

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE
(ESG) POLICY



AC
CAPITALES SAFI

2019

Objective

The objective of the Environmental, Social and Corporate Governance Policy ("Policy") is to establish the importance of such sustainability factors and the approach that AC Capitales Sociedad Administradora de Fondos de Inversión S.A. (AC Capitales, hereinafter) will take to consider them on its investments and asset management processes. AC Capitales considers ESG factors essential to create long term value through responsible investments that will impact not only on asset performance, producing reliable and repeatable returns in the long run, but as important, on the environment and local communities within the area of influence of such investments.

Scope

By applying an ESG Policy, AC Capitales encourages portfolio companies and partners to implement its own compliance procedures, aligning interests with their relevant stakeholders. Part of AC Capitales' investment conditions is to be active shareholders by securing board representation in the investment companies. This will enable active participation in board and shareholder decision making to incorporate ESG issues and policies into practice.

It is important to mention that all infrastructure funds of AC Capitales adhere to this policy and that compliance with it will be monitored by senior management. The policy is subject to the approval of the Investment Committee and will be revised periodically to ensure its alignment and update with current market practices.

ESG Values

AC Capitales has adopted some key values as pillars of its investment and business code. Those values are the following:

- Act ethically and professionally in all business dealings.
- Comply with applicable country laws, regulations, IFC Environmental and Social Performance Standards (PS), World Bank Group Environmental, Health and Safety (EHS) Guidelines, and International Labor Organization ("ILO") standards.
- Promote responsible and sustainable long-term investments with positive effects on the environment and stakeholders.
- Express truthfulness in the execution of its obligations.
- Commit to the growth and development of the geographies in which we develop our business.
- Do not invest in projects or companies included in the Exclusion List.
- Do not tolerate any kind of discrimination (race, gender, religion, age).

Environment and Community

AC Capitales understands the importance of identifying the potential impacts that our activities or our portfolio companies' operations may have on the environment and community. With this Policy, AC Capitales commits to a proactive approach to mitigate such risks and impacts. The following objectives have been established to ensure that these principles are installed across all companies and projects in which AC Capitales invests:

- Reducing greenhouse gas emissions: promote the development of strategies to reduce greenhouse emissions through technological advances.
- Waste and hazardous materials management: minimize the generation of waste through source reduction, reuse, and recycling programs. Waste and hazardous materials disposal according to best practice standards and applicable regulation.
- Energy efficiency: promote energy efficiency initiatives on our operations, encourage the use of alternative or renewable energy, as well as the optimization of natural resources consumption.
- Pollution prevention: promote the use of pollution prevention initiatives to reduce negative environmental impacts of our investments.

- Protecting biodiversity: promote the conservation and sustainable management of living natural resources.

Labor relations

AC Capitaes will seek to act as an active investor regarding the implementation and monitoring of the following principles that procure labor equal treatment, in alignment with the and International Labor Organization ("ILO") Core Labor Standards and ILO Basic Terms and Conditions of Work and to respect the International Bill of Human Rights in line with the UN Guiding Principles on Business and Human Rights:

- That employees are employed within the applicable rights and freedoms.
- That employees are fairly treated, free of discrimination and protected against any form of violence, threats, harassment, intimidation, and other disruptive behaviors.
- Prohibition of the use of any form of forced labor, as well as any form of human trafficking.
- That workplaces are safe places, minimizing occupational health and safety risks that arise from work activities.
- That employees are offered equal opportunities for their professional development.

Policy implementation

The implementation of ESG Policies will be conducted as an integral component of the investment process by AC Capitaes. AC Capitaes has developed an Environmental and Social Management System (ESMS) and commits to provide the necessary technical and financial resources to implement it effectively. The ESMS is a tool to ensure that portfolio companies will comply with the Fund's ESG policies and applicable standards.

The evaluation process will distinguish between two different investment situations:

- a) Brownfield opportunities: AC Capitaes will assess existing ESG policies as part of its integral analysis, and where the outcome of such exercise could be either satisfactory or a set of recommendations and conditions precedent for a given investment. Situations will be analyzed case by case.
- b) Greenfield opportunities: AC Capitaes will discuss with the relevant counterparty(ies) the ESG policies that should be addressed by the project company, and the standards they are committing to for such development.

As an active investor, AC Capitaes responsibility is to provide timely monitoring to the execution and fulfillment of such ESG policies and programs.

AC Capitaes executives assigned with ESG implementation and monitoring responsibilities should have the required seniority to undertake business dealings appropriately with their respective counterparties at the portfolio companies and representatives of their shareholders and / or board members.