

RESPONSIBLE INVESTMENT POLICY

“As a leading alternative asset management firm, we are committed to responsibly investing our managed assets as well as improving our portfolio companies ESG compliance”.

I. Introduction

Oquendo Capital S.G.E.I.C., S.A. (hereafter “Oquendo” or “the Company”) is a leading manager of private debt funds focused at investing in Spanish and Portuguese SMEs companies. Oquendo manages EUR 400 million of capital commitments across three funds arising from corporations, pension funds, leading entrepreneurs, insurance companies and other private and financial institutions.

Since inception in 2007, Oquendo has invested more than EUR 400 million in more than 30 companies across Spain applying an industry-focused theme-based approach to investing, among others, in industrial, consumer, retail, distribution and services sectors.

As a capital provider, we seek to act with the highest level of integrity, taking a responsible approach when interacting with the portfolio companies, service providers, investors, key stakeholders and local communities. Within this framework, we are convinced that attention to Environmental, Social and Governance (“ESG”) issues is a key factor in the decisions making process, being a *conditio sine qua non* for value creation. Therefore, we integrate the ESG criteria into all the different angles of the business.

We do believe that financial sustainability is not only about the mere financial economics profitability but much about the interaction between the different players along the value chain of the investment process. Responsible Investment highly contributes to the quality of the portfolio.

It has been proven that the ESG factors have the potential to influence the financial performance of individual companies, both in a positive and negative way. Topics like climate change, resource scarcity and demography are changing industries and business models. As such, they are important intangible value drivers and an important factor in identifying corporate and management quality. Consideration of ESG aspects in the investment process therefore results in more informed investment decisions and better optimization of the risk/return profile of investment portfolios. This means that not only the values and interests of our beneficiaries should be taken into account, but also those of the broader society.

Every investment decision is a judgement call and, as we are investors for a purpose as well as a profit, we reserve the right to refuse investments that we consider are not socially or environmentally responsible.

This Policy is created following the main international rules applicable to the responsible investment standards:

- The United Nations Principles for Responsible Investment.

- The ISO 26000 rule on Social responsibility.
- The UN Global Reporting Initiative.
- The UN Global Compact 10 Principles.
- The OECD Principles of Corporate Governance.
- The Equator Principles.

Oquendo chooses the abovementioned framework because these international initiatives are supported by broad stakeholder consultation, cover a comprehensive range of activities and geographies and are fully aligned with Oquendo's commitments and expectations.

In line with the commitment to these frameworks, Oquendo is a signatory of the Principles for Responsible Investment and a member of the Global Compact of the United Nations on the development of socially responsible investment criteria.

2. Mission

Oquendo's mission is to invest and support the development of enduring and successful companies, meeting long term value and generating outstanding risk-adjusted returns for its investors, while providing value to the society.

3. Purpose of the Policy

The purpose of this Policy is to define and materialize the set of principles and criteria that Oquendo is committed to comply during the performance of its activities and, specifically, during its core business: the investment process.

Oquendo assesses, from an ESG standpoint and, therefore, from a responsible investment perspective, all the activities related to the investment. All phases, including fundraising, assessment of the potential target companies to be funded, execution of the financing and monitoring of the portfolio companies, are covered by this Policy, being one of the key criteria to take into consideration by all the players involved in the Oquendo investment process.

Main aims sought by this Policy are the following:

- Contribute to comply with the ESG standards internationally agreed, regarding the necessary existence of a responsible investment behavior, in order to positively impact on our society.
- Encourage the compliance by the players directly concerned and any other third parties, such as service providers, management roles of the portfolio companies and stakeholders of rules and behavioral principles and the proper and effective implementation of existing procedures and controls, regarding Sustainability approach.
- Inform that a breach of the principles of behavior and the provisions contained in this Policy might lead to corrective actions imposed to the concerned individuals.

- Publicly condemn any type of behavior against Responsible Investment, since it is considered as one of the key values to achieve the business objectives of Oquendo.

4. Scope of the policy

This Responsible Investment Policy is designed to be applied to a broad scope of subjects and activities, entailing an expansive effect which covers all the conducts of the related parties.

Accordingly, the contents set out in the Policy apply to all entities under Oquendo's management control. In some cases Oquendo does not have management control but it is able to influence the decisions making process of certain entities.

All significant providers (service and products suppliers) of Oquendo are under the scope of this Policy, being necessary that these third parties accept all the terms and conditions herein reflected and ensure compliant behaviors.

By all means, Oquendo's employees, members of the governing bodies and any other staff, no matter of their position, accept and undertake to comply with all the terms and conditions of the Policy and are self-committed to follow the responsible investment principles and its spirit.

As stated above, this Policy affects all the activities carried out by Oquendo, no matter if directly related to the core business (i.e. investment and asset management) or any other ancillary activity.

5. Governing principles.

The following principles shall be considered as the "fundamental conduct pillars" with the main aim to rule the activities carried out by the subjects in scope of the present Policy.

Oquendo is committed to adopt a consistent approach toward these Governing Principles across jurisdictions and markets.

A. Lawfulness

Oquendo complies with laws, regulations and best practices as one of the key criteria to assess the level of compliance of the subjects under scope of this Policy. Besides compulsory regulations, this topic includes industry standards, international treaties and accepted standards and agreements relevant to the activity sector of the investors, investees and stakeholders.

All subjects under scope of the present Policy follow the spirit of the regulations, condemning the fraud, corruption and any wilful misconduct contrary to the law, understood in its broadest sense.

B. Human rights

Oquendo recognizes the corporate responsibility to respect human rights, acting with due diligence and avoiding, in any case, the infringement of these rights directly or indirectly, via Complicity.

The respect and recognition of the human rights are widely considered as basic for all the institutions. Therefore, Oquendo makes utmost efforts to ensure the respect to human rights, understood as a whole, not only the civil and political rights such as freedom and equality, but also the social, cultural and economic rights, including, but not limited to labor and education rights.

C. Labour aspects

We provide healthy and safe-working environments, including the adoption of appropriate precautionary measures to protect employees, service providers, the local community and any other players affected.

We promote diversity and equal treatment without consideration for age, gender, marital or parental status, sexual orientation, ethnic or national origin, culture, political affiliation, physical ability, appearance, education or religious background.

Elimination of discrimination in respect of employment and occupation, fighting against discriminatory practices in recruiting, promoting and rewarding employees is also critical for Oquendo. Specifically, policies, procedures and practices are not applied in ways that may negatively impact a particular employee or a specific group of employees or potential employees.

Oquendo promotes and contributes to the elimination of all forms of forced or compulsory labor and, specifically, the abolishment of child labor. Oquendo respects the internationally recognized labor rights, which enables workers to express their opinions, including claims and complaints and protecting their rights with regard to working conditions to the extent permitted under local law.

D. Environmental

Oquendo designs and implements a proactive behavior to environmental challenges. This includes the assessment, management and communication of risks and it is aimed at avoiding or minimizing environmental damage. All players directly or indirectly responsible for environmental damage are obliged to undertake appropriate remedies and offer compensation as soon as they are aware of the damage causation.

We are also focused on complying with environmental laws and regulations and follow international standards and principles, such as limitation of emissions of harmful substances and waste and use of natural resources responsibly such as water and materials.

Additionally, we achieve cost savings and other value creation through improved eco-efficiencies and investment in sustainable products, services and technologies, rather than other non-sustainable, no matter the cost difference.

E. Corporate Governance

Oquendo promotes professional and best-in-class corporate governance. Assesses companies' corporate governance performance in light of compulsory regulations, local rules and regional best practice in their own markets.

We support effective board structures, with an appropriate allocation of executive responsibilities and balance between executive and independent directors, with fair and consistent remuneration to the employees and key roles according to the performance of their functions, fully aligned with the interests of the company and stakeholders.

Oquendo designs an independent audit and transparent policies in order to ensure conducts of the companies are law-abiding and proportionated, maintaining business integrity, being compliant with relevant international standards, conventions and agreements on business integrity, anti-corruption and anti-bribery and appropriate management of associated risks.

6. Action Protocol

In order to systematically integrate ESG criteria and Governing Principles application into Oquendo's investment decision-making and ownership practices, for the benefit of all stakeholders, actions to be followed are ruled in accordance with the following tasks:

I. Portfolio assessment:

Oquendo designs and develops tools, metrics and specific analysis with the aim to implement and apply its responsible investment approach. The compliance with Governing Principles is a crucial factor in the decision making process for any final investment.

A comprehensive due diligence review allows to identify, prevent and treat any conduct, activity or behavior contrary to the principles reflected in this Policy. This due diligence exercise starts at the very first stage of the investment decision-making process through the arrangement of specific meetings with the target companies, the gathering of relevant information via questionnaires, the review of the internal control policies of the target companies and any other action necessary to analyze, on a comprehensive basis, the compliance model of the target entity regarding the ESG principles.

Once this due diligence process is finished, Oquendo extracts the main conclusions, identifying the key strengths and the gaps and deficiencies of the target entities, regarding the compliance with ESG principles, in light of their nature, scale and complexity. This outcome allows to qualify the potential investment in order to decide if it fits with the Governing Principles and is considered as "suitable" for investment.

Oquendo may propose the target entities to adopt any measures, in order to adapt its structure, nature and functioning to the Governing Principles, as a condition precedent for the investment. Accordingly, Oquendo may use investment restrictions as a last resort, being an instrument to set a minimum standard, in recognition of the Responsible Investment.

Target companies with a robust framework of internal controls and policies in respect of ESG principles are considered as strategic and qualify as a priority versus other ones that do not consider ESG principles as a core issue in their strategy of business.

2. Interaction and active dialogue with portfolio companies.

Oquendo is committed to act as an active stakeholder in the company portfolio, using its influence to encourage companies in which it invests to adopt and comply with ESG practices deemed appropriate. Along the investment period, Oquendo focuses on a regular basis on the compliance of the ESG criteria and the Governing Principles contained in the present Policy by the portfolio companies, monitoring their activities.

To emphasize its message, Oquendo collaborates with other investors of the portfolio companies, achieving maximum investor influence and sharing of resources and expertise when engaging with companies.

3. Vendors Selection

Oquendo informs its service, products suppliers and providers of the existence of this Responsible Investment Policy. These players are obliged to follow the Governing Principles within their organization being responsible for the conducts and behaviors of their employees, decision-makers and members of their governing bodies.

According to the aforementioned paragraph, vendors shall implement equivalent measures to this Responsible Investment Policy and shall be obliged to notify Oquendo of any potential irregularity and/or conducts that could contravene the Governing Principles.

7. TRANSPARENCY AND ACCOUNTABILITY

Oquendo is transparent on its activities and aims to be accountable to its stakeholders on the progress of its specific actions regarding Responsible Investment. Public disclosure of progress is important to the credibility of an organization; it enables the stakeholders of a company to better understand how it is managing relevant ESG and Sustainability issues in its business. Transparency is also an important driver for continuous improvement.

Oquendo therefore regularly communicates its Responsible investment approach and activities to relevant stakeholders. This communication includes:

- (i) The publishing of the present policy on the company's website.
- (ii) The issuance of an annual report, regarding the main activities of Oquendo regarding its responsible investment activities.
- (iii) The issuance of individual or collective reports, regarding the compliance of the portfolio companies of ESG criteria and Governing Principles.
- (iv) The review of this policy, and amended as appropriate from time to time.

In order to collect the relevant information and monitor the compliance of the Governing Principles, Oquendo has developed the following reporting structure:

- I) Prior to each investment and as a part of the due diligence review, the Investment Team is responsible to assess the compliance of the target entities. An ESG specific section is included

in each Investment Memoranda providing ESG compliance or corrective measures to be addressed as a condition precedent to the investment being made.

- 2) On an ongoing basis, the ESG team reviews the Responsible Investment Policy and make changes if applicable.
- 3) On a regular basis, the ESG and the investment team interacts with portfolio companies and distributes an ESG questionnaire with over 80 questions, which provides granular detail of each portfolio company's compliance with ESG matters. Performance is benchmarked against prior years and objectives.
- 4) Each year, Oquendo's ESG team completes their assessment of Responsible Investment according to Oquendo's Responsible Investment policy. This assessment is presented to Board of Directors for discussion.
- 5) Each year, Oquendo completes the Responsible Investment Report which is disclosed to all relevant stakeholders.

GLOSSARY OF TERMS

CFO	Chief Financial Officer.
Complicity	Any act or omission that has a substantial effect in the commission of an unlawful act, being aware or intending to contribute to such unlawful act.
ESG	An acronym that stands for “environmental, social, and corporate governance”. ESG factors encompass a broad range of issues that some investors consider alongside traditional financial factors when assessing companies for potential investment.
Governing Principles	The principles set out in this Policy, which shall rule the conduct of Oquendo Capital within the framework of the Responsible Investment.
Policy or Responsible Investment Policy	The present document, which integrates the modus operandi of Oquendo Capital and its stakeholders when facing any kind of activity that implies the assessment from an ESG perspective.
Responsible Investment	An investment approach that focuses on the integration of environmental, social and corporate governance considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance.
Socially Responsible Investment	An approach that aims to balance an investor’s ethical beliefs with performance considerations, and typically seeks to achieve a trade-off between social and financial objectives.
Sustainability	Although the terms “ESG” and “sustainability” are often used interchangeably by investors, sustainability is more commonly used in reference to how a company is managing ESG issues (e.g. labour relations, waste management, corporate governance) in an operational and strategic context.