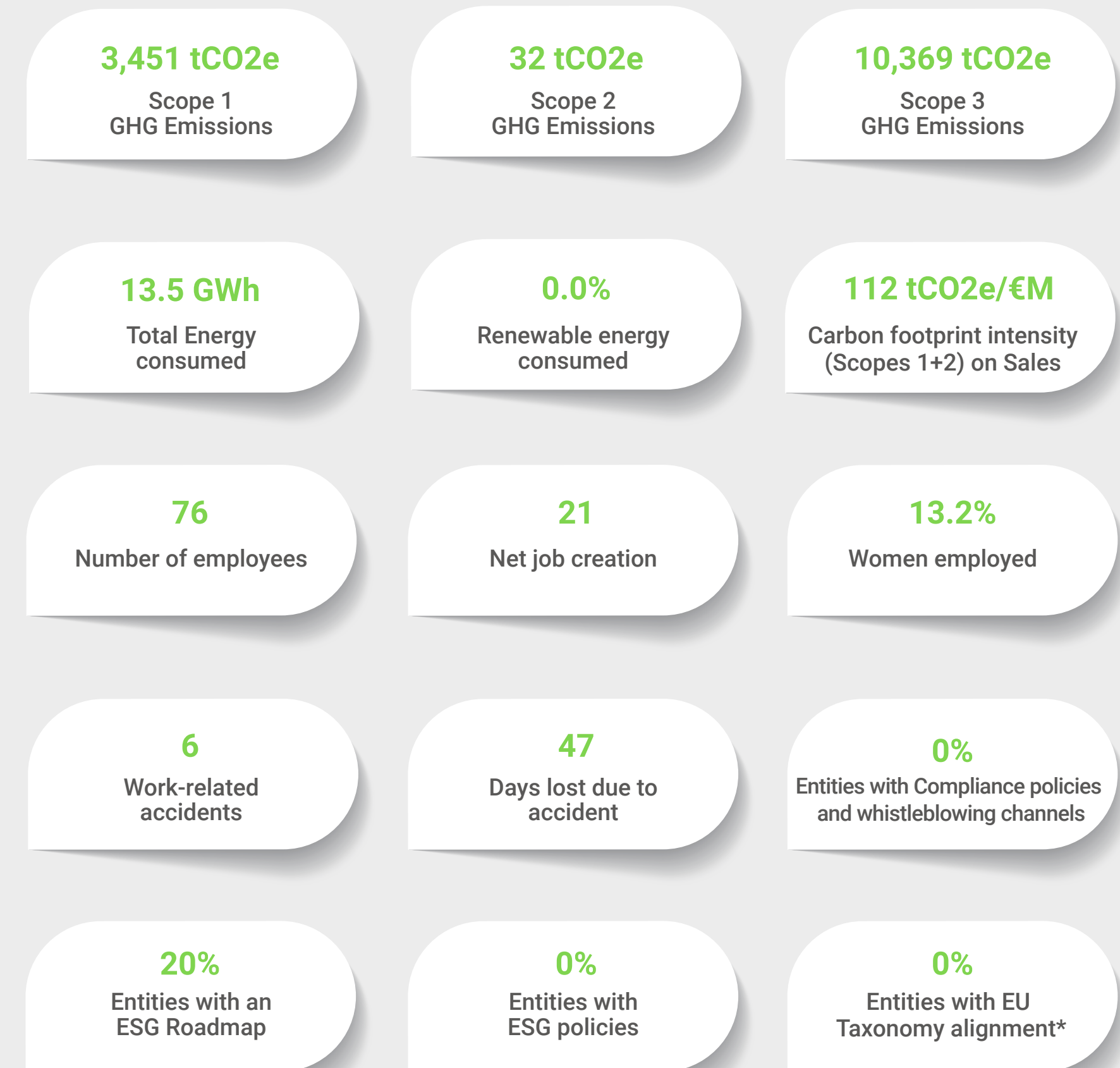
> Appendix 3: Periodic reporting requirements for art. 9 products (SFDR)

- SC Infra II: SC Efficiency & Environment Fund II
- SC Infra III: SC Climate Impact Fund III

## A2 > SC INFRA III – 2023 SCORECARD



Note: All projects with impact on Climate Change are either in permitting or started construction during 2023. No operational data is available.



Note: (%): No progress on impact and Sustainability metrics is provided the first investments started in mid 2022 and no relevant operational data was available.

\*All investment have performed an EU Taxonomy Assessment and are progressing towards their alignment.

## A2 > BIOMETHANE INITIATIVES



**Sector:** Circular Economy  
**Strategy:** Build to Core  
**Headquarters:** Barcelona (Spain)

**Year of investment:** 2022  
**Equity Share:** 85%



This project directly contributes to the  
**SDGs:** 7.2 and 12.5



### > What

Biomethane Initiatives is a joint venture between Suma Capital and SITRA, a leading Spanish company in the development, construction, and operation of waste management projects. The entity is a Platform for developing biomethane projects in Spain and other European countries. The first project, Montes de Toledo, began its construction during 2023, and pursues the production of renewable gas from the anaerobic digestion of organic waste. The biomethane produced has the capacity to decarbonize thermal uses in industry, it's a direct substitute of fossil natural gas. The project additionally contributes on the reduction carbon emissions, from the avoidance of the fossil fuel lifecycle, and the production of organic fertilizer.

### > Who

Its main beneficiaries will be farmers and agri-food industry producers, who are demanding solutions for the appropriate treatment of the organic waste generated on their activities. The project also contributes to the society and the planet, though the avoidance of CO2 emissions generated during both the direct use of natural gas for thermal uses, and its lifecycle. Additionally, the process also generates a high-quality organic fertilizer that is a substitute of the mineral fertilizers used by farmers.

### > Contribution

- > Financial resources for the construction and operation of the plant.
- > Support on the EPC & O&M supplier selection, contracts review and project management follow-up.
- > Implementation of best practices to contribute to sustainable objectives and achieve the alignment with the EU Taxonomy.
- > Implementation of SC Reporting framework and tools for ESG/impact robust and accurate data collection.

### > Risks

**External risks:** if competition for the treatment of bio-waste and transport distances are increased, or there is a reduction on the production of waste from sludge or animal breeding.

**Execution risks:** caused by delays on the construction of the plant, or changes on the waste feedstock changes that could affect the compliance with the off-tacker requirements.

### > How much

Impact  
> targets

0%

Accumulated biomethane production of 209 GWh until 2030

0%

Average carbon footprint <9 gCO2/MJ through the life of the plant

0%

EU Taxonomy alignment of eligible activities

Sustainability metrics  
>

- tCO2e

Scope 1 GHG Emissions

- tCO2e

Scope 2 GHG Emissions

813 tCO2e

Scope 3 GHG Emissions

- GWh

Total Energy consumed

-%

Renewable energy consumed

- tCO2e/€M

Carbon footprint intensity (Scopes 1+2) on Sales

-

Number of employees

-

Net job creation

-%

Women employed

-

Work-related accidents

-

Days lost due to accidents

No

Compliance policies and whistleblowing channels

In progress

ESG Roadmap

No

ESG policies

No

EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

# A2 > ADEC GLOBAL



**Sector:** Circular Economy  
**Strategy:** Platform Expansion  
**Headquarters:** Barcelona (Spain)

**Year of investment:** 2022  
**Equity Share:** 70%



This project directly contributes to the  
**SDGs:** 11.6, 12.2 and 12.5



## > What

Adec Global valorizes construction and demolition waste (CDW) and steel mill sludge, boosting the transition to a circular economy by transforming non-hazardous waste into secondary raw materials suitable for replacing virgin materials in various production processes. The increasing regulatory demands for the use of recycled materials in construction and stricter landfill and recycling targets benefit the impacts pursued by the company, locally producing artificial aggregates while reducing the amount of solid waste landfilled. The valorization activities also generate a reduction on CO2 emissions compared to extracting processes.

## > Who

The process benefits various industries like Steel producers, construction companies, and cement producers within the metropolitan area of Barcelona. Additionally, it benefits the environment by reducing the negative impacts of aggregate quarries and local communities by providing qualified employment opportunities. As a pioneer in steel slag treatment, the firm holds long-term contracts. Its plant near Barcelona employs 50 people and has the capacity to process 780,000 tons of waste annually.

## > Contribution

- > Financial resources for the company’s ambitious Business Plan.
- > Financial and ESG/impact support, expertise, and knowledge.
- > Implementation of best practices to contribute to sustainable objectives and achieve the alignment with the EU Taxonomy.
- > Implementation of SC Reporting framework and tools for ESG/impact robust and accurate data collection.

## > Risks

**External risks:** potential decrease on the production in industries generating CDWs and steel slag caused either from economic fluctuations, regulatory changes, or market demand shifts.

**Execution risks:** potentially caused by the change on the sources of waste while adjusting to the market and demand shifts.

## > How much

Impact  
> targets

**71%**  
Accumulated tonnes treated of 465kt until 2028

**0%**  
EU Taxonomy alignment of eligible activities

Sustainability metrics  
>

**3,451 tCO2e**  
(+156%)  
Scope 1 GHG Emissions

**32 tCO2e**  
(+41%)  
Scope 2 GHG Emissions

**9,149 tCO2e**  
Scope 3 GHG Emissions

**13.53 GWh**  
(+163%)  
Total Energy consumed

**0 %**  
(-)  
Renewable energy consumed

**113 tCO2e/€M**  
(+65%)  
Carbon footprint intensity (Scopes 1+2) on Sales

**71**  
(+27%)  
Number of employees

**10**  
(+900%)  
Net job creation

**11%**  
(+7%)  
Women employed

**6**  
(+50%)  
Work-related accidents

**47**  
(96%)  
Days lost due to accidents

**In process**  
Compliance policies and whistleblowing channels

**Yes**  
ESG Roadmap

**No**  
ESG policies

**In process**  
EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

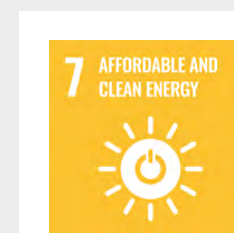
## A2 > DH ZAMORA

**Sector:** Waste to Energy  
**Strategy:** Build to Core  
**Headquarters:** Zamora (Spain)

**Year of investment:** 2023  
**Equity Share:** 90%



This project directly contributes to the  
**SDGs:** 7.2, 7.3 and 11.6



### > What

District heating project in Zamora for the deployment of a new district heating network powered with biomass from forest wood waste for residential heating. The project will contribute to energy transition by reducing dependence on fossil fuels, CO2 emissions and air pollution. The project supports sustainable forest management with the SURE certification and promotes local and long-term employment. The project's main impact is the substitution of inefficient and pollutant fossil fuel sources for residential heating (gasoil, coal or natural gas) for a renewable and locally sourced biomass. The project began its construction during 2023.

### > Who

The technology provides cost-effective heating alternatives for residential consumers, reducing reliance on fossil fuels and imports. It benefits society and the planet by contributing to the fight against climate change. The project will supply heat to over 6,350 households, using forest waste biomass and avoiding the emission of over 10,000 tonnes of CO2e annually.

### > Contribution

- > Financial resources for the construction and operation of the plant.
- > Support on the EPC & O&M supplier selection, contracts review and project management follow-up.
- > Implementation of best practices to contribute to sustainable objectives and achieve the alignment with the EU Taxonomy.
- > Implementation of SC Reporting framework and tools for ESG/impact robust and accurate data collection.

### > Risks

**External risks:** if fossil fuels prices stabilize or fall for gasoil and natural gas supplies, the cost of opportunity may be reduced, and the attractiveness of the DH reduced.

**Execution risks:** if delays occur in the construction phase of the district heating network or the commercialization of heating contracts.

### > How much

Impact  
> targets

0%

Contracted power supplied  
by renewable energy  
of 49.5 MW

0%

EU Taxonomy alignment  
of eligible activities

Sustainability metrics  
>

- tCO2e

Scope 1 GHG Emissions

- tCO2e

Scope 2 GHG Emissions

417 tCO2e

Scope 3 GHG Emissions

0 GWh

Total Energy consumed

-%

Renewable energy consumed

- tCO2e/€M

Carbon footprint intensity  
(Scopes 1+2) on Sales

-

Number of employees

-

Net job creation

-%

Women employed

-

Work-related accidents

-

Days lost due to accidents

No

Compliance policies and  
whistleblowing channels

In progress

ESG Roadmap

No

ESG policies

No

EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

## A2 > ATH BIOENERGY

## ATH Bioenergy

**Sector:** Circular Economy  
**Strategy:** Build to Core  
**Headquarters:** Gran Canaria (Spain)

**Year of investment:** 2023  
**Equity Share:** 80%



This project directly contributes to the  
**SDGs:** 7.2, 7.3 and 12.5



### > What

ATH Bioenergy transforms organic waste from hotels and supermarkets into biomethane, reducing the reliance on imported propane, decarbonizing fuel demand for industrial thermal uses, and avoiding sending waste to landfill, as no alternatives are currently available for waste treatment. The company is currently developing 4 biomethane plants located in Gran Canaria, Tenerife, Fuerteventura, and Lanzarote. The first project, Gran Canaria, is expected to reach RtB status before summer 2024. Additionally, the process also produces biofertilizers to be used by local farmers, supporting sustainable, chemical-free agriculture.

### > Who

ATH Bioenergy's biomethane projects will substantially reduce CO2 emissions and fossil fuel imports from the **hospitality sector in the Canary Islands, providing a stable and local renewable energy source**, and benefiting local communities with job creation and economic growth. Local farmers, potentially the banana industry, will benefit from **Biofertilizers from the anaerobic digestion and biogas production**, and the reduction of inorganic chemicals use, **which will also help protect and benefit the biodiversity.**

### > Contribution

- > Financial resources for the construction and operation of the facilities.
- > Support on the EPC & O&M supplier selection, contracts review and project management follow-up.
- > Implementation of best practices to contribute to sustainable objectives and achieve the alignment with the EU Taxonomy.
- > Implementation of SC Reporting framework and tools for ESG/impact robust and accurate data collection.

### > Risks

**Execution risks:** the production of biomethane is linked to **the amount and composition of the organic waste produced at hotels and hospitality.**

**Alignment risks:** **lack of natural gas infrastructure** and alternatives to propane, could **reduce the interest of industrial consumers** in sourcing renewable gas.

### > How much

Impact  
> targets

**Targets to be defined once project reaches Ready to build (RtB) status**

Sustainability metrics  
>

**- tCO2e**

Scope 1 GHG Emissions

**- tCO2e**

Scope 2 GHG Emissions

**- tCO2e**

Scope 3 GHG Emissions

**- GWh**

Total Energy consumed

**-%**

Renewable energy consumed

**- tCO2e/€M**

Carbon footprint intensity  
(Scopes 1+2) on Sales

**-**

Number of employees

**-**

Net job creation

**-%**

Women employed

**-**

Work-related accidents

**-**

Days lost due to accidents

**No**

Compliance policies and  
whistleblowing channels

**In progress**

ESG Roadmap

**No**

ESG policies

**No**

EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

## A2 > CH4T

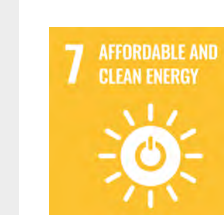


**Sector:** Waste to Resource  
**Strategy:** Platform Expansion  
**Headquarters:** Verona (Italy)

**Year of investment:** 2023  
**Equity Share:** 100%



This project directly contributes to the  
**SDGs:** 7.2, 7.3 and 12.5



### > What

CH4T has acquired 7 plants producing renewable electricity from biogas using crops to energy as feedstock. The value-add proposed is to increase the capacity of the plants, incorporate manure into the diet to reduce the GHG emissions and to **upgrade the output to biomethane**, over 99% purity on CH<sub>4</sub> compared to 70% from biogas, and inject it in the natural gas grid, **decarbonizing the main source of thermal fuel by the industry**. The solution reduces CO<sub>2</sub> emissions, promotes renewable gases and **fosters the local economy and the agricultural sector**.

### > Who

These projects **benefit the environment and the society in general by reducing CO<sub>2</sub> emissions** and environmental impacts through sustainable agricultural and farming waste management. Moreover, it **decreases fossil fuel import dependence**, and **boosts the local economy, mainly farmers and workers of the agricultural sector**, by valorizing organic waste and providing organic fertilizer to be used on fields, benefiting communities through job creation and economic growth.

### > Contribution

- > Financial resources for the construction and operation of the facilities.
- > Support on the EPC & O&M supplier selection, contracts review and project management follow-up.
- > Implementation of best practices to contribute to sustainable objectives and achieve the alignment with the EU Taxonomy.
- > Implementation of SC Reporting framework and tools for ESG/impact robust and accurate data collection.

### > Risks

**External risk:** changes on the legal framework and FIT scheme could reduce the interest of renewable gasses and derive waste flows to other valorization solutions.

**Execution risk:** the appropriate **procurement of the feedstock** needed for biogas production and the permitting obtention for the conversion of plants to biomethane can compromise the viability of projects.

### > How much

Impact  
> targets

Targets to be defined once project reaches Ready to build (RtB) status

Sustainability metrics  
>

- tCO<sub>2</sub>e

Scope 1 GHG Emissions

- tCO<sub>2</sub>e

Scope 2 GHG Emissions

- tCO<sub>2</sub>e

Scope 3 GHG Emissions

- GWh

Total Energy consumed

- %

Renewable energy consumed

- tCO<sub>2</sub>e/€M

Carbon footprint intensity  
(Scopes 1+2) on Sales

5

(100%)  
Number of employees

5

(100%)  
Net job creation

40%

(100%)  
Women employed

0

Work-related accidents

0

Days lost due to accidents

In process

Compliance policies and  
whistleblowing channels

In progress

ESG Roadmap

No

ESG policies

No

EU Taxonomy alignment

Note: (%): Progress between 2023 and 2022 Impact and Sustainability metrics

# > Appendix



> Appendix 1: SC Infra II Portfolio performance

> Appendix 2: SC Infra III Portfolio performance

> Appendix 3: Periodic reporting requirements for art. 9 products (SFDR)

- SC Infra II: SC Efficiency & Environment Fund II
- SC Infra III: SC Climate Impact Fund III

**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 30<sup>th</sup> 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  
**Legal entity identifier:** 9598008K7AV2LLKRX83  
**Product name:** SC EFFICIENCY & ENVIRONMENT FUND PLUS II FCRE  
**Legal entity identifier:** 959800BRNPTNV9M86F90

## Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/> <b>No</b>
<div><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: <u>100%</u><div><div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div>	<div><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments<div><div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with a social objective</div></div></div>
<div><input type="checkbox"/> It made <b>sustainable investments with a social objective</b>: ____%</div>	<div><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></div>



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

The Fund has defined as its sole objective sustainable investment 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). 100% of the Fund's portfolio investments are oriented towards projects or companies whose core business is focused on the energy transition and the reduction of CO2 emissions, through 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 2023, the Fund has made new investments in SC Producción Renovable for the construction of two ground-mounted photovoltaic solar energy parks, contributing to the sustainable investment objective of climate change mitigation through the development of renewable energies.

The Fund maintains a broad portfolio of eligible portfolio investments within economic activities that contribute to the objectives of (1) climate change mitigation and (4) transition to a circular economy under the Delegated Acts of the Taxonomy Regulation. The investments in the pipeline in fiscal year 2023 are:

- **Efficiency & Environment Infrastructures II:** energy efficiency projects in domestic, commercial and industrial facilities, generating significant primary energy savings.
- **SC Valorizaciones Agropecuarias:** heat and electricity cogeneration system integrated in a slurry treatment plant, which uses thermal energy to dry slurry, generating biogas.
- **SC Zero Waste Energy:** conglomerate of CHP systems and biomass assets that manage two types of organic waste: olive processing waste and pig slurry, generating significant savings in primary energy and pollutant emissions.
- **QOICHI 1:** development and construction of small-scale solar photovoltaic plants (1-5MW),
- **Anoltri Invest:** company that owns Gestcompost, a leader in the treatment of sewage sludge from wastewater treatment plants and composting of organic waste.
- **SC Gases Renovables:** shareholder of UNUE, a biomethane upgrading plant for injection into the natural gas network.
- **SC Renewable Production:** development and construction of two solar photovoltaic plants (20MW and 40.5MW respectively), which increase renewable energy production and distributed generation.

The Fund measures its impact on the United Nations Sustainable Development Goals (SDGs) to demonstrate its contribution to global sustainability goals, as established in Article 2.17 of the SFDR. The contribution to the SDGs is assessed by the percentage of capital invested in investments that contribute to each SDG, relative to the total capital invested by the Fund, excluding divestments made.



100% of the portfolio investments comprising the Fund have contributed to at least one of the above-mentioned sustainable environmental objectives.

● **How did the sustainability indicators perform?**

● **...and compared to previous periods?**

The Fund monitors the performance of the portfolio through environmental sustainability indicators that allow it to assess the contribution to sustainable investment objectives:

Environmental sustainability indicators	2021	2022	2023	
Scope 1 GHG emissions (tCO <sub>2</sub> e)	367,205	192,585	348,697	+81%
Scope 2 GHG emissions (tCO <sub>2</sub> e)	3,302	3,291	4,740	+44%
Scope 3 GHG emissions (tCO <sub>2</sub> e)	111,319	97,785	97,147	-1%
Avoided emissions (tCO <sub>2</sub> e)	385,970	293,661	450,584	+53%
Total energy consumption (GWh)	2,627	1,675	2,237	+34%
Renewable energy consumption (GWh)	598	604	275	-55%
Renewable energy production (GWh)	19.9	42.6	48.1	+13%
Recycled and reused water (m <sup>3</sup> )	158,810	112,504	187,894	+67%
Waste valorised (t)	1,125,397	779,116	953,462	+22%

The evolution of the environmental sustainability indicators in relation to the previous year is a consequence of the restart of the operating activity of the cogeneration plants that suffered the impacts of the energy crisis and the war conflict in Ukraine. The reduction in the consumption of renewable energy is due to the technical shutdown of Zero Waste Energy's biomass plants during the second half of the year. The regulation on the remuneration mechanisms for cogeneration plants will determine their level of activity in the future. Likewise, the start-up of activities at the new Anoltri Invest (Gestcompost) plant has led to an increase in fuel consumption and therefore in emissions, as well as in waste recovery.

In addition, the Fund monitored sustainability indicators in the social and labour areas:

Social sustainability indicators	2021	2022	2023	
Total number of employees	165	168	207	+23%
Net job creation	4	11	21	+91%
Total number of Board members	19	20	13	-35%
Number of women on the Board	1	1	1	-
Lost time accidents	10	16*	18	+13%
Fatal accidents	0	0	0	-
Days lost per accident	94	259*	464	+79%

The evolution of the social sustainability indicators reflects the increase in activity in the companies Zero Waste Energy, Anoltri Invest and SC Valorizaciones Agropecuarias. Changes in the ownership structure of some portfolio investments have led to the adjustment of directors.

● ***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 climate change mitigation and transition to the 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, as well as to ensure the implementation of good governance practices, during the pre-investment due diligence process, Suma Capital performs 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 operation, 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 for alignment of the economic activities that make up the operation with the technical selection criteria of the Taxonomy Regulation.

During the portfolio management phase, Suma Capital (d) monitors sustainability indicators, including principle adverse impacts and discloses them to stakeholders on a quarterly and annual basis, and (e) annually reviews progress in alignment with the technical selection criteria of the Taxonomy Regulation, including the principle of do no significant harm to other objectives and minimum social safeguards. The above activities are carried out with the support of Suma Capital's internal ESG team and the support, when necessary, of specialized external advisors.

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

The Fund considers the principal adverse impact indicators, or PAIs, on sustainability factors, from the beginning of 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. Subsequently, the Fund periodically monitors the performance of the main adverse incidents and evaluates their evolution in each investment, proposing the necessary measures to mitigate the possible negative impacts generated by the investee's activities.

*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 Labor Organization'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.

In the consideration and calculation of the PAIs in the investment process, the incidences of cases of violation of the OECD Guidelines for Multinational Enterprises, as well as the lack of policies or mechanisms to ensure compliance with labour, human rights or good governance standards, among others, have been included. The Fund also uses compliance with the minimum social safeguards of the Taxonomy Regulation to ensure the implementation of the aforementioned Guidelines.

All portfolio investments with their own personnel have designated an ESG Manager, responsible for leading the implementation of the Sustainability Strategies and reporting to the Board on the evolution of sustainability indicators and possible incidents or non-compliance of 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 principle adverse impacts as a method to measure the adverse impact that the Fund's investments have on sustainability factors, both for environmentally sustainable investments aligned with the Taxonomy Regulation investments and for not aligned. The Fund monitors their evolution and determines the initiatives and objectives to be implemented to reduce the negative impacts generated or mitigate their relevance on the investment portfolio.

Indicators applicable to investments in investee companies		SC EFFICIENCY & ENVIRONMENT FUND II FCR			SC EFFICIENCY & ENVIRONMENT FUND PLUS II FCRE				
Adverse sustainability indicator	Metric	2021	2022	2023	2021	2022	2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Indicators related to climate change and other environment-related indicators									
1. GHG emissions	Scope 1 GHG emissions (tCO <sub>2</sub> eq)	276,338	144,817	262,526	90,499	47,427	85,975	(a) Restart of the operating activity of cogeneration plants	i) Included in the ESG Roadmaps the elaboration of decarbonization plans.
	Scope 2 GHG emissions (tCO <sub>2</sub> eq)	2,419	2,370	3,465	792	776	1,135	(a)	(i)
	Scope 3 GHG emissions (tCO <sub>2</sub> eq)	71,822	63,340	66,132	23,521	20,743	21,658	(a)	(i)
	Total GHG emissions (tCO <sub>2</sub> eq)	350,580	210,601	332,123	114,812	68,970	108,768	(a)	(i)
2. Carbon footprint	Carbon footprint (tCO <sub>2</sub> eq./€M)	3,075	1,323	1,931	3,075	1,323	1,931	(a)	(i)
3. GHG intensity of investee companies	GHG intensity of investee companies (tCO <sub>2</sub> eq./€M sales)	5,904	3,535	4,497	1,934	1,158	1,473	(a)	(i)
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	The Fund, due to exclusion criteria, does not invest in companies active in fossil fuels.	-
5. Share of non-renewable energy consumption and production	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%	63.9%	87.7%	77.2%	63.9%	87.7%	Technical shutdown of SC Zero Waste Energy's biomass plants in the second half of the year.	Reactivation of operations. (i)

	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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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	6.85	8.35	14.44	6.85	8.35	(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%	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)	0.0	0.0	0.0	0.0	0.0	0.0	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)	0.26	0.16	0.16	0.26	0.16	0.16	The waste generated comes only from maintenance activities at the industrial plants.	No actions have been identified
<b>Indicators on social and labour issues, respect for human rights, and the fight against corruption and bribery</b>									
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%	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 UNGC principles or OECD Guidelines for Multinational Enterprises	87.8%	80.5%	36.4%	87.8%	80.5%	36.4%	The portfolio investments are progressively implementing sustainability, environmental and good governance policies, as well as codes of conduct and whistleblower channels.	Follow-up of the implementation schedule established in the ESG Roadmaps of each portfolio investment.

12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	30.3%	16.1%	12.9%	30.3%	16.1%	12.9%	Anoltri Invest (Gestcompost) has incorporated qualified female profiles, significantly reducing the salary gap.	Measures included in the ESG Roadmaps of each portfolio investment
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%	15.6%	13.1%	19.9%	15.6%	13.1%	The weight of investments with a lower proportion of women has increased.	Measures included in the ESG Roadmaps for the incorporation of independent Board Members
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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	The Fund, due to exclusion criteria, does not invest in companies related to the manufacture or sale of arms.	-

Indicators applicable to investments in investee companies		SC EFFICIENCY & ENVIRONMENT FUND II FCR			SC EFFICIENCY & ENVIRONMENT FUND PLUS II FCRE				
Additional adverse sustainability indicator	Metric	2021	2022	2023	2021	2022	2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Additional indicators related to climate change and other environment-related indicators									
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%	11.3%	22.7%	30.5%	11.3%	-	(i)
5. Breakdown of energy consumption by type of non-renewable sources of energy	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	1,907	2,012	1,019	1,907	(a)	(i)
	Gasoline (GWh)	0.04	0.07	0.12	0.04	0.07	0.12	(a)	(i)
	Diesel A (GWh)	0.70	0.15	0.13	0.70	0.15	0.13	(a)	(i)
	Diesel B (GWh)	3.07	2.63	2.89	3.07	2.63	2.89	(a)	(i)
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)	3,272	3,214	2,362	3,272	3,214	2,362	Significant improvement in water consumption at SC Zero Waste Energy through a water recovery system.	No actions have been identified

	Weighted average percentage of water recycled and reused by investee companies (m3/€M sales)	970	673	930	970	673	930	Increased water recovery in SC Valorizaciones Agropecuarias	Stripping system at Gestcompost (Anoltri Invest)
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%	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	56.2	50.7	68.3	56.2	50.7	Non-recyclable waste arises from customer waste recovery activities, as well as from maintenance operations at the plants.	No actions have been identified
14. Natural species and protected areas	Share of investments in investee companies whose operations affect threatened species	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Portfolio investments have not carried out operations with an impact on endangered species.	-
	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%	0.0%	0.0%	Portfolio investments have no operations in biodiversity-sensitive areas.	-
<b>Additional indicators on social and labour issues, respect for human rights, and the fight against corruption and bribery.</b>									
2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average (number of accidents/€M)	0.06	0.07	0.07	0.06	0.07	0.07	(a)	Reinforcement of Health and Safety training in the workplace and implementation of corrective measures in the workplace.



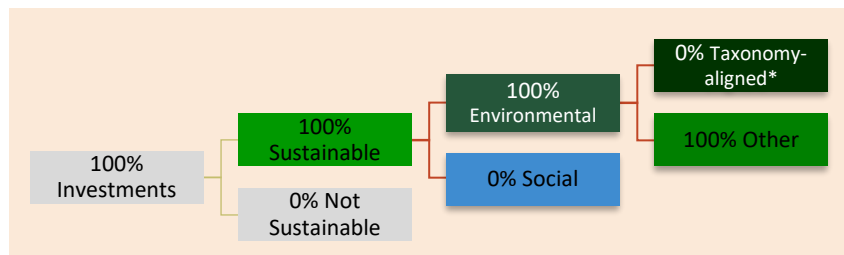
## What were the top investments of this financial product?

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	67%	Spain
Producción Renovable	Electricity, gas, steam, and air-conditioning supply	75%	Spain
Efficiency & Environment Infrastructures II	Electricity, gas, steam, and air-conditioning supply	100%	Spain
SC Valorizaciones Agropecuarias	Electricity, gas, steam, and air-conditioning supply	100%	Spain
QOICHI 1	Electricity, gas, steam, and air-conditioning supply	100%	Spain
SC Gases Renovables	Electricity, gas, steam, and air-conditioning supply	51%	Spain



## What was the proportion of sustainability-related investments?

### What was the asset allocation?



### In which economic sectors were the investments made?

This is a thematic product that invests in sectors (CNAEs) that contribute directly to the achievement of the environmental objectives of climate change mitigation and transition to the circular economy. The distribution of portfolio investments by sector and subsector is as follows:

Sectors and Subsectors	Distribution (%)
<b>Water supply, sanitation, waste management and decontamination activities</b>	<b>25.3%</b>
Treatment and disposal of non-hazardous waste	25.3%
<b>Electricity, gas, steam, and air-conditioning supply</b>	<b>74.7%</b>
Electricity production	61.4%
Steam and air conditioning supply	12.0%
Gas production	1.3%



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

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. Although it has not defined a minimum target for sustainable investments under the Taxonomy Regulation, the Fund will make its best efforts to establish alignment plans in investments with activities with potential for alignment, as well as incorporate the best practices and processes included in the Climate and Environmental Delineated Acts of the Taxonomy Regulation.

During fiscal year 2023, the Fund has completed the analysis of the potential alignment of its sustainable investments under the Taxonomy Regulation, defining its alignment percentage for fiscal year 2023 as zero. The Fund does not hold any investments that could be considered sustainable under Article 3 of the Taxonomy Regulation, that is:

- a) meets the criteria of substantial contribution to environmental objectives as defined in Article 9 of the Taxonomy Regulation;
- b) meets the criteria of do not cause significant harm to the other environmental objectives;
- c) meets the criteria for minimum social safeguards;
- d) meets the technical criteria for the selection of economic activities.

The Management Company performs an annual analysis of its investment portfolio and the progress in meeting the criteria of the Taxonomy Regulation, to confirm the eligibility and potential alignment of the economic activities of the investees, as well as the degree of progress in meeting the established criteria.

On June 13, 2023, the European Commission approved the Environmental Delegated Act, which includes the criteria established for objectives 3 to 6 of the Taxonomy Regulation ((3) sustainable use of water and protection of maritime resources, (4) transition to circular economy, (5) prevention and control of pollution and (6) protection and restoration of biodiversity and ecosystems). The Fund has incorporated the objectives and activities of the Environmental Delegated Act in the eligibility analysis and alignment of its investments.

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐

Yes:

☐

In fossil gas

☐

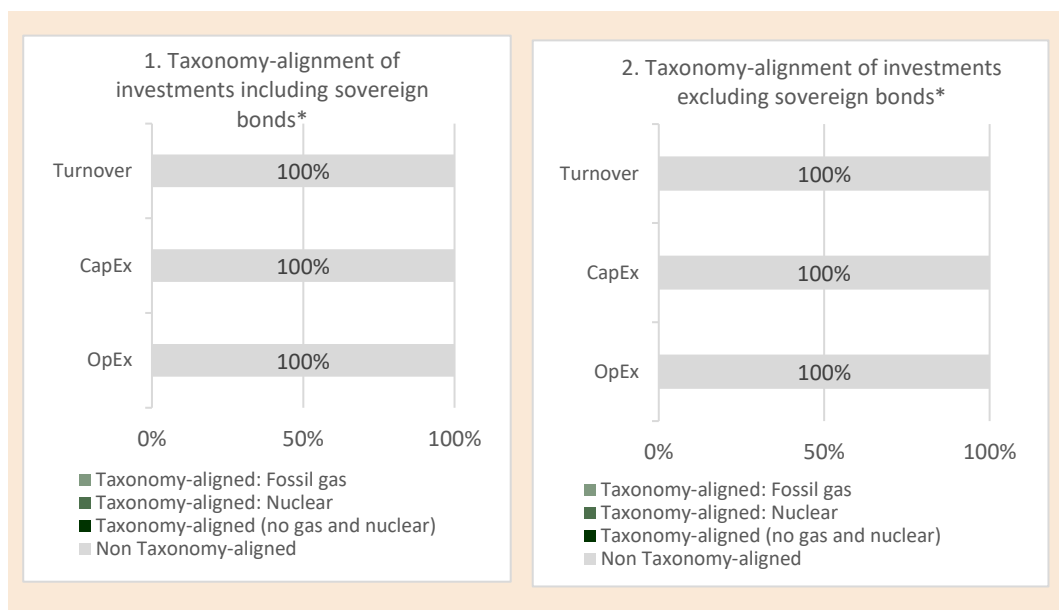
In nuclear energy

☒

No

---

<sup>1</sup> 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.



\*The Fund does not invest in Sovereign Bonds.

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

The Fund has completed the analysis of the alignment of its sustainable investments under the Taxonomy Regulation, setting its proportion of investments in transitional and facilitating activities at zero. The Fund does not hold any investments in activities that would qualify as transitional and/or enabling under the Taxonomy Regulation.

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

The Fund has completed during fiscal 2023 the analysis of the alignment of its sustainable investments in accordance with the Taxonomy Regulation, setting its proportion of aligned investments at zero. In fiscal 2022, the first year of the investment period, the percentage of aligned investments was also zero.



**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 correspond to environmentally sustainable investments, not aligned with the Taxonomy Regulation, which contribute to the objectives of climate change mitigation and transition to circular economy, as defined in art.2 (17) of Regulation 2019/2088. The Fund has completed the analysis of the potential alignment of its sustainable investments under the Taxonomy Regulation, setting its alignment percentage at zero. The Fund does not hold any investments that would qualify as sustainable under Article 3 of the Taxonomy Regulation, therefore 100% of the sustainable investments are classified as environmental not aligned with the EU Taxonomy.



**What was the share of socially sustainable investments?**

The Fund does not make 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 does not make investments that qualify as unsustainable. 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 actions have been taken to attain the sustainable investment objective during the reference period?**

In accordance with Suma Capital's Responsible Investment Policy and Procedures, the Fund has developed the following actions to contribute to the achievement of the defined sustainable investment objectives:

- Review and improvement of the quarterly and annual ESG and Impact reporting process on sustainability aspects, including the reporting of PAIs and minimum social safeguards.
- Review and improvement of the calculation of the full carbon footprint of portfolio investments, including scopes 1, 2 and 3, as well as new companies or projects implemented during the year. The Fund calculates the CO2eq. emissions of its portfolio through a cloud platform since 2021.
- Analysis of the potential alignment of portfolio investments with the Taxonomy Regulation with respect to the economic activities included in the Climate and Environmental Delegated Acts, for the objectives of (1) Climate Change Mitigation and (4) Transition to a Circular Economy. As a result of the analysis, initiatives have been proposed to complete the alignment of portfolio investments with potential in future years, as part of the ESG Roadmap in each investee, including minimum social safeguards.
- Increase of the stake in Qoichi 1 to 100%, a company dedicated to the development and construction of small photovoltaic installations of 1-5MW, as well as increase of the stake in Anoltri to 67%, the company that owns Gestcompost.
- Monitoring through the Impact Management Project (IMP) impact methodology, the reporting of positive and negative impacts of portfolio investments to investors.
- Among the initiatives carried out by portfolio investments to meet sustainable investment objectives, the following stand out:
  - Anoltri Invest, owner of Gestcompost, has completed the acquisition of its third plant for the treatment and valorisation of organic waste, Gestcompost CAT, and has taken a stake in the engineering company specialized in renewable gases, Ecobiogas. The company has reinforced the management systems of its facilities in Pina de Ebro and Belinchón through ISO 14001, 9001 and 45001 certifications.
  - Zero Waste Energy, owner of the conglomerate formed by 7 cogeneration and biomass plants and an agroforestry waste treatment centre, has certified 100% of the biomass consumed at its Extragol and Bioenergética facilities under the SURE scheme. It has also initiated the feasibility study of a plan for the decarbonization and extension of the useful life of cogeneration systems through renewable gases and biomass. The Zero Waste Energy team has also taken on the implementation of the SC Valorizaciones Agropecuarias compliance program.

- UNUE, an investee of SC Gases Renovables, has approved a set of ESG policies and codes to strengthen its compliance and internal governance, including Sustainability, Environmental and Corporate Governance Policies, a Code of Conduct and a Responsible Supplier Commitment that incorporates sustainability priorities.



### **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: SC Infra II Portfolio performance

> Appendix 2: SC Infra III Portfolio performance

> Appendix 3: Periodic reporting requirements for art. 9 products (SFDR)

- SC Infra II: SC Efficiency & Environment Fund II
- SC Infra III: SC Climate Impact Fund III

**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 CLIMATE IMPACT FUND III, see details below, and which were submitted to the CNMV before the 30<sup>th</sup> of June 2023.*

*The contents of this document are a direct translation of the original Spanish version.*

**Product name:** SC CLIMATE IMPACT FUND III, FCRE

**Legal entity identifier:** 959800B2PCP61SYEPX87

**Product name:** SC CLIMATE IMPACT FUND III PLUS, FCRE, S.A.

**Legal entity identifier:** 9598006WJDLKBSLFY562

## Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<div><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> <u>100%</u><div><div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div> <div><input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> <u>    </u>%</div>	<div><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of <u>    </u>% of sustainable investments<div><div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with a social objective</div></div></div> <div><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></div>



### 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). 100% of the Fund's portfolio investments are oriented towards projects or companies whose business is focused on the reduction of CO2 emissions, the energy transition and/or the transition to the circular economy.

Throughout the 2023 financial year, the Fund has carried out a total of 3 operations which, due to their economic activity, contribute significantly to the sustainable investment objectives:

1. **Zamora Eco Energías**, a project for the construction and operation of a hot water district heating network to supply heating and sanitary water in the town of Zamora, which will operate mostly with certified biomass from local forests. The activity is eligible under the economic activities that contribute to climate change mitigation according to the Delegated Act of the Taxonomy Regulation.
2. **ATH Bioenergy**, project for the construction and operation of 4 biomethane plants to supply energy to hotels and industrial facilities in the Canary Islands. The activity is eligible under the economic activities that contribute to the mitigation of climate change and the transition to the circular economy according to the Delegated Acts of the Taxonomy Regulation.
3. **CH4T**, purchase of a company specialized in the acquisition of biogas plants from the anaerobic digestion of organic waste from the primary sector, and their transformation into biomethane plants for injection into the natural gas grid. The activity is eligible within the economic activities that contribute to climate change mitigation according to the Delegated Act of the Taxonomy Regulation.

In addition, the Fund holds investments in **Adec Global**, valorisation of industrial steel and construction and demolition waste, as well as in **Biomethane Initiatives**, development, construction and operation of biomethane plants. Both portfolio investments are eligible as economic activities that contribute to climate change mitigation under the Delegated Act of the Taxonomy Regulation.

Finally, the Fund measures its impact on the United Nations Sustainable Development Goals (SDGs) to demonstrate its contribution to global sustainability goals, as set out in Article 2.17 of the SFDR Regulation. The contribution to the SDGs is assessed by the percentage of capital invested in investments that contribute to each SDG, relative to the total capital invested by the Fund, excluding divestments made. SDGs 7, 13 and 12, concentrate the Fund's contribution with 89%, 89% and 86% of the total capital invested by the Fund, respectively.



100% of the portfolio investments comprising the Fund have contributed to at least one of the above-mentioned sustainable environmental objectives.

### ● **How did the sustainability indicators perform?**

The Fund monitors the performance of the portfolio through environmental sustainability indicators that allow it to assess the contribution to the sustainable investment objectives of climate change mitigation and transition to a circular economy.

Environmental sustainability indicators	2022	2023
Scope 1 GHG emissions (tCO <sub>2</sub> e)	1,349	3,451
Scope 2 GHG emissions (tCO <sub>2</sub> e)	23	32
Scope 3 GHG emissions (tCO <sub>2</sub> e)	(*)	10,369

Avoided emissions (tCO2e)	(*)	(*)
Total energy consumption (GWh)	5.1	13.5
Renewable energy consumption (GWh)	0	0
Renewable energy production (GWh)	0	0
Recycled and reused water (m3)	1,346	1,443
Waste valorised (t)	610,595	804,185

(\*) In 2023 invested projects that contribute significantly to climate change mitigation were in the permitting or construction phase. Once operations begin, the sustainability indicators will be monitored: Emissions avoided (tCO2e).

In addition, the Fund monitored social and labour sustainability indicators to evaluate its contribution to sustainable investments:

Social sustainability indicators	2022	2023
Total number of employees	56	76
Net job creation	1	21
Total number of Board members	4	16
Number of women on the Board	0	0
Lost time accidents	4	6
Fatal accidents	0	0
Days lost per accident	24	47

### ● ***...and compared to previous periods?***

The sustainability indicators come mainly from the only investment in the operating portfolio (Adec Global), whose entry into the portfolio at the end of 2022 and its significant growth during the fiscal year 2023 justify the increase in all the metrics linked to the waste treatment and transportation activity. In 2023, the complete measurement of Scope 3 of the carbon footprint began, which includes the companies with projects in the construction phase (Biomethane Initiatives and Zamora Eco Energías).

### ● ***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 climate change mitigation and transition to the 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, as well as to ensure the implementation of good governance practices, during the pre-investment due diligence process, Suma Capital performs 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 operation, 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 for alignment of the economic activities that make up the operation with the technical screening criteria of the Taxonomy Regulation.

During the portfolio management phase, Suma Capital (d) monitors sustainability indicators, including principle adverse impacts and discloses them to stakeholders on a quarterly and annual basis, and (e) annually reviews progress in alignment with the technical selection criteria of the Taxonomy Regulation, including the principle of no significant harm to other objectives and minimum social safeguards. The above activities are carried out with the support of Suma Capital's internal ESG team and the support, when necessary, of specialized external advisors.

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

The Fund considers the principle adverse impact indicators, or PAIs, on sustainability factors, from the beginning of 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. Subsequently, the Fund periodically monitors the performance of the principle adverse impacts and evaluates their evolution in each investment, proposing the necessary measures to mitigate the possible negative impacts generated by the investee's activities.

*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 forth 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. In the process of considering and calculating the PAIs in the investment process, the incidences of cases of violation of the OECD Guidelines for Multinational Enterprises, as well as the lack of policies or mechanisms to ensure compliance with labour, human rights or good governance standards, among others, have been included. The Fund also uses compliance with the minimum social safeguards of the Taxonomy Regulation to ensure the implementation of the aforementioned Guidelines.

All portfolio investments with their own personnel have designated an ESG Manager, responsible for leading the implementation of the Sustainability Strategies and reporting to the Board on the evolution of sustainability indicators and possible incidents or non-compliance of 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 principle adverse impacts as a method to measure the adverse impact that the Fund's investments have on sustainability factors, both environmentally sustainable investments aligned with the Taxonomy Regulation and investments not aligned. The Fund monitors their evolution and determines the initiatives and objectives to be implemented to reduce the negative impacts generated or mitigate their relevance on the investment portfolio.

Indicators applicable to investments in investee companies		SC CLIMATE IMPACT FUND III, FCRE		SC CLIMATE IMPACT FUND III PLUS, FCRE, S.A.			
Adverse sustainability indicator	Metric	2022	2023	2022	2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Indicators related to climate change and other environment-related indicators							
1. GHG emissions	Scope 1 GHG emissions (tCO <sub>2</sub> eq)	205	1.985	31	431	(a) Emissions from the increase in waste recovery and transportation activities	(i) Implementation of decarbonization measures and consumption of renewable resources
	Scope 2 GHG emissions (tCO <sub>2</sub> eq)	3	18	1	4	(a)	(i)
	Scope 3 GHG emissions (tCO <sub>2</sub> eq)	Not available	6.056	Not available	1.314	Fiscal year 2023 was the first year for which Scope 3 emissions were calculated.	(i)
	Total GHG emissions (tCO <sub>2</sub> eq)	208	8.059	32	1.749	(a)	(i)
2. Carbon footprint	Carbon footprint (tCO <sub>2</sub> eq./€M)	14	253	14	253	(a)	(i)
3. GHG intensity of investee companies	GHG intensity of investee companies (tCO <sub>2</sub> eq./€M sales)	10	4.399	2	955	(a)	(i)
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0,0%	0,0%	0,0%	0,0%	The Fund, due to exclusion criteria, does not invest in companies active in fossil fuels.	-
5. Share of non-renewable energy consumption and production	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	100,0%	100,0%	100,0%	100,0%	Investees in portfolio do not yet consume energy from renewable sources	(i)

	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	0,0%	0,0%	0,0%	0,0%	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)	0,22	0,26	0,22	0,26	(b) Consumption due to the increase in waste recovery and transportation activity	(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%	The portfolio investments have not carried out operations in biodiversity sensitive areas, according to the results of the ESG Due Diligence and the annual monitoring carried out.	-
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)	0,0	0,0	0,0	0,0	Portfolio investments do not emit pollutants to 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)	0,00	0,01	0,00	0,01	Portfolio investments generate negligible amounts of hazardous waste from their activities.	No measures have been identified
<b>Indicators on social and labour issues, respect for human rights, and the fight against corruption and bribery</b>							
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 reported any violations of the Global Compact principles 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 UNGC principles or OECD Guidelines for Multinational Enterprises	100,0%	100,0%	100,0%	100,0%	Portfolio investments have initiated in 2023 the implementation of ethics, integrity and governance policies and procedures, including whistleblowing channels	Approval by the Board of the investees of Codes of Conduct, Compliance Plans and Whistleblower Channels. Board approval of an ESG Policy Package.

12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	5,9%	23,8%	5,9%	23,8%	Adec Global and CH4T have expanded their workforces, with a majority of qualified and male employees.	(ii) Inclusion in the ESG Roadmap of the development of policies and plans for the promotion of gender equality.
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0,0%	0,0%	0,0%	0,0%	All members of the boards of directors of portfolio investees are men.	(ii)
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	0,0%	0,0%	0,0%	0,0%	The Fund, by exclusion criteria, does not invest in companies related to the manufacture or sale of firearms.	-

Indicators applicable to investments in investee companies			SC CLIMATE IMPACT FUND III, FCRE		SC CLIMATE IMPACT FUND III PLUS, FCRE, S.A.			
Additional adverse sustainability indicator	Metric		2022	2023	2022	2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Additional indicators related to climate change and other environment-related indicators								
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		100,0%	100,0%	100,0%	100,0%	Most of the investments are in the construction phase.	All investments will have a decarbonization plan aligned with the objectives of the Paris agreement, which will be detailed in the approved ESG Roadmap of each investee.
5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non- renewable energy source	Natural Gas (GWh)	0,0	0,0	0,0	0,0	Portfolio investments do not consume Natural Gas derived from their activity.	-
		Gasoline (GWh)	0,0	0,0	0,0	0,0	Portfolio investments do not consume gasoline from your activity	-
		Diesel A (GWh)	0,19	0,81	0,19	0,81	(b)	(i)
		Diesel B (GWh)	0,30	0,52	0,30	0,52	(b)	(i)
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)		16,7	46,4	16,7	46,4	(b)	(iii) Implementation of resource efficiency and recovery/recycling measures where technically feasible.

	Weighted average percentage of water recycled and reused by investee companies (m3/€M sales)	11,7	32,5	11,7	32,5	Water recycling and reuse is proportional to water consumption and waste recovery.	(iii)
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)	0,0	0,0	0,0	0,0	Portfolio investments do not generate non-recyclable waste derived from their activity.	-
14. Natural species and protected areas	Share of investments in investee companies whose operations affect threatened species	0,0%	0,0%	0,0%	0,0%	The portfolio investments have not had any operations with an impact on endangered species.	-
	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	-
<b>Additional indicators on social and labour issues, respect for human rights, and the fight against corruption and bribery</b>							
2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average (number of accidents/€M)	0,042	0,108	0,042	0,108	Accident rate due to the increase in the waste recovery and transportation activity.	The review of the Occupational Health and Safety Plan has been planned to identify improvements to be implemented.



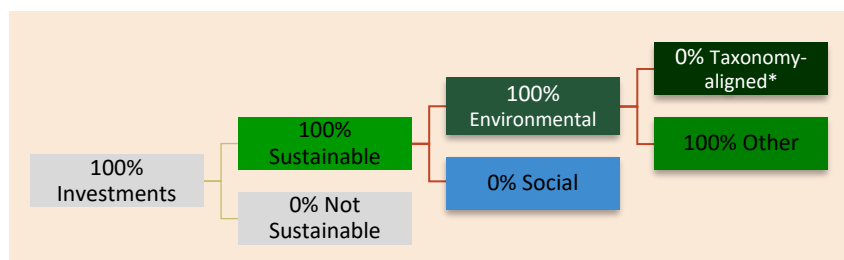
## What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
Biomethane Initiatives	Electricity, gas, steam, and air-conditioning supply	85%	Spain
Adec Global	Water supply, sanitation, waste management and decontamination activities	70%	Spain
Zamora Eco Energías	Electricity, gas, steam, and air-conditioning supply	90%	Spain
ATH Bioenergy	Electricity, gas, steam, and air-conditioning supply	80%	Spain
CH4T	Electricity, gas, steam, and air-conditioning supply	100%	Italy



## What was the proportion of sustainability-related investments?

### What was the asset allocation?



### In which economic sectors were the investments made?

This is a thematic product that invests in sectors (CNAEs) that contribute directly to the achievement of the environmental objectives of climate change mitigation and transition to the circular economy. The distribution of portfolio investments by sector and subsector is as follows:

Sectors and Subsectors	Distribution (%)
<b>Water supply, sanitation, waste management and decontamination activities</b>	<b>45,6%</b>
Valorisation of already sorted materials	45,6%
<b>Electricity, gas, steam, and air-conditioning supply</b>	<b>54,4%</b>
Gas production	25,7%
Steam and air conditioning supply	28,7%



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

The Fund has defined sustainable investment as its sole objective, and therefore aims to contribute significantly to 2 of the objectives defined in the Taxonomy Regulation: (1) climate change mitigation and (4) transition to a circular economy. Through investment in projects aligned with the Paris Agreement, which promote the energy transition, as well as the reuse and optimization of resources, the Fund will make investments that are considered sustainable, in accordance with the Taxonomy Regulation, by a minimum of 60% over the life of the Fund, based on the Taxonomy-adjusted turnover of the investments in the portfolio.

The Management Company conducts an annual analysis of its investment portfolio and progress in meeting the criteria of the Taxonomy Regulation, with the objective of confirming the eligibility and alignment of the economic activities of the investments, in addition to the degree of progress in meeting the established criteria. The initiatives identified are incorporated into the investee's ESG Alignment Plan and Roadmap, which the Board periodically monitors to assess progress towards alignment or the need to revise the analysis to incorporate new eligible activities. Annually, the Fund's Impact Committee, comprised of independent experts, evaluates progress and compliance with the alignment objective.

During the 2023 financial year, the Fund has completed the analysis of the potential alignment of its sustainable portfolio investments, defining its alignment percentage as zero. In other words, despite the progress in the different investments, the Fund does not hold any investment that has the consideration of sustainable according to article 3 of the Taxonomy Regulation, that is:

- a) meets the criteria of substantial contribution to environmental objectives as defined in Article 9 of the Taxonomy Regulation;
- b) meets the criteria of not causing significant harm to the other environmental objectives;
- c) meets the criteria for minimum social safeguards;
- d) meets the technical criteria for the selection of economic activities.

On June 13, 2023, the European Commission adopted the Environmental Delegated Act, which incorporates the criteria established for objectives 3 to 6 of the Taxonomy Regulation ((3) sustainable use of water and protection of maritime resources, (4) transition to circular economy, (5) pollution prevention and control and (6) protection and restoration of biodiversity and ecosystems). The Fund has incorporated the objectives and activities of the Environmental Delegated Act in the eligibility analysis and alignment of its investments.

## ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐

Yes:

☐

In fossil gas

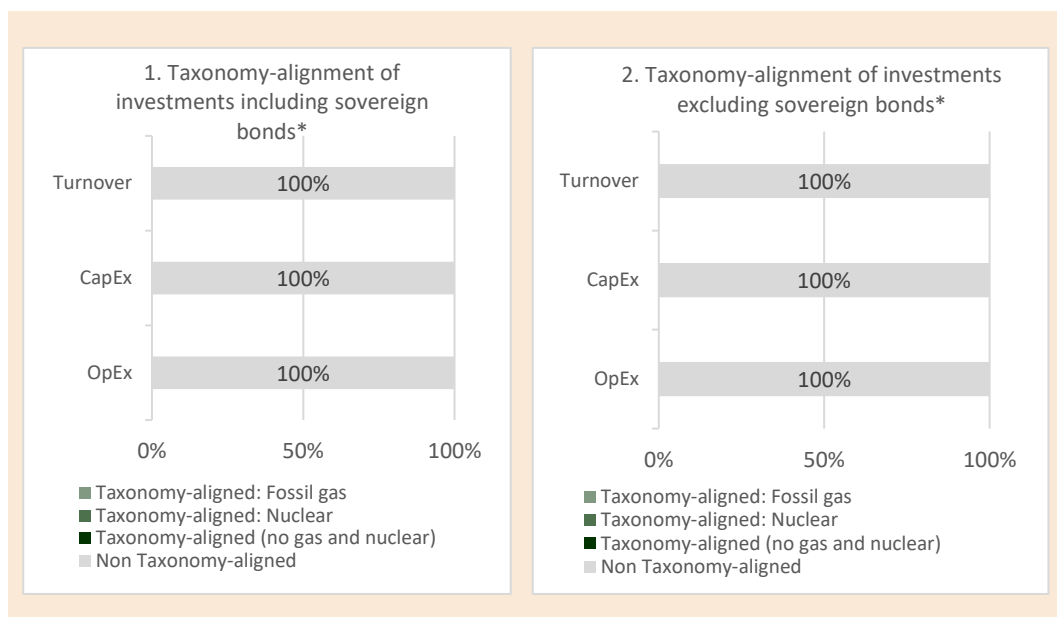
☐

In nuclear energy

☒

No

<sup>1</sup> 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.



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

The Fund has defined sustainable investment as its sole objective, and therefore aims to contribute significantly to 2 of the objectives defined in the Taxonomy Regulation: (1) climate change mitigation and (4) transition to a circular economy. Through investment in projects aligned with the Paris Agreement, which promote the energy transition, as well as the reuse and optimization of resources, the Fund will make investments that are considered sustainable, in accordance with the Taxonomy Regulation, including transitional and enabling economic activities, by a minimum of 60% over the life of the Fund, based on the Taxonomy-adjusted turnover of the investments in the portfolio.

The Management Company conducts an annual analysis of its investment portfolio and the progress in meeting the criteria of the Taxonomy Regulation, with the objective of confirming the eligibility and alignment of the transitional and enabling economic activities of the investments, as well as the degree of progress in meeting the established criteria. The initiatives identified are incorporated into the investee's ESG Alignment Plan and Roadmap, which the Board periodically monitors to assess progress towards alignment or the need to revise the analysis to incorporate new eligible activities. Annually, the Fund's Impact Committee, comprised of independent experts, evaluates progress and compliance with the alignment objective.

The Fund has completed the alignment analysis of its sustainable investments in accordance with the Taxonomy Regulation, setting its proportion of investments in transition and enabling activities at zero. The Fund does not hold any investments in activities that may qualify as transitional and/or enabling under the Taxonomy Regulation.

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

The Fund has completed during fiscal 2023 the analysis of the alignment of its sustainable investments in accordance with the Taxonomy Regulation, setting its proportion of aligned investments at zero. In fiscal 2022, the first year of the investment period, the percentage of aligned investments was also zero.



### **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 correspond to environmentally sustainable investments, not aligned with the Taxonomy Regulation, which contribute to the objectives of climate change mitigation and transition to circular economy, as defined in art.2 (17) of Regulation 2019/2088. The Fund has completed the analysis of the potential alignment of its sustainable investments under the Taxonomy Regulation, setting its alignment percentage at zero. The Fund does not hold any investments that would qualify as sustainable under Article 3 of the Taxonomy Regulation, therefore 100% of the sustainable investments are classified as environmental not aligned with the EU Taxonomy.



### **What was the share of socially sustainable investments?**

The Fund does not make 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 does not make investments that qualify as unsustainable. 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 actions have been taken to attain the sustainable investment objective during the reference period?**

In accordance with Suma Capital's Responsible Investment Policy and Procedures, the Fund has developed the following actions to contribute to the achievement of the defined sustainable investment objectives:

- In Pre-investment phase:
  - Analysis of the contribution to sustainable investment objectives, impact investment and compliance with the requirements of the Article 9 Fund under SFDR.
  - Preliminary analysis of the potential for alignment with the Taxonomy Regulation.
  - Analysis of Sustainability risks and opportunities, including environmental, climate, social and labour, and corporate governance aspects.
  - ESG Due Diligence by an independent third party with recognized technical solvency and experience, including analysis and recommendations on the above Sustainability aspects.
  - Inclusion of ESG clauses with obligations and commitments in sustainable investments and sustainability regulation.
- In the portfolio management phase:
  - Preparation and approval by the Board of each investee of an ESG Roadmap, (consisting of a 6-month contingency plan and a 3-4 year ESG strategy), including the set of initiatives proposed to

meet sustainable investment and impact objectives, alignment of economic activities with the Taxonomy regulation, compliance with applicable regulations,

- Implementation of the quarterly and annual ESG and Impact reporting process on sustainability aspects, including the reporting of PAIs and minimum social safeguards.
- Approval by the Impact Committee (made up of independent experts) of the environmental impact targets established for each investment.
- Annual monitoring and review of progress in meeting the impact objectives by the Impact Committee.
- Additionally, the analysis of alignment of portfolio investments with the Taxonomy Regulation has been completed with respect to the economic activities included in the Climate and Environmental Delegated Acts, for the objectives of (1) Mitigation of climate change and (4) Transition to a Circular Economy. As a result of the analysis, an Alignment Plan has been prepared, consisting of the initiatives necessary to complete the alignment in future years, including the criteria of no significant harm or DNSH and the minimum social safeguards. The set of initiatives has been incorporated into the ESG Roadmap of each investment.



### **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.

[www.sumacapital.com](http://www.sumacapital.com)

[info@sumacapital.com](mailto:info@sumacapital.com)



**Suma Capital**

GROWING TOGETHER

**> BARCELONA**

Avenida Diagonal, 640, 5º-F  
08017 Barcelona  
Tel. +34 933.680.203  
[info@sumacapital.com](mailto:info@sumacapital.com)

**> MADRID**

Calle de Cedaceros, 10 2ª pl.  
28014 Madrid  
Tel. +34 910.786.257  
[info@sumacapital.com](mailto:info@sumacapital.com)

**> PARIS**

15-17 Rue Scribe  
75009 Paris  
Tel. +33.185.746.882  
[info@sumacapital.com](mailto:info@sumacapital.com)