



# SUSTAINABILITY REPORT (ESG) 2021

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# A Message from our Co-Executive Chairman

GRI 2-22

Dear stakeholders,

At AINDA Energía e Infraestructura S.A.P.I de C.V. (AINDA), we are proud to present our Sustainability (ESG) results for the year 2021. We are convinced that, as managers of institutional private equity funds in the energy and infrastructure spaces in Latin America, our fiduciary duty requires us to have processes that guarantee the alignment with global best investment management practices for environmental and social responsibility and corporate governance. Our ultimate purpose is to adequately manage risks, maximize our investments' profitability, and have a materially positive impact on all the groups with which we interact: investors, team members, partners, users, and the communities in which we operate.

When AINDA was founded, we assumed the commitment to be a responsible investor and worked to be one of the first signatories of the United Nations Principles for Responsible Investment (UNPRI) in Latin America. Since 2016, we have actively promoted the participation in evaluations and benchmarking exercises based on international standards, as well as the transparency of our practices and processes using these evaluations.

Through a process of continuous improvement, over the years we have been able to reap important results. In 2021 we participated for the 4th consecutive year in the evaluation carried out by UNPRI, which was conducted under a new methodology. It is worth remembering that in 2020 we received an A+ rating (the highest rating available) in the Strategy and Governance Module, as well as an A rating in the Infrastructure Module in this assessment. We also received the highest

possible score in the annual GRESB evaluation done at the GP level, receiving 30 out of 30 points for our management. Out of 149 infrastructure funds that participated in this evaluation globally, we ranked in the top decile. Finally, we were recognized with the Grand Prix institution award and received the first place as a leading investor in Corporate Governance and Responsible Investment in the ALAS20 evaluation for institutional investors carried out by GOVERNART (which compared us with the most advanced institutional investors in Mexico, Perú, Chile, Colombia, Spain, and Brazil).

At AINDA we are proud of the results that our efforts have generated, and at the same time, we are aware that sustainability and the standards that define the best ESG practices for organizations at a global level are constantly evolving. Because of this, we know that it is necessary to increase our efforts and leadership in this area. Therefore in 2021 our CEO Manuel Rodríguez Arregui was appointed member of UNPRI's Infrastructure Standards Committee and vice-chair of the equivalent GRESB's Standards Committee. This has allowed us to contribute Latin America's vision in the definition of standards at a global level, as well as to remain at the forefront in their adoption.

As for our evolution as an investor, 2021 was a very important year as well. Our investment activities shaped the full deployment of our first fund (AINDACK18). We believe that at this juncture our commitment as responsible investors, as well as our commitment to our external stakeholders becomes even more relevant. Our investment strategy and partner profile are to be a proactive investor whose contribution goes beyond financial resources. We develop close relationships with

asset managers and work side-by-side with them towards the objective of pursuing initiatives that generate long-term value. In line with this, we have pushed for a deep integration of ESG initiatives, from decision-making processes in governance bodies, to the implementation of specific initiatives with specialized teams. We do all this always considering our ESG materiality, which is based on our stakeholders' opinion.

A good example of this is that in 2021 we participated for the first time in GRESB's asset-level assessment with our highway project in Chiapas. This first exercise included the short-term implementation of actions on three ESG fronts: strengthening the concessionaire's team with people 100% dedicated to ESG issues, forming an ESG committee, developing policies, increasing policy transparency, and documenting reforestation actions and donations. Subsequently, based on the results obtained in GRESB, we designed an ambitious work plan that we have been implementing since the end of last year. We are convinced that this will enable us to position this asset as one of the best-rated roads in Latin America. This work plan included actions such as the preparation of a materiality analysis at the asset level, the publication of its first sustainability report, the measurement and certification of its carbon footprint, a work climate and customer satisfaction diagnosis, as well as a staff performance evaluation. The experience gained in this exercise will be used to improve our engagement policy and ESG integration throughout our current portfolio of assets.

Our investment in Neology Latam will deepen our impact on the environment and society as we are bringing to Latam technology that has been used

in the most advanced cities in the world. Neology develops highly specialized mobility, safety, and security solutions for toll roads as well as metropolis. This improves toll-road efficiencies and thus helps to decrease total travel times and carbon emissions. Neology is at the forefront of implementing clean air zones in cities such as Copenhagen, which have substantially improved quality of life for their citizens. With respect to security solutions for state agencies Neology, implements artificial intelligence-based solutions to detect and focus on non-compliant vehicles. This helps to safeguard road networks and critical infrastructure, for example, in their collaboration with the Norwegian Public Roads Administration.

At AINDA we constantly seek to participate in initiatives or engagement projects with non-profit organizations that we consider are aligned with our principles and that allow us to expand our impact in the world. Our participation is not only through financial support, but also by contributing our team's time and knowledge. As an example of this, Manuel Rodríguez Arregui joined the board of trustees of the Natural History and Environmental Culture Museum in Mexico City, which is undergoing an ambitious renovation of its facilities focused on raising awareness among visitors about the value of biodiversity, the importance of balance in ecosystems, and the impact of human beings on the environment. Furthermore, as part of our efforts to promote gender equality in the industry, we joined the cause of Mujeres ITAM por la igualdad (MIPi), which seeks to support outstanding women with socioeconomic needs to reduce school dropout rates after the duration of scholarships. Finally, in 2021 we increased our leading presence and support for organizations that seek to promote and improve sustainability standards. We are members of the Green Finance Advisory Council in Mexico (CCFV), where we lead the Sustainable Financing working group and actively participate in the Public Policy working group. Additionally, we represent the CCFV

in the Financial System Stability Council (CESF). Our CFO, Tessy Rivera, chairs the ESG committee at the Mexican Private Equity Association (AMEXCAP), where she is also a guest board member for the association.

With the goal of continuing to deepen and maintain our leadership in the integration of ESG topics into our investment processes, in 2021 we declared our support for TCFD (Task Force on Climate-Related Financial Disclosures). As part of this declaration, in 2022 we were selected to participate in a pilot program run by CCADI (a think-tank) where we will receive consultancy to create a roadmap to implement TCFD's recommendations, and thereby formalize the analysis of our risks and opportunities related to climate change. Additionally, as part of our fiduciary responsibility, we will continue to exercise an active project management approach, with one of the main issues being the integration of ESG topics into the 5 projects we currently have in our portfolio. Last but not least, AINDA is currently in a capital raising process. We are working to set a new benchmark and become the first ESG labeled private equity fund in Latin America.

Sustainability is fundamental to our organization by design, and we intend to keep it that way in the future. This report describes the progress of our various initiatives. I would like to thank all our stakeholders for their trust in AINDA's team and platform. We will continue to work to add value for all of you in the future.



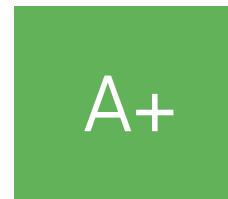
Óscar de Buen  
Richkarday  
Co-Executive  
Chairman

# 2021 Highlights & Results

2021 was an important year for AINDA since we finished the deployment of our first fund's investment commitments. We closed the acquisition of a relevant stake in Neology, and we committed resources to the Hokchi Energy and Jaguar Solar investments. In terms of our ESG strategy, we continued making progress. During the year we published our Responsible Investment Policy. The year was marked by external recognition for our ongoing efforts to be a responsible investor.



We received the 1<sup>st</sup> place in the "Responsible Investment Leader Investor" category, the 1<sup>st</sup> place in the "Corporate Governance Leader Investor" category in the ALAS20 evaluation performed by GOVERNART, and we were the 2021 winners in the category Grand Prix Institution ALAS20 of Latin America. These evaluations were applied to institutional investors with responsible investment practices across Latin America.



There was no updated score released from PRI this year. Our latest score in PRI's annual evaluation was A+ (the highest possible score) for the Strategy and Governance module and A for the Infrastructure Module. Our CEO, Manuel Rodríguez Arregui was invited to join UNPRI's infrastructure committee.



We received the highest possible score in our annual GRESB evaluation as a GP (30/30). We ranked in the top decile among the 149 infrastructure funds that went through GRESB's evaluation during the year. Our CEO, Manuel Rodríguez Arregui was named Vice-Chairman of GRESB's infrastructure committee. At the AMEXCAP Private Equity Summit 2022 we won the Alebrije Award in the Infrastructure & Energy category for CAS's performance during 2021.



AINDA was invited to represent the CCFV in the Sustainable Finance Committee, which is part of the Financial Stability System Council. Tessy Rivera, our CFO, was invited to participate as President of Amexcap's ESG Committee and in Amexcap's Board of Directors.

# Who is AINDA?

GRI 2-1, 2-6

AINDA Energía e Infraestructura S.A.P.I de C.V. is an asset management firm that invests in the private markets within the energy and infrastructure assets classes. AINDA is headquartered in Mexico City but has a regional focus across Latin America. Its investment thesis includes:

- (i) equity investments in new or stabilized projects with growth potential, and
- (ii) restructurings of companies in the energy and infrastructure sectors.

AINDA has a team of experienced professionals with expertise in private equity transactions. Its first fund's (AINDACK 18) public offering of Development Capital Certificates (Certificados de Capital de Desarrollo, or CKDs) in the Mexican Stock Exchange closed on March 15<sup>th</sup>, 2018. As of December 31<sup>st</sup>, 2021, AINDA had deployed 56.7% of the fund and had binding commitments for 100% (i.e. \$3,959 million MXN).

## What is a CKD?

CKDs are publicly listed funds in the form of Development Capital Certificates that are intended to invest across different strategies in Mexico. By being publicly listed, CKDs are subject to regulation for private equity funds (backed by institutional investors' money) which includes provisions on governance and transparency. For example, CKDs must publish annual financial reports and have formal communication mechanisms with their stakeholders, among other things. CKDs are focused on sectors and activities that are considered to have high long-term growth potential.

Within the different eligible strategies, you can find:

- Infrastructure (highways, airports, ports, railroads, water).
- Energy (renewable, thermoelectric, Oil & Gas)
- Mining.
- Real estate (industrial, commercial, leisure and residential)
- Private Equity (mid-size companies)
- Venture Capital (early-stage companies)
- Private debt

As of December 31<sup>st</sup>, 2021, AINDA had invested in three assets (1,2 and 3) and placed binding offers in another two (4 and 5)

1. Monterrey – Nuevo Laredo Highway, section “La Gloria – San Fernando”.
2. Tuxtla – San Cristóbal and Arriaga – Ocozocoautla Highways.
3. Neology Latam (Neology, Inc. subsidiary).
4. Jaguar (renewable energy platform)
5. Hokchi (O&G field)

Registered AUM \$3,959 million Mexican pesos

## Our History



# Our Presence and Investments

GRI 2-6 || SASB FN-AC-410a.2

As of the publication date of this report, AINDA has investments in: the Monterrey–Nuevo Laredo highway; the Tuxtla–San Cristobal – Arriaga – Ocozocoautla highway; Neology Latam, a subsidiary of Neology Inc.; Hokchi, an oil & gas field in the Gulf of Mexico; and Jaguar, a solar photovoltaic generation portfolio of three projects located in the State of Chihuahua.

## AINDA's Portfolio

	Roads and Highways	Mobility	Renewables	Oil & Gas
Investments	Monterrey - Nuevo Laredo 49km Concession 	Chiapas 139km Concession 	Neology Crossing concessions with 18 operators 	Jaguar 216MW across 3 parks 
Partners	<b>PINFRA</b> One of the main concession operating companies in México. To date it has 21 concessions, consisting of 28 highways, 2 port terminals, 1 bridge operation contract and 1 electronic toll operation contract for the FONADIN highway network. <b>Mkt Cap = ~USD\$3.0B</b>	<b>IRCE</b> Leaders in engineering design and construction of railroads, highways, bridges, tunnels and urban mass transit systems. <b>aldesa</b> Leader in the construction and operation of civil works and building infrastructures.	<b>neology</b> <b>PASE</b> Technology leaders for mobility, electronic toll collection, compliance, security and payment solutions.	<b>InfraRed Capital Partners</b> Global manager with +USD\$12.0 B of capital in public and private funds. <b>invex Infraestructura</b> Local investor with +USD\$550 MM in 6 investment platforms.

The main changes in our business relationships during the year included the acquisition of a minority stake in Neology Latam (Dec 2021), and the approval by our Investment Committees to acquire minority stakes in Jaguar and Hokchi. These approvals consequently resulted in the acquisition of an equity stake in each project.

## Monterrey - Nuevo Laredo Highway “La Gloria - San Fernando” section.

Construction and operation of the Monterrey - Nuevo Laredo Highway in the “La Gloria - San Fernando” section (A4S - 49 km). Reconditioning, preserving, and maintaining the federal highway (A2).

**Partner:** Promotora y Operadora de Infraestructura S.A.B. de C.V. (PINFRA).

**Investment Closing Date:** July 31<sup>st</sup>, 2019

**Start of operations:** July 2<sup>nd</sup>, 2020

### Impacts

- 1. Economic:** Improves connectivity in the TMEC corridor.
- 2. Safety and Security:** Improvement in the road conditions and security, particularly due to the criminality rates in the zone.
- 3. Hydraulic Construction:** The construction increased drainage works from 7 to 328, and bridges from 2 to 9, considerably reducing the highway's flooding risk.
- 4. Environmental Remediation:** Reforestation project to plant 150,000 trees, equivalent to 125 hectares.



## Tuxtla – San Cristobal and Arriaga – Ocozocoautla Highway Expansion

Investment in the Tuxtla Gutiérrez – San Cristóbal (46 km) and Arriaga – Ocozocoautla (93 km) Highways, in operation to widen the first section to three lanes.

**Partner:** Grupo ALDESA

**Investment Closing Date:** August 13<sup>th</sup>, 2020

**Start of operations:** January 2023

### Impacts

- 1. Economic:** Investment in the poorest state in Mexico improving connectivity between two of the most important towns in the state.
- 2. User Safety:** The geographic characteristics of the area imply a ~1,600m difference in elevation on the highway which combined with a two-way highway result in a very high fatality accident rate. The 3-lane extension will drastically reduce this accident rate and will allow the highway to increase its service level rating from D to A.
- 3. Environmental Remediation:** Own greenhouse located on the right-of-way with the capacity to produce 25 thousand plants per year, equivalent to 21 hectares per year.

## Neology Latam

AINDA acquired a minority stake in Neology Latam, a subsidiary of Neology Inc. This company is a leader in electronic toll collection, mobility, and vehicle compliance technology.

**Partner:** Neology, Inc. (indirect partnership with PASE)

**Investment Closing Date:** December 22<sup>nd</sup>, 2021

### Impacts

1. **Economic:** Access to best-in-class electronic tolling infrastructure, tolling back-office operation, and technology solutions related to mobility.
2. **Safety and security:** AI-based solutions to detect and focus on non-compliant vehicles to safeguard national road networks and enhance border security, through best-in-class speed control enforcement and highly accurate vehicle identification capability.
3. **Environmental:** Neology is at the forefront of implementing technology solutions such as clean air zones in Copenhagen which have substantially improved quality of life for citizens. These solutions have improved toll-road efficiencies and thus helped decrease total travel times and carbon emissions.



## 2022 Investments

### Jaguar Solar

A solar photovoltaic generation portfolio of three brownfield projects with 216 MWp installed capacity located in the State of Chihuahua (Ahumada, Torreonicitos, and Rancho el Trece).

**Partner:** INVEX Infraestructura and InfraRed Capital Partners.

**Investment Closing Date:** April 4<sup>th</sup>, 2022

**Start of operations:** April 2018 (Torreonicitos and Rancho el Trece) and July 2019 (Ahumada).

### Impacts

1. **Economic:** Investment in infrastructure that contributes to the decarbonization of the Mexican electric system.
2. **Safety and security:** ~470 GWh of clean energy generation per year, equivalent to the annual consumption of 130 K households in Mexico.



### Hokchi Field

Oil & gas field in the Gulf of Mexico, which includes 14 wells (7 hydrocarbon producing and 7 water injecting wells), which is already in the production phase.

**Partner:** Pan American Energy (through Hokchi Energy subsidiary) and E&P Hidrocarburos

**Investment Closing Date:** December 9<sup>th</sup>, 2021

**Start of operations:** May 24<sup>th</sup>, 2020

### Impacts

1. **Economic:** Investment in one of the most successful private oil and gas extraction projects in the shallow water offshore oil wells 27kms from Paraíso, Tabasco.
2. **Social:** The project promotes social development actions in agreement with SENER through programs with neighboring communities.
3. **Safety:** The project has recently built facilities under the highest safety standards in operation and maintenance with rigorous operational and HSE protocols. Risk management system in place authorized by the ASEA to address any environmental risks in accordance with international standards.
4. **Environmental:** Gas production contributes to the country's energy transition and substitutes more polluting fuels such as coal and fuel oil. The energy supply for the platforms and the Hokchi plant comes from on-site co-generation from gas combustion. Finally, for a responsible consumption of water, it only considers the intake of salt water that is used for injection into the reservoir, without using groundwater from the phreatic mantles.

# ESG Engagement Case Study: Concesionaria de Autopista del Sureste S.A de C.V. (CAS)

GRI 2-24

CAS 2021 Sustainability Report available here  
(Spanish only).

Road	Description
Tuxtla Gutiérrez – San Cristóbal (46 km)	As level of service D has been reached on the section, construction of a climbing lane on 29 km of critical sections.
Arriaga – Ocozocoautla (93 km)	Solution to the one-kilometer conflictive section of the highway by widening and modernizing it
Total investment	\$45,276,906 dollars + IVA
Construction time	25 months

At AINDA, being ESG stewards is one our priorities. For this reason, we make sure that our sustainability values, commitments, and goals are surveyed during our investment's development.

Based on the 2021 gap analysis, a work plan was developed to improve the CAS score in the GRESB 2022 assessment:

- Materiality Study.
- Reporting and Sustainability Policy.
- Carbon Footprint Measurement.
- Air Quality Emissions.
- Organizational Climate Diagnosis.
- Carbon Footprint Certification.
- Customer Satisfaction Survey.
- 360° Performance Evaluation.



## CAS's Material Topics:

- Occupational health and safety
- Quality of infrastructure
- Human Rights
- Equality, inclusion, and non-discrimination
- Economic impact
- Operational excellence and maintenance
- Transparency, ethics, and anti-corruption
- Infrastructure life cycle impact
- Environmental impact of project development
- Climate change impact on the business
- Greenhouse gas emissions
- Water management and consumption
- Biodiversity protection and conservation
- Energy management and consumption



## 2021 Highlights:

- Adherence to the Earth Charter
- First participation in the Global Real Estate Sustainability Benchmark Certification (GRESB).
- ISO 45001, 9001 and 14001 Recertification.
- Alebrijes Award won by AINDA with CAS assets.
- Construction of Caseta Coita Treatment Plant (PETAR).



## Alliances and Affiliations:

- Global Real Estate Sustainability Benchmark (GRESB) certification.
- ISO 45001, 9001 y 14001 certifications.
- United Nations Global Compact.
- Confederación Patronal de la República Mexicana (COPARMEX)
- Fomento Económico de Chiapas (FEC)

# 2021 Environmental Highlights || CAS

## INTERNAL STRATEGY



- Implementation of the Environmental Management Plan that contemplates the operation, maintenance, and conservation phases, committing to aspects and impacts related to climate change.
- Protection and conservation of biodiversity was promoted in human capital and in supply, labor, and service contracts, through clauses based on our environmental policy.

## INITIATIVES



- Collection of 140 kg of PET in containers located in Casetta Chiapa de Corzo and Ocozocoautla. This has supported the delivery of chairs, walkers, and canes to low-income people.
- Collection of PET bottle caps with 10 kg of hard plastic to be donated to the State DIF to support children with cancer.
- Collection of plastic centers from ticket rolls for the support of low-income families of the Pediatric Hospital. 131.7 kg donated.
- Support for the Granito de Arena International Foundation, dedicated to providing psychological care to sexually abused minors and young people through an internal recycling campaign of paper, cardboard, glass, metals, aluminum, hard plastic and Pet for a value equivalent to 145 therapies.

### Energy consumption within the organization

Consumption source	Amount (MJ)
Emergency Diesel-plants	144,963
Electricity	1,954
Total	146,917
Total energy consumption within the organization	44 KW

### 2021 - 2022 Target:

At least 10% reduction in electricity consumption at workplaces compared to 2020 consumption. By the end of 2021, we reached a compliance level of 26%.

### Water consumption and discharge

Fresh groundwater consumed	3,862 m³
Fresh water (total dissolved solids < 1000 mg/l) discharged	10.800 Megalitres

### Total greenhouse gas emissions

Scope 1 emissions: 407.54 tCO<sub>2</sub>eq

Scope 2 emissions: 229.60 tCO<sub>2</sub>eq

Scope 3 emissions: 89,731.12 tCO<sub>2</sub>eq

Total GHG emissions: 90,414.24 tCO<sub>2</sub>eq



# 2021 Social Highlights || CAS



**100% of team members hired directly by CAS or the companies involved in the operation and maintenance**

They have individual full-time, eight-hour contracts for an indefinite period.



## DISTRIBUTED IN 5 WORK CENTERS, INCLUDING 4 TOLL BOOTHS AND 1 OFFICE SPACE:

	ARRIAGA	CHIAPA DE CORZO	OOCOZOCOAUTLA	JIQUIPILAS	ADMIN. OFFICE
WOMEN	5	15	14	10	10
MEN	26	30	18	25	33



## INTERNAL STRATEGY

- During 2021 we established and implemented the labor equality and non-discrimination policy and the transparency, equity, and impartiality policy, complemented by the Code of Ethics and the protocol for action in cases of labor violence.

## INITIATIVES

- Storytelling activity for 22 children from at-risk Zoque and Tzotzil communities and dysfunctional families at the Abergue Saleaciano in Tuxtla Gutiérrez, Chiapas.
- Donation of 370 kg of food, personal hygiene, cleaning, and stationery items and 138 toys to Casa Hogar AlegreOdres Nuevos in Tuxtla Gutiérrez, Chiapas.

## Occupational health and safety management system coverage 2021: 100% of workers and activities.

- ZERO occupational fatalities activities.
- ZERO severe occupational injuries.
- EIGHT minor occupational injuries.
- ONE occupational sickness.

WITHIN 468,592 WORK HOURS

### ESG Training:

- Hours: 132
- Courses: 18
- Participants: 1,092

### Other topics:

- NA
- 12
- 447

A TOTAL OF 30 COURSES FOR 1,539 PEOPLE



# 2021 Governance & Economy Highlights || CAS

## INITIATIVES

- 17 suppliers were contracted under labor, machinery rental and service contract types. Of these suppliers, 65% are locally sourced (269 local workers) and 35% are national.
- The physical condition of the highways was evaluated by the Ministry of Communication and Transportation.
  - In the first half of 2021, we obtained a rating of **421 points out of 500**.
- Various communication channels were developed to promote good practices in the organizational environment, including:
  - "No Te Calles" mailbox in each work center for a formal procedure for complaints or suggestions.
  - E-mail address as a confidential communication channel for complaints or suggestions.
  - Team training on the Code of Ethics, compliance model, criminal risk prevention, and diligent professional conduct.
- As part of our training plan, we gave talks to disseminate the Psychosocial Risk Policy. In all these instances we addressed issues related to human rights.
  - In 2021, 100% of the personnel were trained, with an average of 7 hours of training per person.

## More than ten ethics policies and frameworks.

**Code of Ethics** is focused on: equal opportunities and non-discrimination, professional training and development, occupational health and safety, human rights, union association rights, data privacy.

**Anticorruption Training:**

- Training materials sent: 6, to 100% of the team.
- Training sessions: 378, 100% of the team.



Economic value generated	\$727,387,759.52
CAS annual revenues	
Operating costs (Operadora de Autopistas del Sureste payments)	\$63,556,763.49
Operating costs (Mantenedora de Caminos Aldesem payments)	\$112,317,646.49
Government payments	\$43,758,885.00
Works payments	\$275,884,602.00
Concession's own operating costs	\$23,791,550.00

# Our Team

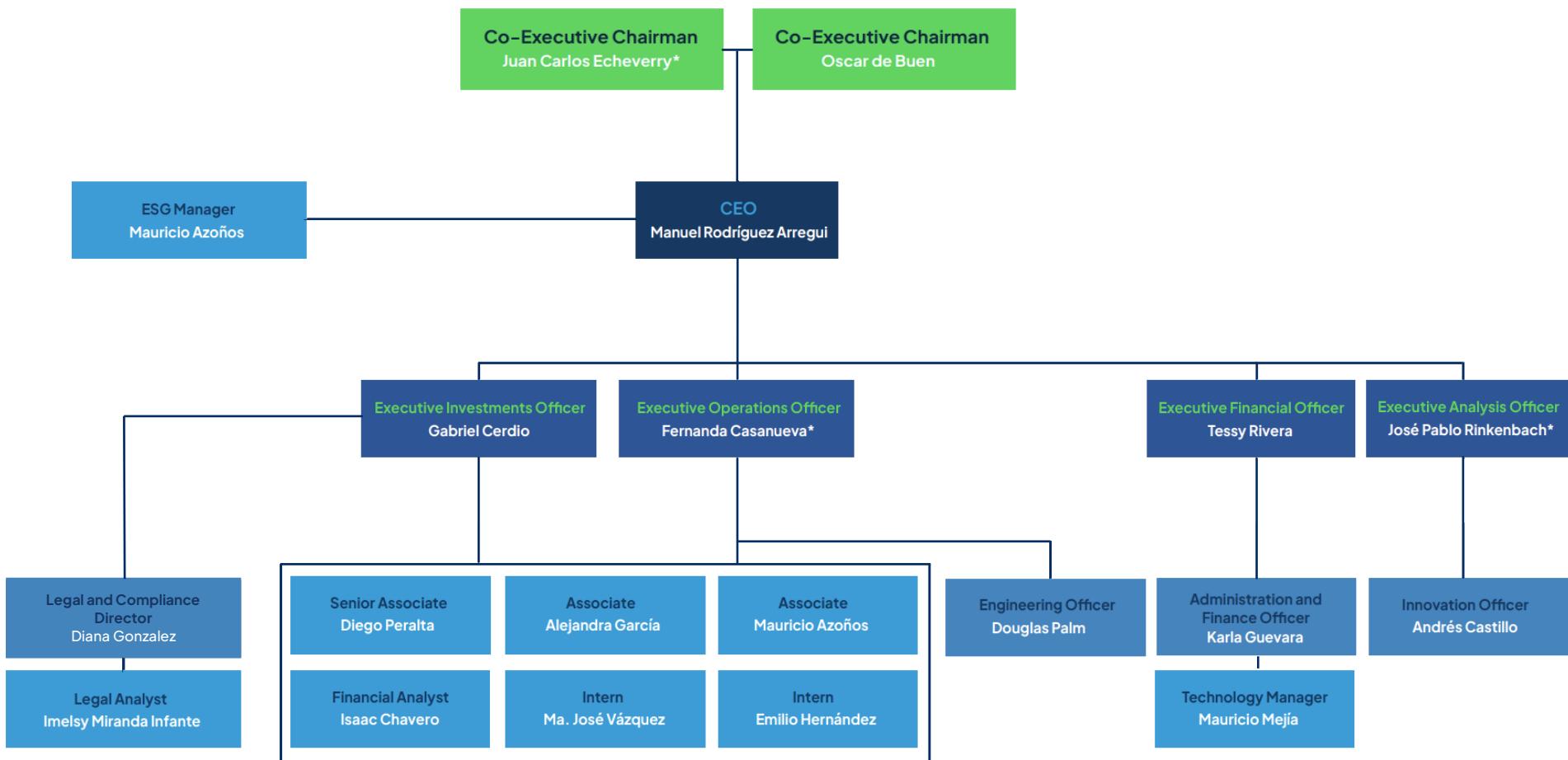
GRI 2-7 || SASB FN-AC-330a.1

As of December 31<sup>st</sup>, 2021, AINDA had 20 team members: 10 women with full-time contracts, 9 men with full-time contracts, and 1 man with a part-time contract. All our team is based in Mexico City. As of the date of publication of this report, our team has grown to have the following 21 team members:



## Robust corporate structure

AINDA complements its capabilities with experienced professionals in the industry, which contributes to successful project development.



\*Part of AINDA's management team as of Fund II

# AINDA's view on ESG

GRI 2-22 || SASB FN-AC-410a.1, FN-AC-410a.2

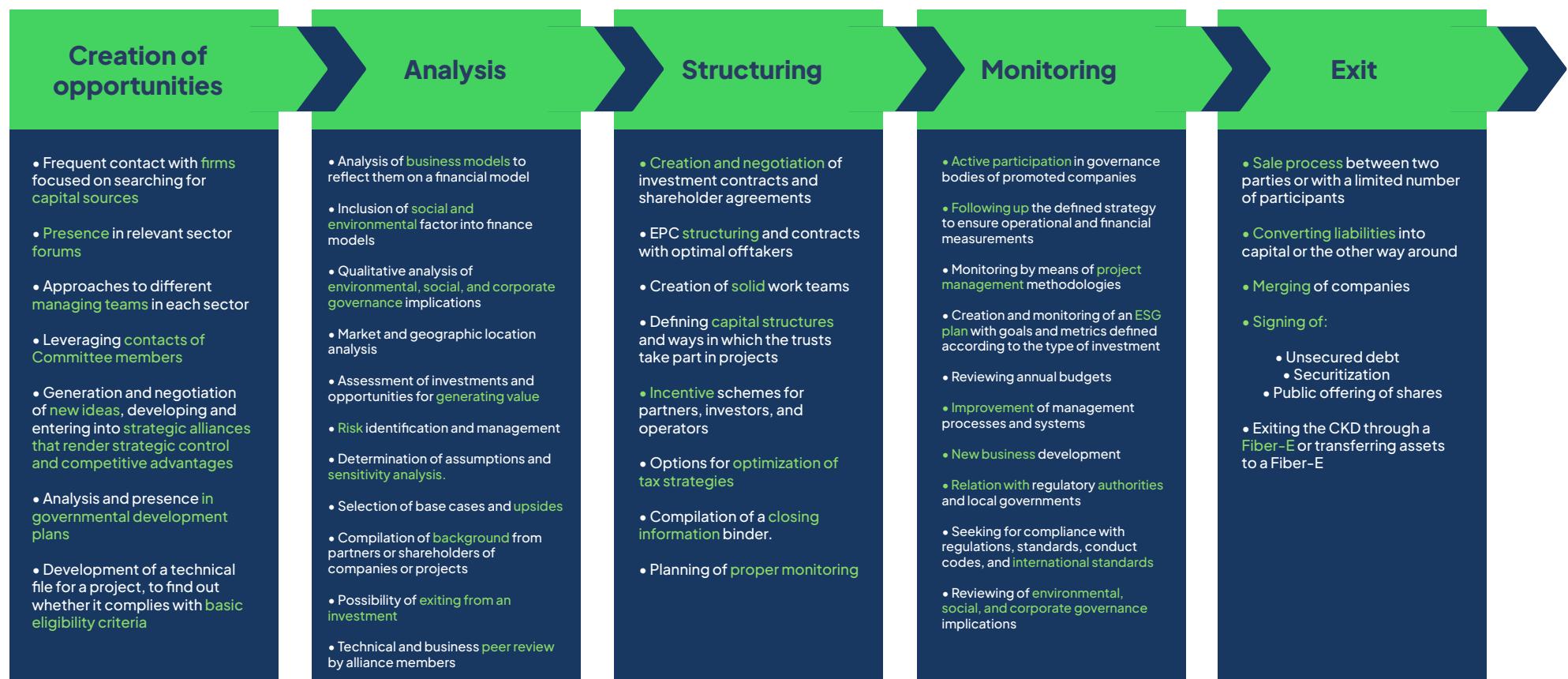
At AINDA we are convinced that as part of our fiduciary duty we must have robust responsible investment processes. This implies considering the impacts our investments and asset management strategies may have on the environment and communities that surround us, while adhering to best corporate governance practices. We strive to have a responsible investment strategy that adequately manages risks and maximizes the positive impact of the projects in which we invest.

## ESG in the investment process

We are committed to the implementation and promotion of responsible investment principles and processes aligned with the highest international standards. Because of it, we have a **Responsible Investment Policy** which was developed based on a materiality analysis we underwent with our stakeholders. The policy is also aligned with international reference frameworks such as: UNPRI, GRESB, TCFD, and the UN's SDGs. It was approved by our Board of Directors and establishes the general guidelines for the incorporation of ESG criteria

in the Investment Process, from the generation of opportunities to the exit of investments.

To identify and implement actions that trigger a profitability increase in the long term, AINDA's investment process and strategy promote the active participation in the governing bodies of its invested assets. Because of this, at AINDA we have participated, together with our partners, in the incorporation of ESG aspects that allow adequate risk management, as well as an increase in our positive impact on the environment and society.



# The ESG Team

**AINDA's Compensations Committee** appoints a team that oversees the implementation of the Responsible Investment Policy (the "ESG Team"). A Team Representative must commit over 30% of their time to measuring, verifying, and reviewing the criteria for responsible investments. If necessary, the Committee can also distribute the specific functions that each person must execute to guarantee compliance and strengthen AINDA's commitment to this Policy, as well as its constant support. The resolutions taken by the Compensations Committee in this regard must be approved by the Board of Directors (for more on the delegation of governance responsibilities, please visit the "**Governance Considerations**" section).



The ESG Team is responsible for preparing an annual work program for the proper implementation of actions that promote compliance with the responsible investment guidelines, as well as the fulfillment of any commitments set forth by this Policy. This includes a training program for the ESG Team through prestigious courses such as CESGA. The ESG team will always be supported by Project Managers and the Legal and Compliance Departments. Project Managers have their support in return and are responsible for continuously improving the measures that may be applied to projects or investments. In the case of AINDA's portfolio investments, this work plans are developed in conjunction with our partners, and then submitted for approval to the pertinent governance bodies of each structure.



Once the Annual Work Program has been approved by the Audit and Investment Committees, and the resolution is passed by the Board, the ESG Team presents the implemented activities' progress, reach, and results to the Audit and Investment Committees. Furthermore, the ESG Team submits any reports that are requested by AINDA to document the progress in the implementation of its Responsible Investment Policy as well as other ESG factors. These reports are then published in the platforms of all bodies or entities to which AINDA belongs, including, but not limited to, UNPRI and GRESB.

The implementation of the Responsible Investment Policy is part of every team member's duties. The ESG Manager and ESG Team are responsible of pushing forward best practices into AINDA's policies as the Company continues to operate and grow.



# Materiality Analysis

GRI 2-29

The methodology used to define AINDA's material topics was developed in accordance with suggestions of GRI and the Sustainability Accounting Standards Board (SASB). AINDA's materiality analysis responds mainly to the development of an ESG strategy in the short term, aimed at the financial sector, as well as the infrastructure and energy sector-specific exposures, since these are the markets where the organization is currently focused on. AINDA's materiality analysis and ESG strategy will be updated periodically according to the company's needs and markets into which it expands its operations.

To know more about our materiality analysis process, click [here](#) [Spanish only available].

## ESG MATERIAL TOPICS PRIORITIZATION



1	Indirect economic impacts
2	Fiscal strategy
3	Anticorruption/Business Ethics
4	Unfair competition
5	Economic risks management
6	Economic performance (infrastructure)
7	Environmental and social risk management
8	Climate change
9	Greenhouse gas (GHG) emissions
10	Resource depletion (including water)
11	Waste and pollution
12	Analysis of the area's environmental characteristics for project design.
13	Renewable energy use
14	Ecological impacts (infrastructure)
15	Environmental compliance (infrastructure)
16	Supplier environmental assessment (infrastructure)
17	Client privacy
18	Disclosure and information transparency
19	Training and education
20	Labor conditions and terms (child labor, slavery, etc.)
21	Team members' diversity and inclusion
22	Board diversity and structure
23	Protect and guarantee Human Rights
24	Vulnerable group impact
25	AINDA's supply chain management
26	Lack of procedures to prevent endemic sicknesses
27	Impacts on community health and safety (infrastructure)
28	Local communities (infrastructure)
29	No discrimination (infrastructure)

# Stakeholder groups

GRI 2-29

Understanding AINDA's most relevant stakeholders' interests and expectations is fundamental for the company to be successful. Through our materiality analysis, we were able to identify 12 stakeholder groups composed of 54 parties that are relevant to the company. In this section we describe what we believe are our stakeholders' key interest and concerns, as well as our communication channels and communication frequency with them.

Stakeholder Group	Interests and Concerns	Communication Channels	Communication Frequency
Investors (LPs)	<ul style="list-style-type: none"> <li>• Investments with profitable financial returns and that are aligned with ESG criteria.</li> <li>• Integrate ESG aspects into investment process.</li> </ul>	<ul style="list-style-type: none"> <li>a) Annual reports</li> <li>b) Website</li> <li>c) Direct communication</li> <li>d) Technical Committee</li> <li>e) Quarterly reports</li> <li>f) Annual Sustainability Questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>a) Annual</li> <li>b) Open channel</li> <li>c) Available when necessary</li> <li>d) Every time its convened</li> <li>e) Quarterly</li> <li>f) Annual</li> </ul>
Team Members	<ul style="list-style-type: none"> <li>• Partners: Long-term sustainable strategy of the company</li> <li>• Non-equity interest: Medium-term career development and contribution with the companies' goals</li> </ul>	<ul style="list-style-type: none"> <li>a) Board of Directors</li> <li>b) Investments Committee</li> <li>c) Technical Committee</li> <li>d) Compensation Committee</li> <li>e) Audit Committee</li> <li>f) Transparency hotline</li> <li>g) Annual reports</li> <li>h) Website</li> <li>i) Organizational climate surveys</li> <li>j) Direct Communication through mentorship program</li> <li>k) AINDA Off-site</li> </ul>	<ul style="list-style-type: none"> <li>a) Open channel</li> <li>b) Annual satisfaction survey</li> <li>c) Annual performance evaluation</li> </ul>
Project partners	<ul style="list-style-type: none"> <li>• Have a reliable and hands-on partner who adds value to the projects.</li> <li>• The Company has several control processes in place to minimize risks related to quality, environment, safety, and health.</li> </ul>	<ul style="list-style-type: none"> <li>a) Board of Directors of the projects</li> <li>b) Periodic meetings</li> <li>c) Transparency hotline</li> <li>d) Annual reports</li> <li>e) Direct communication</li> </ul>	<ul style="list-style-type: none"> <li>a) At least every two weeks in informal meetings</li> <li>b) Quarterly through each of the Board of Directors</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• To provide the best possible service or product possible, at the lowest possible price.</li> <li>• Some of AINDA's suppliers have ESG practices in place.</li> </ul>	<ul style="list-style-type: none"> <li>a) Website</li> <li>b) Direct communication</li> <li>c) Transparency hotline</li> </ul>	<ul style="list-style-type: none"> <li>a) Open channel</li> <li>b) Open channel</li> </ul>

<b>Civil society and the communities around us</b>	<ul style="list-style-type: none"> <li>• Ensure that projects in or near its community do not affect it.</li> <li>• Expand the benefits of new projects' development.</li> <li>• Require general information about the project</li> <li>• Require information on possible environmental and social risks.</li> </ul>	a) Communication and participation mechanisms	a) Partners will determine the frequency of communication with community members. AINDA will encourage this communication to be done according to good practices and proportional to the magnitude of its project's impact
<b>Federal authorities</b>	<ul style="list-style-type: none"> <li>• Legal and regulatory compliance</li> <li>• Protection of the environment</li> <li>• Public safety</li> <li>• Job creation/employment</li> </ul>	a) Direct communication b) Formal communication channels	a) Constant communication, depending on the project's needs
<b>CSOs, NGOs, and others</b>	<ul style="list-style-type: none"> <li>• UNPRI: AINDA's leadership in pushing responsible investment policy</li> <li>• Museum of Natural History (MNH): Manuel Rodríguez Arregui, our CEO's, leadership with his participation in the Board of Directors</li> </ul>	a) Website b) Direct communication c) Evaluation report d) MNH Board of Directors	a) Open channel b) Annual evaluation c) Quarterly Board meetings
<b>Minorities and marginalized groups</b>	<ul style="list-style-type: none"> <li>• Seek to have their opinions and rights respected and considered.</li> <li>• Obtain relevant information on the management of impacts and opportunities that affect them the most.</li> </ul>	a) Communication and participation mechanisms	a) Partners will determine the frequency of communication with community members. AINDA will encourage this communication to be done according to good practices and proportional to the magnitude of its project's impact



# Our Contribution to the SDGs

GRI 2-28

## AINDA's Focus and Application 2021

 <b>GOOD HEALTH AND WELL-BEING</b>	<p><b>3.8:</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all</p> <ul style="list-style-type: none"> <li>• Paid COVID tests.</li> <li>• Remote work policy with a hybrid scheme.</li> </ul> <p><b>3.8.1:</b> Coverage of essential health services</p> <ul style="list-style-type: none"> <li>• Private health care insurance for all team members.</li> </ul>
 <b>QUALITY EDUCATION</b>	<p><b>4.7:</b> By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development</p> <ul style="list-style-type: none"> <li>• Our CEO, Manuel Rodriguez Arregui is participating on behalf of AINDA as an advisor in the renovations of the Mexico City Museum of Natural History. The goal is to have a new image that will help raise awareness about biodiversity conservation and the impacts that the humans are having on earth.</li> <li>• Mauricio Azoños (ESG Manager) was certified by the European Association of Financial Analysts as an ESG analyst (CESGA).</li> </ul>
 <b>GENDER EQUALITY</b>	<p><b>5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <ul style="list-style-type: none"> <li>• 42% of our team is female.</li> <li>• Donated \$90,000 Mexican pesos to Fondo MIPi, an initiative that offers scholarship to low-income women to avoid desertion.</li> </ul> <p><b>5.5.2:</b> Proportion of women in managerial positions</p> <ul style="list-style-type: none"> <li>• 3 women sit on our corporate governance bodies: Board of Directors (1), Investment Committee (2) and Technical Committee (2).</li> </ul>
 <b>AFFORDABLE AND CLEAN ENERGY</b>	<p><b>7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p><b>7.3:</b> By 2030, double the global rate of improvement in energy efficiency</p> <p><b>7.3.b:</b> By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective support programs</p> <ul style="list-style-type: none"> <li>• We performed due diligence and got the approval from our investment and technical committees to invest in a solar PV portfolio of projects with an installed capacity of 216 MW. The acquisition was closed in April 2022.</li> </ul>
 <b>DECENT WORK AND ECONOMIC GROWTH</b>	<p><b>8.3:</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <ul style="list-style-type: none"> <li>• Annual performance evaluation based on goals and objectives tied to variable compensation.</li> <li>• Mentorship program to promote professional development within the firm.</li> <li>• Partnership options offered to team members based on their performance.</li> <li>• Annual organizational environment evaluations.</li> </ul>

 <b>INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	<p><b>9.1:</b> Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <ul style="list-style-type: none"> <li>• Construction works in the 3<sup>rd</sup> lane extension of the Tuxtla–San Cristobal highway will decrease time travel between two of the main cities in Chiapas and will also substantially increase safety for 11.4 million annual users of the road.</li> <li>• Operation of the Monterrey – Nuevo Laredo toll road offers high quality and safer connection on one of the main crossings between USA and Mexico for ~4.1 million users in 2021.</li> <li>• Neology: Access to best-in-class installation and maintenance of tolling and electronic tolling infrastructure, tolling back-office operation, security and mobility solutions, and related equipment supply.</li> <li>• Jaguar: Clean energy generation.</li> </ul>
 <b>RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	<p><b>12.6:</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <ul style="list-style-type: none"> <li>• First sustainability report published in June 2021.</li> <li>• Active participation in national and international ESG committees and councils (CCFV, Amexcap, CESF, UNPRI and GRESB Infrastructure Committees).</li> <li>• Performed three ESG due diligence processes with the help of independent consultants to properly measure risks and opportunities in potential investments.</li> <li>• Manuel Rodriguez Arregui is part of the UNPRI Infrastructure standards committee and vice-chairman of GRESB infrastructure standards committee.</li> </ul> <p><b>12.7:</b> Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p> <ul style="list-style-type: none"> <li>• Active promoter of the United Nations Principles for Responsible Investment (UNPRI) within the private equity industry as well as in the investee companies.</li> <li>• Promote asset level participation in GRESB. The Chiapas toll road was evaluated for the first time in 2021 and will be evaluated again in 2022.</li> </ul>
 <b>PEACE, JUSTICE AND STRONG INSTITUTIONS</b>	<p><b>16.5:</b> Substantially reduce corruption and bribery in all their forms</p> <p><b>16.6:</b> Develop effective, accountable, and transparent institutions at all levels</p> <ul style="list-style-type: none"> <li>• Active promoter of transparency best practices, above market standards, through AINDA's different communication channels (all relevant AINDA's reports are public).</li> </ul> <p><b>16.7:</b> Ensure responsive, inclusive, participatory, and representative decision-making at all levels</p> <p><b>16.10:</b> Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</p> <ul style="list-style-type: none"> <li>• Code of Conduct and Ethics with above market standards, which is enforced through our compliance officer and governance bodies.</li> </ul>
 <b>PARTNERSHIP FOR THE GOALS</b>	<p><b>16.5:</b> Substantially reduce corruption and bribery in all their forms</p> <p><b>16.6:</b> Develop effective, accountable, and transparent institutions at all levels</p> <ul style="list-style-type: none"> <li>• Participation and publication of UNPRI annual evaluation (2021 rating pending).</li> <li>• Participation and publication of GRESB annual evaluation.</li> <li>• Participation and publication of ALAS20 2021 evaluation.</li> </ul>

# Memberships, Affiliations, and Awards

GRI 2-28



**CCFV-Sustainable Finance Committee:**

AINDA is the first CKD to join as member of Mexico's CCFV (Green Finance Advisory Council), whose goal is to promote sustainable finance as an engine of transformation into a greener and more inclusive economy, increasing the financing flow for green and social instruments.

AINDA was invited to represent the CCFV in the Sustainable Finance Committee, which is part of the Financial System Stability Council. This Committee's function is to recommend and coordinate policies, actions, or measures to promote financial stability. The authorities that are part of it can implement these recommendations, within the scope of their competence. In addition, the Committee also seeks to promote the transition towards sustainable finance and the adoption of best international practices that contribute to the stability of the financial system.

Our involvement in the Committee's working groups is related to favoring ESG resources in the Mexican economy.



**AMEXCAP® Amexcap's ESG Committee and Board of Directors:**

Tessy Rivera, our CFO, was invited to participate as President of Amexcap's ESG Committee and in Amexcap's Board of Directors. The ESG committee seeks to promote best ESG practices among members and the industry in general.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

**TCFD:**

As of 2021, AINDA became a "supporter" of the "FSB Task Force on Climate-related Financial Disclosures (TCFD)". We were also selected to participate in a pilot program with CCADI (think-thank) that will provide advisory to create a roadmap for the implementation of TCFD recommendations.



**PRI Signatory, participant, and committee member:**

Since 2016, AINDA has proved its commitment to promote responsible practices towards society and the environment by being one of the first Mexican organizations to sign the Principles for Responsible Investment of the UN (UNPRI). In 2020 AINDA obtained ratings of A+ (highest rating) in the Strategy and Governance Module and A in the Infrastructure Module (2021 scores not yet available). Manuel Rodríguez Arregui was appointed member of the UNPRI Global Infrastructure Standards Committee.



**GRESB Participant, affiliate, and committee member:**

Starting in 2020, AINDA took part in the evaluation of environmental, social, and governance practices carried out by GRESB, world leader in information analysis and ESG benchmark generation for real assets. Our current GRESB score (2021) is 30/30 at the fund level. In 2022 we intend to integrate the asset level score of the Chiapas toll road into AINDA's score. Manuel Rodríguez Arregui was appointed vice-chairman of the GRESB Global Infrastructure Standards Committee.



**Global Real Estate and Infrastructure Club (GRI):**

AINDA plays an active role in the GRI Club, a networking platform with +11,300 C-level executives in more than 100 countries, through continuous participation in events, forums, panels, among others.



**Institutional Limited Partners Association (ILPA):**

To align incentives and provide assurance to investors, AINDA has adopted these standards within the structure design of its first fund.

## GOVERNART:

In 2021 AINDA participated in its Responsible Investment Study, which evaluates institutional investors in Brazil, Chile, Colombia, Mexico, Peru, and Spain in the implementation of responsible investment practices. AINDA obtained the following awards:

- 1<sup>st</sup> place: Leading Investor in Responsible Investment
- 1<sup>st</sup> place: Leading Investor in Corporate Governance
- 2<sup>nd</sup> place: Leading Investor in Sustainable Research
- Winner 2021: in the category Grand Prix Institution ALAS20 of Latin America
- Winner 2021: in the category ALAS20 Institution 2021, Mexico

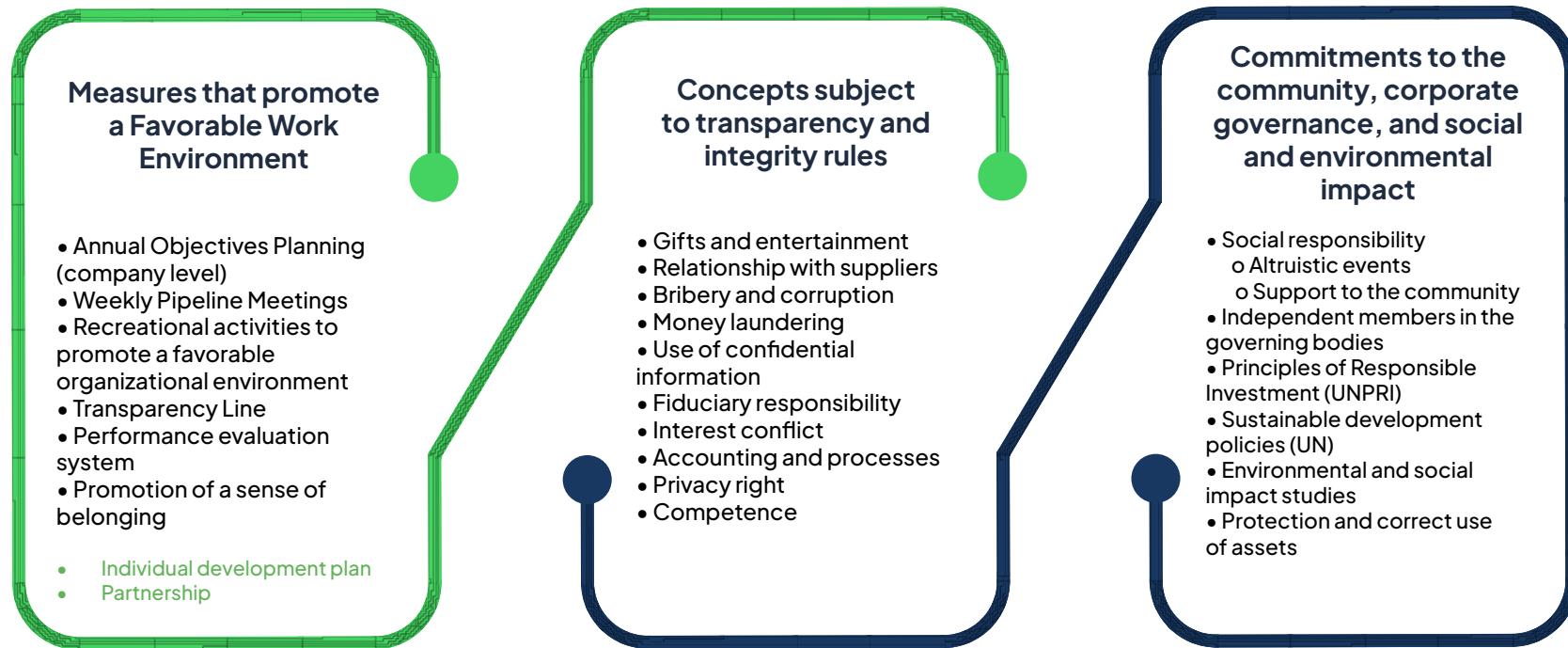


# ESG Organizational Policies & Practices

GRI 2-23, 2-24 || SASB FN-AC-410a.1, FN-AC-410a.3

AINDA is committed to fostering a favorable work environment by developing and implementing policies in accordance with applicable legislation and the best international practices, as well as by promoting compliance with our Code of Ethics and Conduct and Favorable Organizational Environment Policy.

Being a firm committed to its investors, clients, shareholders, partners, employees, and portfolio companies, AINDA will always strive to benefit its stakeholders by following legality, good faith, and impartiality principles, and avoiding conflicts of interest, as promoted by the Code of Ethics and Conduct.



AINDA's policies and ESG management frameworks include [the following links are available in Spanish only]:



# Environmental Considerations

As part of our Investment Process and Responsible Investment Policy, during a potential investment's analysis/due diligence process, we hire third party environmental consultants that elaborate a flag report later presented to our investment and technical committees to assess risks and opportunities. If the project is approved for investment, we establish commitments with our partners to incorporate ESG best practices at the asset level during the structuring phase. For example, following up on the environmental remediation actions proposed for the MIA's issuance (government construction permit) could be considered one such commitment.

Another example of our environmental engagement efforts was our participation in the Chiapas highway's GRESB assessment at the asset level. This assessment measures environmental impact across various factors, including:

- (i) Energy consumption
- (ii) Emissions of greenhouse-effect gases
- (iii) Measurement of carbon footprint
- (iv) Air pollution
- (v) Water collection
- (vi) Solid and dangerous waste management
- (vii) Conservation of biodiversity and habitats
- (viii) Climate-change resilience



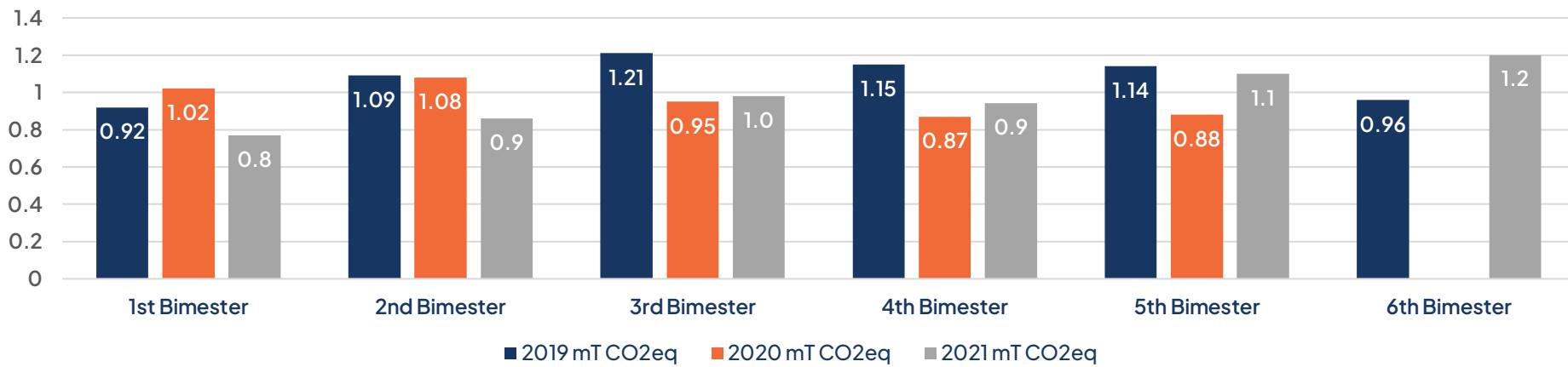
## Carbon Footprint

As part of our commitment to monitor our environmental footprint and inform our stakeholders, our carbon footprint calculation report was made under Scope 1 and 2 classifications at the GP level. This means that only direct emissions are reported. Scope 3 emissions, or indirect emissions produced by the company's activity, but which are under the control of an external agent (suppliers, services requested, rented equipment, etc.), will not be reported for now.

- We do not have company-owned vehicles, so there is no direct fuel consumption.
- A consumption of 35,854 kWh was recorded during the last 18 bimonthly periods (3 years), and of 13,533 kWh in the last 12 months.
- Activities included: air travel, private transportation by mobile applications, waste generation, investments, and consumption of miscellaneous products (stationery, food, cleaning products, etc.).

We have also started measuring our portfolio's carbon footprint. During 2021, CAS, our highway project in Chiapas, underwent an analysis of 100% of its GHG emissions, reporting a total of 90,414.24 tCO<sub>2</sub> eq across all three scopes. For more detail on this, please visit the **ESG Engagement Case Study** section. Going forward, we will be looking to measure and disclose this level of detail for all AINDA's projects.

## Historical Emissions from Electric Consumption (metric tons CO<sub>2</sub>eq)



Source: AINDA's electric bills, 2019-2021  
2020's 6<sup>th</sup> Bimester data not available.

During 2021, we emitted a total of 2,536.9 metric tons of CO<sub>2</sub>eq due to the office's energy consumption, business trips, and automotive courier services. The graph above shows a downward trend in our electric consumption. A drop between 2019 and 2020 can be explained by the pandemic's sanitary restrictions and the office's limited use. That being said, we are proud to say that there was a 9.6% reduction in the total metric tons of CO<sub>2</sub> equivalent we emitted in 2021 compared with 2019.

Office electricity consumption		
PERIOD	CONSUMED (KWh)	EXPENSE (pesos)
DEC 21 - FEB 18	1,780	\$6,689
FEB 18 - APR 21	1,986	\$7,495
APR 21 - JUN 22	2,265	\$8,796
JUN 22 - AUG 21	2,181	\$8,506
AUG 21 - OCT 21	2,492	\$6,880
OCT 21 - DEC 21	2,829	\$11,012
<b>2021 Consumption</b>	<b>13,533</b>	<b>\$49,378</b>

Gasoline consumption for courier services		
	EXPENSE (pesos)	GALLONS
JANUARY	\$1,970.45	25.32
FEBRUARY	\$2,994.89	36.84
MARCH	\$3,046.57	36.98
APRIL	\$2,227.11	27.00
MAY	\$3,036.94	37.12
JUNE	\$2,998.76	36.32
JULY	\$2,965.68	35.82
AUGUST	\$2,914.25	35.09
SEPTEMBER	\$2,850.40	35.39
OCTOBER	\$2,891.94	34.60
NOVEMBER	\$3,059.51	36.87
DECEMBER	\$2,232.15	27.44
<b>2021 Consumption</b>	<b>\$33,188.65</b>	<b>33,188.65</b>

Our business trips represent 88% of our total emissions. In 2021, we travelled 79,377 kilometers by plane, representing 252,628 gallons of fuel consumed.

## Sustainable Mobility

The transport and mobility sector plays a key role in the decarbonization of the planet. The environmental and health impacts of implementing sustainable solutions are considerable. AINDA has positioned itself as a leader in Latin America in sustainable mobility through:

- i) its investment in **Neology Latam**, and,
- ii) its active participation in **Megaflux**.

According to TOMTOM's Traffic Index 2021<sup>(1)</sup>, 6 of the top 40 most congested cities in the world are in Latin America, with congestion levels above 25%, leading to pollution levels that are harmful to communities' health. This will most likely result in local governments seeking ways to innovate through new mobility and transportation policies. A possible scenario of this could involve cities charging drivers in response to their vehicles' ecological impacts, considering multiple variables such as:

- i) type of vehicle (i.e., pollution intensity),
- ii) time of day in which they commute (mobility scheduling), or,
- iii) area of the city, among others.

This can create a virtuous cycle in which the revenue collected from these infractions/tolling can discourage undesirable transportation practices and be invested in sustainable mobility solutions, such as electric mass transportation systems. In response to this, Neology will be well positioned to provide cutting edge technology through its Automatic Number Plate Recognition (ANPR) system/technology. These types of solutions will be fundamental for the successful enforcement of these policies.

### Neology

Neology is a leading developer of highly specialized mobility and enforcement solutions. The company connects existing infrastructure assets with next-generation technology to modernize the way people move. Its innovative corporate culture looks to create safer, cleaner, and more efficient mobility experiences that support sustainable growth and help communities thrive.

Neology is at the forefront of implementing technological enforcement solutions for state agencies, using artificial intelligence to detect and focus on non-compliant vehicles. One such example is the clean air zone the company installed in Copenhagen, safeguarding road networks and critical infrastructure across the country. These types of solutions encourage fleet upgrading and reduce pollution and congestion in the densest urban areas.



<sup>(1)</sup> Website: [https://www.tomtom.com/en\\_gb/traffic-index/](https://www.tomtom.com/en_gb/traffic-index/)

## MegaFlux

As part of our environmental stewardship efforts, our CEO, Manuel Rodríguez, participates in MegaFlux's Board of Directors. MegaFlux is an electric vehicle turn-key solution provider to commercial fleets, including the design and manufacturing of the vehicles, charging infrastructure, maintenance, and financing.

- **MegaFlux's Vision:** to reduce carbon emissions from commercial fleets to improve the quality of life in our cities and communities.
- **MegaFlux's Mission:** To be the leading provider of customized commercial fleet electrification solutions in the Americas.
- **MegaFlux's Values:** Honesty, integrity, courage, respect, diversity, balance and giving back.



**MegaFlux** is the first company in Latin America to offer a one-stop solution for mass transportation and last-mile delivery electric vehicles. The company is focused on using proprietary technology to substitute internal combustion engines with electric engines in existing vehicles. MegaFlux will help reduce carbon emissions from commercial fleets and mass transportation, improving cities and communities' quality of life. It aims to become its clients' leading customized solutions supplier.

MegaFlux focuses on developing vehicles for fleets with high intensity use. Because of this, its solutions' positive impacts will be much greater than other EV solutions on the market in terms of:

- i. CO<sub>2</sub> reduction capacity: 16 tons of CO<sub>2</sub> per year/truck,
- ii. Diesel fuel savings: up to 2,000 gallons of diesel per year/truck, and,
- iii. significantly lower maintenance requirements for vehicles.

MegaFlux solutions will be more efficient than other comparable products and services given its engineering design, based on existing vehicle platforms and highly efficient energy management. As of today, MegaFlux has signed contracts with relevant clients such as AB InBev and Mexico City's government.

This clearly demonstrates how, at AINDA, we are always looking to support and advise innovative businesses that are disrupting the ways in which large corporations operate, helping them in their efforts to have cleaner and leaner supply chains.

## AINDA and TCFD



**TCFD** | TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

AINDA recognizes that climate change is the single most important challenge humanity currently faces, and we are convinced that our fiduciary duty includes the proper measurement of climate-related risks. This is particularly relevant for long-term investors like us. For this reason, in 2021 AINDA became a public supporter of the Task Force on Climate Financial Disclosures (TCFD). With the commitment to take our environmental efforts seriously, in 2022 we began to participate in **CCADI's** environmental pilot program, for which we were selected. This program is an initiative funded by the UK government and implemented by **Transforma**, a Colombian think-thank promoting climate action. Its purpose is to advise institutional investors in the creation of their climate change road maps and the implementation of TCFD recommendations. We are currently in the middle of the project and expect to finish by the end of the year (2022).



# Social Considerations



## Work Environment

At AINDA, we are committed to offering current and potential team members the best working conditions and environment possible. We do this to provide the right conditions for everyone at the Company to grow and feel cared for. We believe in the importance of:

- Providing a clean and healthy workplace, following health and safety procedures that allow us to protect the physical integrity of our team members.
- Our team members feeling properly remunerated for their contribution to AINDA.
- Our team members feeling free to report any irregularities or non-conformities.
- Our team members receiving the salaries and benefits agreed upon in a timely manner, in accordance with the applicable laws and regulations.
- Ensuring our team's physical, mental, and emotional integrity is protected.
- Our team members being able to associate or join any organization without having to justify their participation in it, and without fear of negative consequences, if it is within their personal sphere and complies with all applicable laws and our Code of Conduct.
- Harnessing our corporate culture, beliefs, and values, and looking to develop a sense of belonging and identity of the business for every team member.



## Talent Development

### Partnership model

One of AINDA's major goals is being able to attract, develop, and retain talent. To that end, we follow a "partnership" organizational model, that allows for a dynamic leadership team with properly aligned incentives in the long term.

- AINDA is constituted with a Partnership model in which, based on performance, employees are offered the opportunity to acquire shares of AINDA and therefore have access to dividends and carried interest. This opens the door to permanent leadership development. The share of the Partnership in AINDA's total equity is 41.4%.
- AINDA's team members create an individual development plan with their career objectives, growth expectations, and the actions they intend to do to reach them. Every person presents this plan to an assigned mentor. The plan is reviewed each year with medium- and long-term perspectives.

Partnership  
41.4%

Grupo Proeza  
22%

Grupo Capitalista  
36.6%





## Performance evaluations

We are convinced that a good performance evaluation methodology is very important to align incentives and keep our team members motivated. Therefore, we have developed a performance evaluation process based on industry best practices.

First and foremost, our performance evaluation is a 360-degree process in which everyone can express their opinion on other team members with whom they have had interaction, with a top-down and bottom-up perspective.

Each person in AINDA has a performance evaluation coordinator who is responsible of interviewing other team members who worked with him/her, as well as partners or any other relevant external stakeholder that can provide context on the person's work. Once the coordinator collects the different qualitative opinions, these are presented to the Compensation Committee to define the quantitative ratings that make up the final score.

The evaluation process considers not only personal professional achievements, but also group achievements and the fulfillment of goals and objectives. The following elements are weighted based on the role and seniority:

- Fund raising
- Other income sources (only applicable to partners)
- Contribution to the investment process (includes ESG activities for everyone)
- Functions and leadership (ESG is considered within criteria for specific people)

Fixed and variable remuneration is cross-checked with an independent consultant's remuneration market study.

On top of their fixed and variable pay, team members with exemplary performance are awarded with the option of acquiring GP shares which allow them to have access to dividends and carried interest.

Termination payments are calculated following Mexico's labor law.



## Diversity and Inclusion

We recognize that the growth of our fund is only possible in a diverse environment that allows us to develop our full potential. This is done through the recognition and development of our team members, as well as promoting opportunities for mutual benefit. Our **Diversity and Inclusion Policy** [available only in Spanish] serves as a framework for everything we stand by on this matter.

### GENERAL PRINCIPLES

- We stand against discrimination.
- We foster an adequate work environment, where diversity is valued, and respect prevails.
- We respect and support the right to achieve work-life balance.
- We foster joint responsibility between work, family, and personal life.
- We permanently promote the principle of substantive equality among all individuals in the field of employment.
- We ensure the non-existence of a wage gap, using a market study issued by a third party as a reference to determine remuneration.
- We promote diversity, equity, and inclusion at all levels and governing bodies.
- We promote an inclusive work culture, supporting the participation of vulnerable groups in our team.
- We recognize decent employment and access to institutional assets and resources, information, communication, and opportunities in an equitable manner for every member of our team.





## Diversity and Inclusion

### FONDO MIPI ITAM

As part of the DEI Policy, we decided to support the ITAM\* Women for Equality (MIPI) initiative to:

- (i) Award academic scholarships to outstanding and talented female students with socio-economic needs.
- (ii) Achieve equal participation of women leaders in ITAM\*.
- (iii) Offer employment opportunities to women in the program

The MIPI Academic Scholarship was founded in June 2017 by a group of 10 female ITAM\* graduates who share a special interest in education and gender equity in our society. This scholarship aims to create an academic scholarship fund for outstanding and talented female students from low-income families.

The founders of the MIPI Academic Scholarship have wanted to enhance its impact by creating two parallel programs: the first one consists of supporting the institution in attracting women to decrease the current gender gap. The second one aims to create a group of mentors that during their career will help our students to develop different skills to achieve a successful professional life. The selection of beneficiaries of the MIPI Academic Scholarship is made through a technical committee. This committee awards the academic scholarship to:

- Students who are studying any undergraduate or engineering degree at ITAM, between first and third semester.
- Students who have completed their ITAM academic scholarship, i.e., who are in their sixth semester or higher.

\$90k pesos donated by AINDA for the MIPI Scholarship fund

AINDA's commitment to this initiative was also reflected in the hiring of an intern from this program during 2022.



## Social Commitment



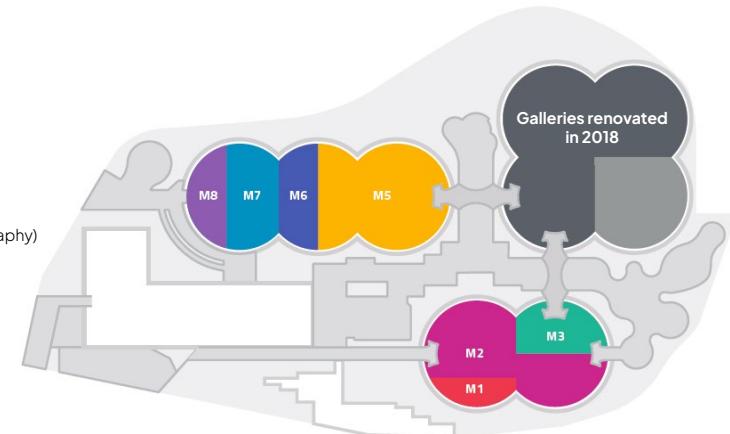
### MUSEO DE HISTORIA NATURAL Y CULTURA AMBIENTAL

Giving back to the communities in which we operate is very important to us, which is why we decided to be part of the renovation project of the Mexico City Museum of Natural History and Environmental Culture.

This was done through the participation of Manuel Rodríguez Arregui, our CEO, as an advisor to the museum. The purpose of renovating this space is to raise awareness and educate citizens and visitors of the intrinsic value of biodiversity and the threats that human behavior poses to the environment. The new configuration will also illustrate the impact of biodiversity loss and ecosystem imbalances.

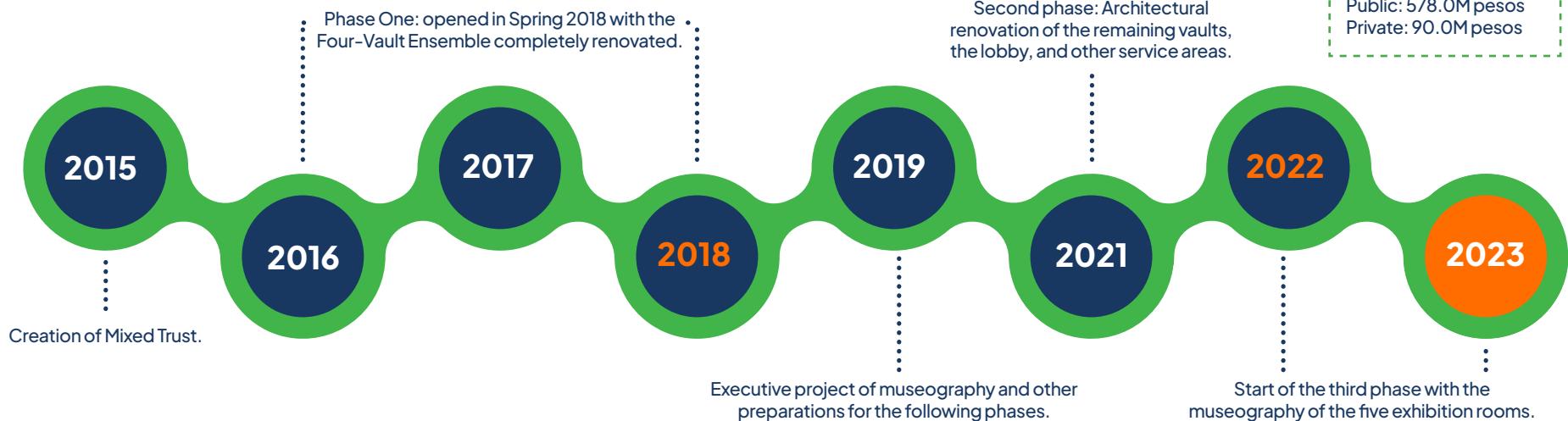
The MHNCA's comprehensive renovation project was planned with the collaboration of renowned Mexican scientists who updated the museum's contents and with museography specialists who designed an innovative proposal, preserving the essence of the Museum, but facing the new millennium's most relevant topics. Its new layout will be as follows:

- |             |  |
|-------------|--|
| <b>M1:</b>  | The Origin of the Universe                 |
| <b>M2:</b>  | The Origin of the Earth                    |
| <b>M3:</b>  | The Origin of Life                         |
| <b>M4:</b>  | Evolution of Life                          |
| <b>M5:</b>  | Biological Diversity                       |
| <b>M6:</b>  | Megadiverse Mexico                         |
| <b>M7:</b>  | Biological diversity (oceans/biogeography) |
| <b>M8:</b>  | Humans as a Biological Species             |
| <b>M9:</b>  | Human Impact/Environmental Crisis          |
| <b>M10:</b> | Conservation of Nature                     |

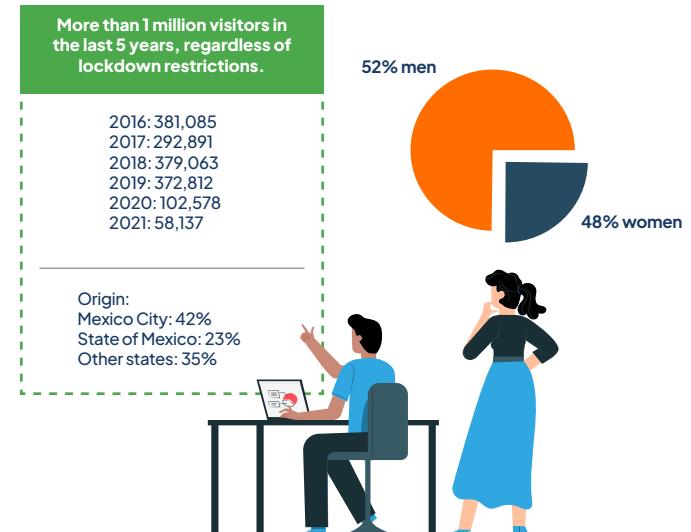
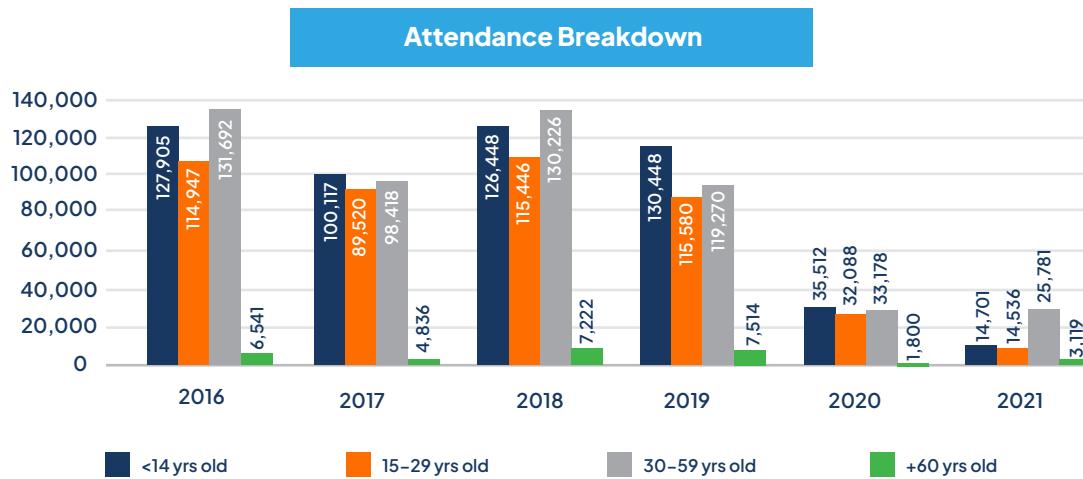


\*Instituto Tecnológico Autónomo de México

# MHNCA Investment Process



AINDA and its partners in the “All Together for the Museum of Natural History” fund are committed to reach the last phase of renovation that contemplates the acquisition of some foreign interactive exhibits for the Two-Vault Ensemble and the complete museography for the Three-Vault Ensemble. These will address the most relevant topics on the impact of mankind on nature and its consequences for the future of the planet.



In 2020, AINDA supported a protective equipment donation through the Coca Cola FEMSA foundation. The funds raised were \$2,659,950 pesos, corresponding to 3,022 protective kits that included:

- 362,720 three-layer mouth covers.
- 12,090 faceshields

## Our continued response to COVID-19



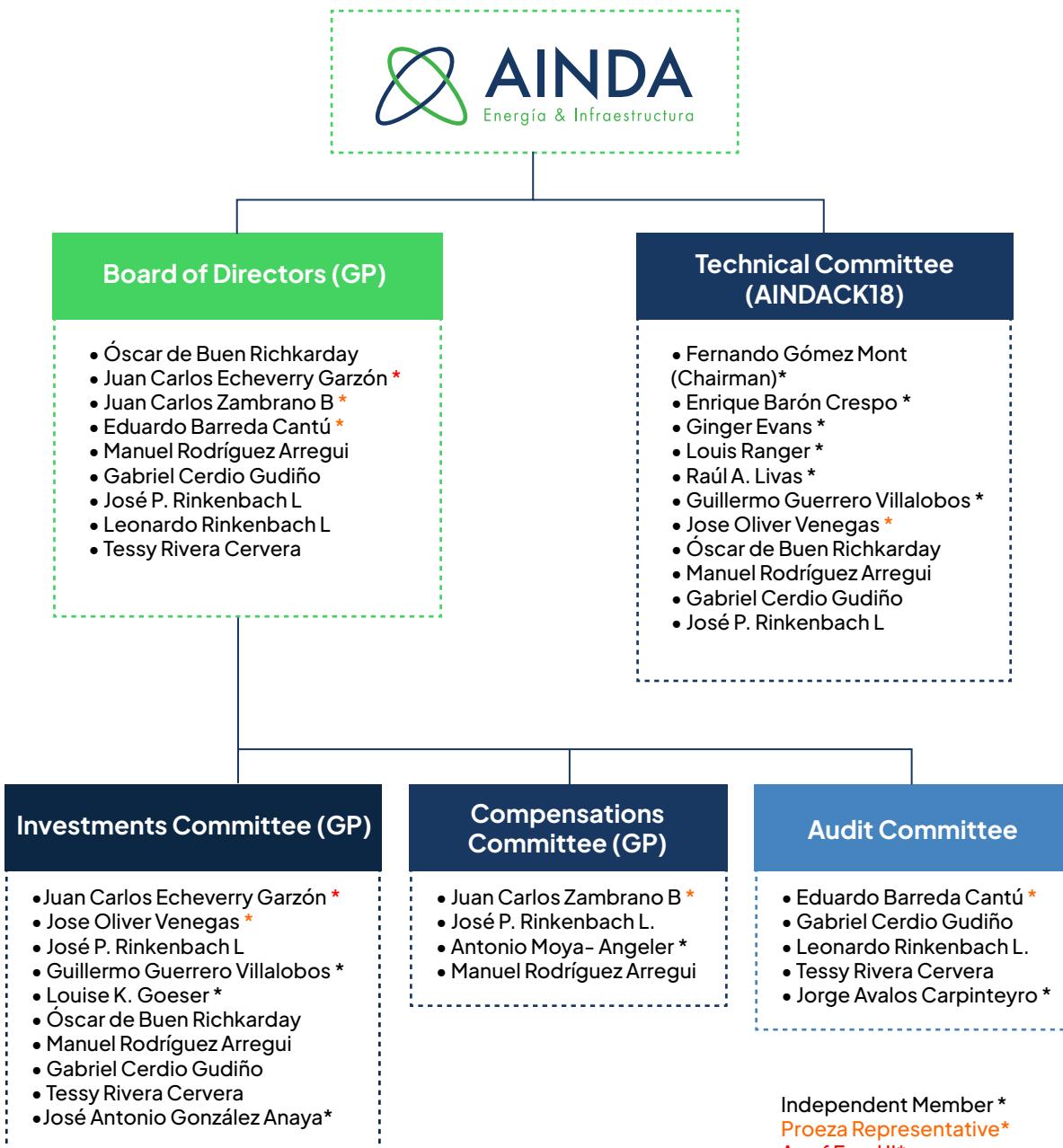
# Governance Considerations

GRI 2-9, 2-11, 2-13

We have a robust corporate governance structure that is embedded in our operations and investment decision making processes, ensuring compliance with our commitments to different stakeholders. We believe it also contributes with the attraction and development of talent.

At the GP level, our highest governance body is the Board of Directors, which oversees the Audit, Compensation, and Investment Committees. It is comprised by the partners of the GP (AINDA) and Proeza (as a shareholder in the GP, with two seats on the Board). At the fund level, the highest governance body is the Technical Committee, which is formed by LPs (certificate owners), the GP's executive team, and independent members who are proposed by the executive team and appointed by LPs. Proeza has one seat as an independent member in the Technical Committee.

All our governance bodies have independent members, which in some cases, also chair and lead these groups:



# Independent Members

Technical Committee	Board of Directors	Investments Committee	Compensation Committee	Audit Committee
---------------------	--------------------	-----------------------	------------------------	-----------------



Fernando F. Gómez  
Mont Urueta

Enrique Barón Crespo

Ginger Evans

Louis Ranger

Raúl A. Livas Elizondo

Louise K. Goeser



Guillermo Guerrero  
Villalobos

Eduardo Barreda Cantú

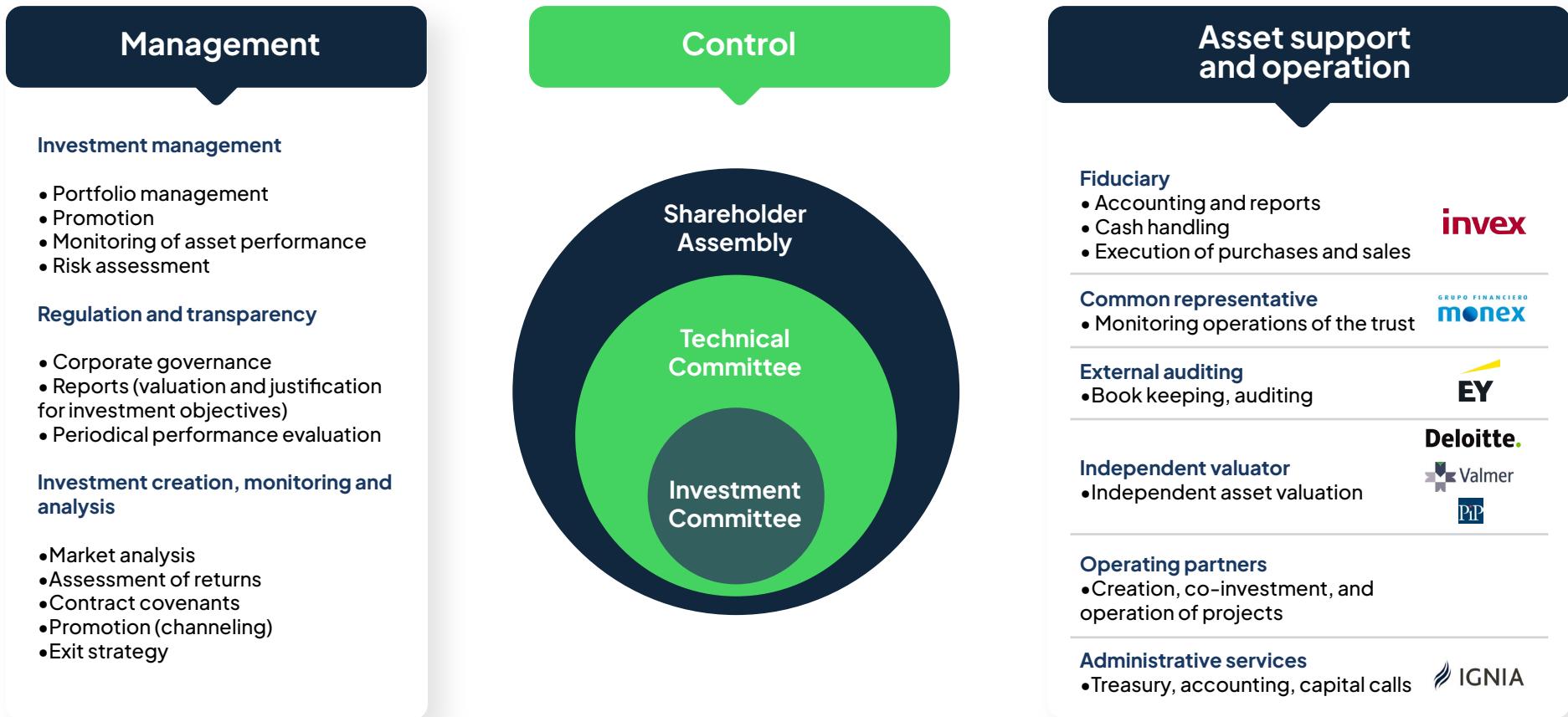
José Oliver  
Venegas Pineda

Jorge Ávalos Carpinteyro

Antonio Moya-Angeler

José Antonio  
González Anaya

AINDA has an operational structure than can manage, control, and support the performance of investments:



## Capital increase and strategic alliances

To strengthen our investment and operating capabilities, we reach out to experts when deemed necessary for additional support. With this we seek to capitalize on the combined experience and expertise of the parties by discussing industry trends and thus identifying, pursuing, evaluating, and executing selected investments.

Since 2018, Grupo Proeza made a capital increase equivalent to 22% of AINDA's equity. This strengthened our financial capabilities, strategic planning, and corporate governance. Proeza is an international conglomerate present in over 14 countries. It owns leading companies in several industries that focus on long-term sustained growth. It has experience in complex investments and is widely experienced in structuring and financing projects.

AINDA and **Goldman Sachs & Co. Merchant Banking Division** joined in a strategic alliance to identify opportunities and co-invest jointly in energy and infrastructure projects in Mexico.

# The Board of Directors & Committees

GRI 2-12, 2-13, 2-17

The Board oversees AINDA's three committees: the Investment Committee, the Compensations Committee, and the Audit Committee. Its meetings are held (at least) on a quarterly basis with the purpose of **approving the Audit and Compensation Committees' recommendations, such as financial statements approval, appointment of changes in the executive team, team compensation and promotions, among others:**

## 1. Investments Committee:

This Committee is a first layer investment analysis committee which provides recommendations to the Technical Committee.

- 3 out of its 10 members are independent, 2 of its 10 members are female, and 1 of its 10 members represents Proenza. The committee is chaired by an independent member

The Investments Committee, Technical Committee, and Board of Directors are heavily involved with investment choices and the overall integration of ESG into the investment process. By following the investment process's steps, they are responsible for overseeing the correct opportunity analyses, due diligence, structuring, monitoring, and exit of the Company's projects, considering ESG issues throughout.

## 2. Compensations Committee:

This Committee is meant to exercise the authority granted by the Board of Directors to supervise and strategize in all topics related to human resources, including performance evaluation and compensation.

- 1 of its 4 members is independent, no members are female, and 1 of its 4 members represents Proenza.

The Compensations Committee appoints the ESG Team which is in charge of implementing the Responsible Investment Policy. If necessary, the Committee will also distribute the specific functions that must be executed to guarantee compliance and commitment to this Policy. The resolutions taken by the Compensations Committee in this regard must be approved by the Board of Directors.

## 3. Audit Committee:

This Committee has been created to exercise the authority granted by the Board of Directors to supervise the process of financial information and compliance with laws, policies, and the Code of Conduct. It does so by having controls that aid in mitigating risks and achieving its objectives.

- 1 of its 5 members is independent, 1 of its 5 members is female, and 1 of its 5 members represents Proenza.

The Board of Directors appoints the Audit Committee, which is responsible for compliance with GP policies and processes for adequate risk management and ESG compliance.

The independent members in the Audit, Compensation, and Investments Committees are all nominated by the executive team (partners of the GP) and appointed by the Board of Directors. The independent members of the Technical Committee are proposed by the executive team and appointed by the LPs. Since its inception, AINDA has always been committed to appointing at least one seat to a woman in the Board of Directors and the Technical Committee.

Along with the entire governance structure's role in managing the organization's impacts on the economy, environment, and people, AINDA has an ESG Manager who is responsible for the implementation of ESG best practices at the fund and asset levels. This strengthens the way in which ESG topics are overseen within AINDA's operations.

# Board of Directors

Executive members: 4/9  
 Independent members: 0/9  
 Gender distribution of members: 1/9  
 Proeza members: 2/9

Name	Gender	Tenure	Independence	Committees	Expertise
Óscar de Buen Richarday	M	4	N	Technical, Investments	Civil Engineering, Finance
Juan Carlos Echeverry Garzón+	M	+	N	Investments	Economy, Public Policy, Fiscal, Energy, Finance
Juan Carlos Zambrano*	M	4	N	Compensations	Public Administration, Economy, Finance
Eduardo Barreda Cantú*	M	1	N	Audit	Administration, Finance, Industrial Engineering
Manuel Rodríguez Arregui	M	4	N	Technical, Investments, Compensations	Infrastructure, Public Administration, Finance
Gabriel Cerdio Gudiño	M	4	N	Technical, Investments, Audit	Oil & Gas, Real Estate, Finance
José Pablo Rinkenbach Lizárraga+	M	4	N	Technical, Investments, Compensations	Finance, Energy
Tessy Rivera Cervera	F	1	N	Investment, Audit	Finance, Industrial Engineering
Leonardo Rinkenbach Lizárraga	M	4	N	Audit	Finance, Energy, Business Administration

\*PROEZA Representative

+As of Fund II

# The Technical Committee

GRI 2-11

**Executive members:** 4/15  
**Independent members:** 6/15  
**Gender distribution of members:** 2/15  
**Proenza representation:** 1/15

The decision-making governance board for the fund (CKD) is the Technical Committee. In it, AINDA's executive team and investors participate along with six independent members. The Technical Committee's meetings are held on a "need" basis. This Committee has historically met between three to five times per year. Its main role is the approval of investment and exit decisions, as well as relevant decisions in the investment monitoring process. The Chair of the Technical Committee, Fernando Gómez Mont, is an independent member.

Name	Gender	Tenure(Yrs)	Independence	Other Committees	Expertise
Fernando Gómez-Mont Urueta	M	4	Y		Law, Public Legislation and Office, Politics
Enrique Barón Crespo	M	4	Y		Law, Public Legislation and Office, Politics, International Affairs
Ginger Evans	F	4	Y		Engineering and Aviation, Construction, and Infrastructure
Louis Ranger	M	4	Y		Economics, Transportation and Public Infrastructure
Raúl A. Livas Elizondo	M	4	Y		Economics, Energy, Finance, International Affairs
Guillermo Guerrero Villalobos	M	4	Y	Investments	Architecture and Civil Engineering, Public Energy and Hydraulics Infrastructure
José Oliver Venegas Pineda*	M	1.5	N	Investments	Business Administration, Finance, Credit Risk Analysis and Management
Óscar de Buen Richkarday	M	4	N	Board of Directors, Investments	Civil Engineering, Finance
Manuel Rodríguez Arregui	M	4	N	Board of Directors, Investments, Compensations	Infrastructure, Public Administration, Finance
Gabriel Cerdio Gudiño	M	4	N	Board of Directors, Investments, Audit	Oil & Gas, Real Estate, Finance
José Pablo Rinkenbach Lizárraga	M	4	N	Board of Directors, Investments, Compensations	Finance, Energy

**Notes:**

Four additional members' details cannot be revealed for confidentiality reasons. One of them is a woman.

\*PROEZA Representative

## Investments Committee (GP)

Name	Gender	Tenure(Yrs)	Independence	Other Committees	Expertise
Juan Carlos Echeverry Garzón+	M	+	N	Board of Directors	Economy, Public Policy, Fiscal, Energy, Finance
Jose Oliver Venegas *	M	1.5	N	Technical	Business Administration, Finance, Credit Risk Analysis and Management
José Pablo Rinkenbach Lizárraga+	M	4	N	Board of Directors, Technical, Compensations	Finance, Energy
Guillermo Guerrero Villalobos	M	4	Y	Technical	Architecture and Civil Engineering, Public Energy and Hydraulics Infrastructure
Louise K. Goeser	F	3	Y		Industrial Engineering and Business Management
Óscar de Buen Richkarday	M	4	N	Board of Directors, Technical	Civil Engineering, Finance
Manuel Rodríguez Arregui	M	4	N	Board of Directors, Technical, Compensations	Infrastructure, Public Administration, Finance
Gabriel Cerdio Gudiño	M	4	N	Board of Directors, Technical, Audit	Oil & Gas, Real Estate, Finance
Tessy Rivera Cervera	F	1	N	Board of Directors, Audit	Finance, Industrial Engineering
José Antonio González Anaya	M	1.5	Y		Public Administration, Energy, Fiscal, Healthcare, Economy

## Compensations Committee (GP)

Name	Gender	Tenure(Yrs)	Independence	Other Committees	Expertise
Juan Carlos Zambrano*	M	4	N	Board of Directors	Public Administration, Economy, Finance
José Pablo Rinkenbach Lizárraga+	M	4	N	Board of Directors, Technical, Investments	Finance, Energy
Antonio Moya-Angeler	M	2	Y		Finance, Administration, Private Equity
Manuel Rodríguez Arregui	M	4	N	Board of Directors, Technical, Investments	Infrastructure, Public Administration, Finance

## Audit Committee

Name	Gender	Tenure(Yrs)	Independence	Other Committees	Expertise
Eduardo Barreda Cantú*	M	1	N	Board of Directors	Administration, Finance, Industrial Engineering
Gabriel Cerdio Gudiño	M	4	N	Board of Directors, Technical, Investments	Oil & Gas, Real Estate, Finance
Leonardo Rinkenbach Lizárraga	M	4	N	Board of Directors	Finance, Energy, Business Administration
Tessy Rivera Cervera	F	1	N	Board of Directors, Investments	Finance, Industrial Engineering
Jorge Ávalos Carpinteyro	M	9 months	Y		Administration, Finance, Entrepreneurship, Accounting

\*PROEZA Representative

+ As of Fund II

## Conflicts of interest

GRI 2-15

AINDA'S **Investment Prospectus** (page 82, see "Reserved Matters" pages 277 to 279) contemplates that, in certain cases in which a conflict of interest may arise, the Trustholder's Meeting, after consulting the opinion issued by the Technical Committee, must approve the respective transactions, following the procedure established for such purposes. In the case of Reserved Matters, the members of the Technical Committee appointed by the Administrator who are not Independent Members must abstain from participating and voting in the respective meetings.

The Audit Committee and the Legal and Compliance Department have the obligation of reporting AINDA's stakeholders' compliance with its Code of Conduct to the Board of Directors, which carefully outlines our stance on conflicts of interest ([see here](#)). We are committed to putting our clients, investors, shareholders, partners, or portfolio companies' interests before our own. None of our team members may use their position or influence within the company to conduct business with:

- (i) family members, or,
- (ii) any organization, institution, or company in which any family members participate and with whom any of our team members have a conflict of interest, and,
- (iii) any person who has a conflict of interest with our interests.

Any potential cross-board membership conflicts of interest are also reported to shareholders at the GP and fund level.

We expect the utmost dedication and effort from our executives, team members, suppliers, and partners in these matters within the scope of their duties. In addition, none of them may be directors or advisors of any other organization, institution, or company, except with the prior written authorization of the company.

## Communication of critical concerns

GRI 2-16, 2-25, 2-26 || SASB FN-AC-510a.2

We are committed to handling all complaints and to intervene, in a fair and timely manner, through the established means and processes when responding to them. We are also committed to the application of disciplinary sanctions, consistent with the applicable regulations, including, but not limited to, labor regulations.

Our team has access to an independently managed grievances hotline called Transparency. This is an anonymous and confidential communication mechanism to report Code of Conduct and Ethics violations for investigation and resolution. This mechanism does not allow retaliation and avoids abusive or unfounded claims. The process for reporting any situation, including but not limited to: mistreatment, mockery, discrimination, workplace violence, improper behavior, improper handling of confidential information, protection of property and assets, relations with third parties (customers and suppliers), safety, health and environment, is as follows:

1. Team members will call 01-800-099-0332, where they will decide whether the complaint is anonymous.
2. In the call, the whistleblower will be given a case number for follow-up.
3. Transparency captures, processes, and notifies the complaint to Impulsora Inverza's Complaints Committee.
4. The Impulsora Inverza manager will report to AINDA's executive director of operations the information of any complaint.
5. AINDA's chief operating officer will complete the report with the action plan to be taken by AINDA.
6. AINDA's chief operating officer will send the report back to the director of Impulsora Inverza for the latter to inform the Complaints Committee of the outcome and plan.
7. At the discretion of the Complaints Committee, the complaint is closed.
8. A response is provided to the complainant through the website ([www.tlproeza.com](http://www.tlproeza.com)).

### 2021 Transparency Hotline:

- There were two reports
- These cases were dealt with by the Chairman of the Audit Committee, in coordination with Gabriel Cerdio (Chief Investment Officer).
- There are no pending reports to be resolved



## Anticorruption and Antibribery

GRI 2-25

All our team members and business partners must carry out their work in a transparent manner without resorting to any kind of bribery. They are forbidden to offer or give any kind of good, directly, or indirectly, if the purpose of such offering is to induce a person to act against the interests of the Company or institution for which they work.

They must also refrain from:

- 1) preparing or using information that may be considered false or that, under their full knowledge, is private, privileged, or inaccurate,
- 2) engaging in actions that tend to misuse public resources,
- 3) actions that may be considered as “influence peddling”,
- 4) avoiding any relationship with persons disqualified in administrative proceedings,
- 5) creating relationships with former public servants that may have obtained privileged data or benefits in former public administrative processes.

Along the same line, Ainda Energía & Infraestructura undertakes to:

- 1) design controls for the prevention and detection of bribery and corruption, including dealing with third parties related to Ainda Energía & Infraestructura; and,
- 2) ensure auditing mechanisms to strengthen the integrity of the promoted companies.

An example of how this is implemented is by performing a thorough KYC due diligence process to any potential partner. The due diligence is carried on to a 3<sup>rd</sup> level by companies experienced in the matter and is aimed to identify potential reputational and regulation risks, such as the ones that arise from a bribery or corruption cases. If any relevant finding arises, we have refrained and will refrain in the future from investing in the project.

## Remuneration Policies

GRI 2-18, 2-19, 2-20

Executive members of the Board, as well as senior fund executives, are remunerated under a fixed and variable pay scheme where amounts are based on a market study carried out by an independent third party and the Compensation Committee's assessment. The variable portion of their remuneration, promotions, and remuneration increases are based on a pre-approved performance evaluation methodology. This process is known and well understood by the entire team.

Executives' evaluation and compensation are based on whether certain milestones and firm objectives, which every member establishes within their personal development plan, were reached throughout the year. To see more detail on this, please see the **Performance Evaluations** section.

In 2020 AINDA hired a recognized international consultant (Center for Creative Leadership, CCL) who carried out a 360-leadership assessment for associates, directors, and C-level executives. The outputs of this assessment were discussed among the group and incorporated in the 2020 performance evaluation as well as in the 2021 professional development plans.



# Policy Commitments

GRI 2-23, 2-24, 2-27 || SASB FN-AC-510a.2

The Board of Directors, along with the Audit Committee, oversees that every member of the governance structure and the AINDA team are committed to the policies set out for the Company to operate under best practices. These policies apply to all the organizations' activities.

In 2022, we published a Supplier Policy which was approved by the Board. Compliance will be monitored through the Legal and Compliance Departments, as well as the Audit Committee. This policy stipulates the way in which we select, contract, pay, and manage the contractual relationship with our suppliers in general. It also outlines the types of behavior and working standards that is expected from them if they wish to do business with AINDA. This policy ties back to the Code of Ethics and Conduct as well.

Workers must restate and sign their commitment to the Code of Conduct and Ethics every six months. Business partners are informed, through the Memorandum of Understanding (MOU), Non-Binding Offer (NBO), Binding Offer (BO), Shareholders' Agreement (SHA), and any other relevant document signed in a partnership, of AINDA's commitment with best international practices.

GRI 2-26

Shareholders are informed of AINDA's commitment with responsible investment through the Audit, Investment, and Technical Committees on a quarterly basis. Other relevant parties are informed through AINDA's website and social network.

In terms of AINDA's stewardship of the organizations with which it partners to develop its invested projects, our governance members always have a seat in the SPV's Board of Directors to proactively push the incorporation of ESG best practices into their own company's operations.

If our stakeholders have any doubts about AINDA's behavior or operating practices, our Code of Conduct and Favorable Organizational Environment Policy provide detailed outlines for the measures taken to promote a favorable work environment, concepts tied to transparency and integrity, as well as commitments to the community, governance, social, and environmental impacts. Additional doubts can also be consulted at <https://aindae.com/escribenos/>.

To know more about our **ESG Organizational Policies & Practices**, you can visit this section (pg.25)

# About this report

GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-14

AINDA Energía e Infraestructura S.A.P.I de C.V. (AINDA)’s 2021 Annual Sustainability Report presents the operating, corporate governance, labor, social, and environmental (ESG) results for the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2021. It includes the operations of AINDAK18 and AINDA Infraestructura & Energía acting as the manager of the trust in which AINDACK18 certificates and funds are located. The Report has been prepared in accordance with:

1. The Core option of the GRI Standards (Global Reporting Initiative).
2. Principles of Responsible Investment (PRI), of whom AINDA is a Signatory.
3. Sustainable Development Goals (SDGs).
4. Sustainability Accounting Standards Board (SASB).

There were no restatements of information in this report in comparison with AINDA’s 2020 Sustainability Report. There are external assurance processes undertaken by AINDA, including the participation in UNPRI’s annual investor reporting framework (which is verified by the PRI itself), and we also participate in GRESB’s Real Estate Infrastructure Sustainability Benchmark Assessment. This report has been reviewed by the areas responsible for the content of different topics, and finally reviewed and approved by the CEO and the Board of Directors, who were informed on a quarterly basis of any relevant information that would be reported on in this publication for the year 2021.

If you have any questions, comments, or concerns on this report’s content, please contact:

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+52 55 44301108

**Sustainability Report Consulting**

June 27<sup>th</sup>, 2022

To whom it may concern,

Miranda ESG, a subsidiary of Miranda Partners, has provided the following services to AINDA Energía e Infraestructura S.A.P.I de C.V. (AINDA) regarding its 2021 Annual Sustainability Report:

- Supervised the development of the reporting structure.
- Developed the narrative following the information provided by AINDA.
- Made sure the following reporting methodologies and/or frameworks were correctly applied:
  - GRI (Global Reporting Initiative), Core option.
  - Principles of Responsible Investment (PRI).
  - Sustainable Development Goals (SDGs).
  - Sustainability Accounting Standards Board (SASB).
- Reviewed all content.

It is worth noting that while Miranda ESG is an independent party, and an ESG advisor with expertise in sustainability topics, our review of this report does not constitute a proper verification or assurance process of the information. All data included in the report was provided by AINDA directly, following its internal information management processes.

Regards,



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Marimar Torreblanca  
Miranda ESG, CEO

# GRI Index

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<b>5. STAKEHOLDER ENGAGEMENT</b>			
2-29	Approach to stakeholder engagement	19-21	
2-30	Collective bargaining agreements		AINDA does not have unionized workers.

## SASB Indicators

CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	Answer in table	Page(s)
<b>Transparent Information &amp; Fair Advice for Customers</b>					
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings <sup>2</sup>	Quantitative	Number, percentage (%)	During 2021, none of AINDA's employees were involved in investigations or regulatory proceedings related to investments, consumers, or other.	
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers <sup>3</sup>	Quantitative	Reporting Currency	Total amount: \$0.00 Mexican pesos. There were no monetary losses related to legal proceedings associated with AINDA's marketing and/or communication of financial products.	
FN-AC-270a.3	Description of approach to informing customers about products and services	Discussion and analysis	n/a	Our customers are institutional investors. Currently, we have 6 investors in the first fund with whom we have a continuous communication at least once every 3 months to inform about new investment opportunities, as well as progress on the invested assets.	
<b>Employee Diversity &amp; Inclusion</b>					
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees <sup>4</sup>	Quantitative	Percentage (%)	Racial/ethnic considerations are not disclosed due to confidentiality matters. In terms of gender: (1) 29% female executives, (2) 33% female non-executive management, (3) 63% female professionals, and (4) N/A	16
<b>Incorporation of Environmental, Social, and Governance Factors in Investment Management &amp; Advisory</b>					
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening <sup>4</sup>	Quantitative	Reporting Currency	100% of AINDA's overall AUM belong to the infrastructure and energy asset class. As of December 31 <sup>st</sup> , 2021, AUM totaled \$3,959 million Mexican pesos  (1) AINDA evaluates, analyzes and structures potential and existing investments in accordance with the Investment Process outlined in its Responsible Investment Policy. This document describes how the Company integrates environmental, social, and governance issues in its asset selection, development and operation. (2) All of AINDA's potential investments go through and ESG Due Diligence process that is presented to the Investment and Technical Committees (3) AINDA screens potential investments using its exclusion list, available on pages 11 to 12 of the Responsible Investment Policy. Furthermore, due diligence processes are implemented to secure their compliance with AINDA's expectations and best-in-class standards.	18-19, 26

				To visit AINDA's Responsible Investment Policy, please refer to the "ESG Organizational Policies & Practices" section outlined in this report.	
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and analysis	n/a	Please see the sections "Our Presence and Investments", "ESG Engagement Case Study", and "AINDA's view on ESG" outlined in this report.	9-15, 18-19
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Discussion and analysis	n/a	Please see the section "ESG Organizational Policies & Practices" and "ESG Engagement Case Study" for greater detail on AINDA's policies and procedures.	11-14, 26
<b>Business Ethics</b>					
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations <sup>5</sup>	Quantitative	Reporting Currency	Total amount: \$0.00 Mexican pesos. There were no monetary losses related to legal proceedings associated with AINDA's business ethics and operation.	
FN-AC-510a.2	Description of whistleblower policies and procedures	Discussion and analysis	n/a	Please see sections "Communication of critical concerns" and "Policy Commitments" outlined in this report for more information on whistleblower mechanisms and AINDA's overall advisory on business ethics issues for its stakeholders.	11-14, 26
CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	Answer in table	Page(s)
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM) <sup>6</sup>	Quantitative	Reporting Currency	(1) Registered AUM \$3,959 million Mexican pesos, (2) Unregistered AUM does not apply for operations with Mexican jurisdictions. 100% of AINDA's operations are based in Mexico.	7
FN-AC-000.A	Total assets under custody and supervision	Quantitative	Reporting Currency	Same as AUM	

**NOTES:**

•<sup>2</sup> Note to FN-AC-270a.1 – The entity shall describe how it ensures that covered employees file and update FINRA and SEC forms in a timely manner.

•<sup>3</sup> Note to FN-AC-270a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

•<sup>4</sup> Note to FN-AC-330a.1 – The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.

•<sup>5</sup> Note to FN-AC-510a.1 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

•<sup>6</sup> Note to FN-AC-000.A – Registered AUM include those subject to the regulations of the Investment Company Act of 1940 (1940 Act), such as mutual funds, managed under the Employee Retirement Income Security Act of 1974 (ERISA), subject to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, or managed under the Commodity Futures Trading Commission's (CFTC's) Commodity Pool Operator (CPO) regulations.

Unregistered AUM are those that do not fall under the definition of the registered AUM.”



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