

# Alsis Funds

## SUSTAINABILITY & IMPACT REPORT

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2023



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# *01* Message to Our Stakeholders

GRI: 2-22



# Letter from the Managing Partner

We are proud to present the 2023 Sustainability and Impact Report for Alsis Funds. This report communicates our advancements and objectives within our responsible investment strategy, aligning with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards (SASB). Our commitment to transparency and the implementation of best practices in environmental, social, and governance (ESG) matters is stronger than ever.

Over the past 18 years, Alsis Funds has executed more than 90 transactions, consistently striving to generate a positive societal and environmental impact. We recognize the substantial influence our investment decisions have on community development and are gratified by their contributions to the growth of our operating partners and borrowers, thereby creating value for all stakeholders.

This year marked significant progress in strengthening our corporate governance. We institutionalized new committees, adopted best corporate practices, and established a dedicated Human Resources department focused on talent management, policy implementation and updates, and initiatives that foster team development. These efforts were acknowledged when we received the Great Place to Work certification in 2023, recognizing our outstanding workplace culture.

In addition, we renewed our commitment to the UN Principles for Responsible Investment (UNPRI) and the UN Global Compact, the leading organizations in our industry for ESG matters. We have also been active participants in various events, sharing insights and staying at the forefront of responsible investment and sustainability trends in Mexico and Latin America.

At Alsis Funds, we acknowledge the global challenges that demand sustainable solutions. Integrating ESG factors into our investment process is fundamental, enabling us to identify projects that can generate social, economic, and environmental value. This approach not only fosters responsible growth but also bolsters our role as a catalyst for a sustainable future.

We are grateful for the trust and ongoing support from our investors, portfolio companies/borrowers, and stakeholders. We take pride in our achievements and look forward to the future with great enthusiasm, reaffirming our commitment to continuous improvement in responsible investments and to sharing our successes with you.

*David Sánchez-Tembleque*  
Managing Partner



*Our sustainability imperative is to generate a positive impact in all our investments.*

# *02* Corporate Profile

GRI: 2-1 and 2-6

SASB: FN-AC-410a.1

# About Alsis Funds

Alsis Funds is a private equity firm specializing on private debt in Latin America, focusing particularly on investments in Mexico. Since our inception in 2007, we have managed five private credit funds, one of which has been liquidated and four of which we continue to manage. We also serve as sub-advisors for fund managers and manage various investment vehicles tailored to specific transactions. As of the end of 2023, we had USD \$265 million in assets under management (AUM).



## Our Mission

To manage a family of investment strategies that deliver attractive risk-adjusted returns to our investors through fixed-income instruments backed by real assets.

## Our Vision

To be the most respected credit strategy investment platform in our professional environment, adding value to its stakeholders:

- **Investors:** Exceptional risk-adjusted returns
- **Portfolio Companies/Borrowers:** Growth
- **Suppliers:** Business opportunities
- **Employees:** Professional and economic growth
- **Community:** Socially responsible investment

## Our Values

At Alsis Funds, we align our actions with our ethical values across all organizational levels and activities.



**Integrity**  
We do the right thing



**Trust**  
We trust in our team



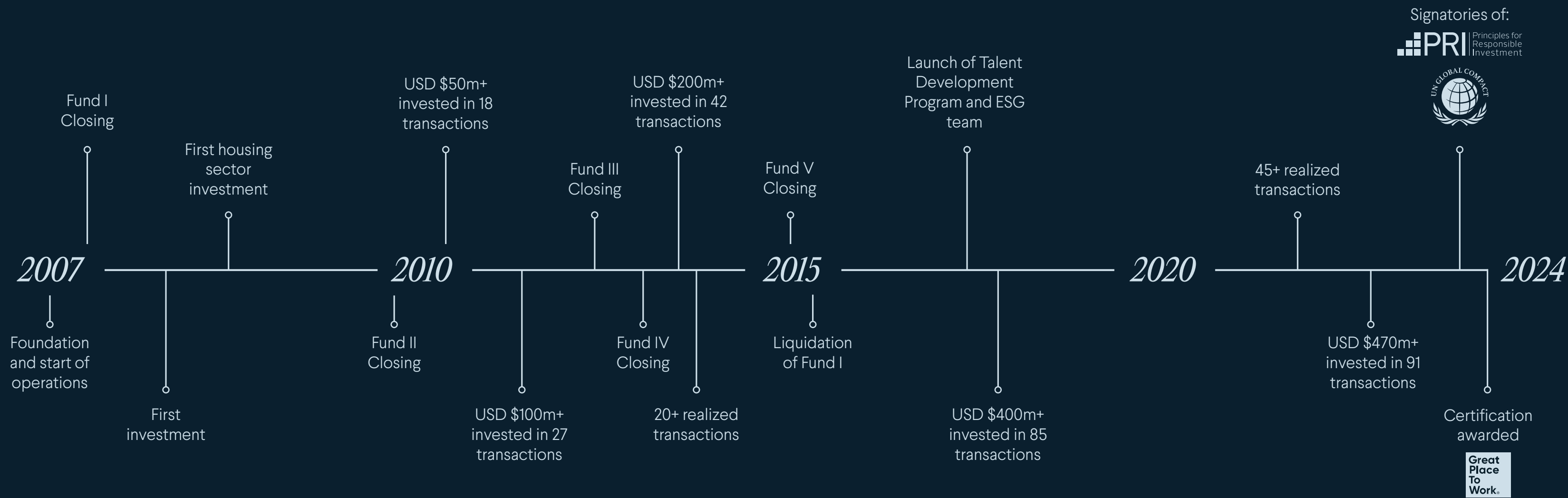
**Excellence**  
We never stop learning



**Commitment**  
We care

As Alsis Funds employees, we are committed to adhering to strict ethical and professional standards in all our interactions, both internal and external. It is crucial that we are perceived as a trustworthy entity by all stakeholder groups: partners, clients, suppliers, communities, and colleagues, as well as those impacted by our activities.

# Our History





# Business Model

We are an investment manager, responsible for channeling and managing the capital of our investors in projects and companies with the potential to create social, economic, and environmental value, which in turn generate attractive risk-adjusted returns. We operate through management fees and carried interest after a preferred return, a scheme that allows the alignment of interest with our investors.

Thanks to the support of our investors, we are one of the pioneers of private debt in Mexico, and we have positioned ourselves as a key ally for the development of the companies and projects in which we invest, offering tailor-made credit solutions backed by real assets, to Small and Medium-Sized Enterprises (SMEs), mainly for their growth, acquisitions, working capital, and recapitalizations. Our investors have historically been institutional investors such as public pension funds, development finance institutions, fund of funds, sovereign wealth funds, insurance companies, among others.

## Investment Sectors

Alsis Funds plays a crucial role in strategic sectors by offering advanced and sustainable financial solutions.

### Real Estate / Housing

We provide financing solutions for the development of affordable housing in Mexico, contributing to the reduction of the housing deficit and improve the quality of life in the communities we invest in.

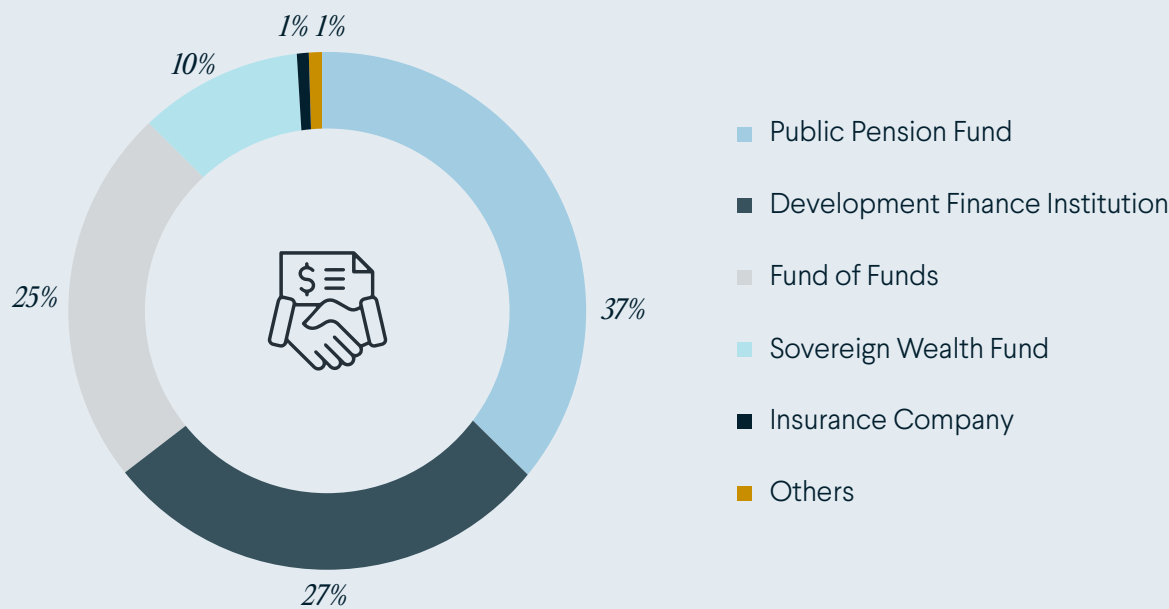
### Financial

Our investments include non-bank financial entities that offer financing to companies and individuals, promoting financial inclusion in Mexico. We also acquire past-due mortgage portfolios and foreclosure rights to promote community rehabilitation while maintaining best collection practices.

### Energy

We invest in projects that focus on the development and expansion of energy infrastructure, which supports energy exploration and production, thereby driving regional investment and growth in the Mexican energy sector.

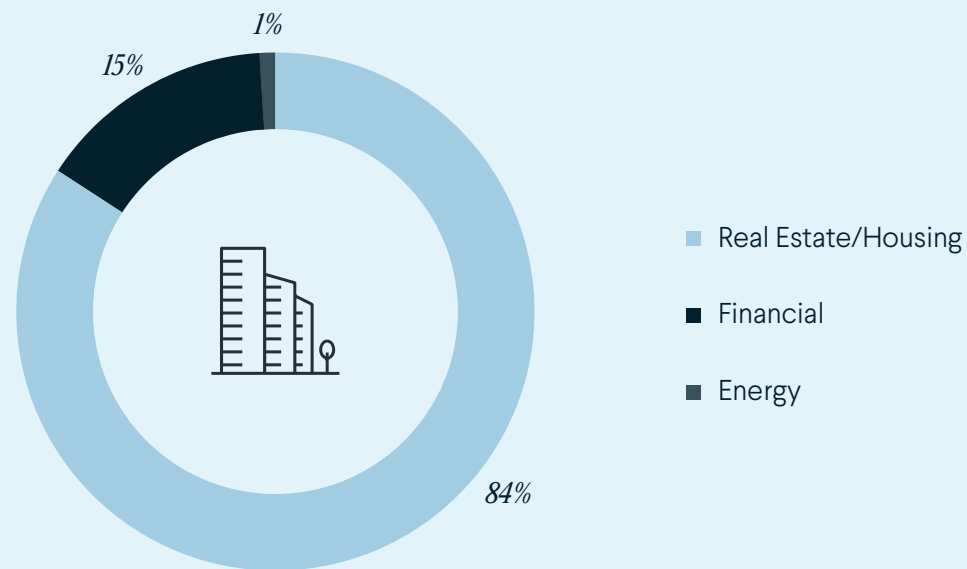
Capital Commitments by Investor Type<sup>1</sup>



<sup>1</sup> The investment of certain investors, including Public Pension Funds, Sovereign Wealth Funds, and Insurance Companies are managed by a Fund of Funds Manager.

<sup>2</sup> Considers i) portfolio investments fair market value, ii) cash, and iii) uncalled capital commitments.

Assets Under Management by Sector<sup>2</sup>







# Investment Strategy and Portfolio

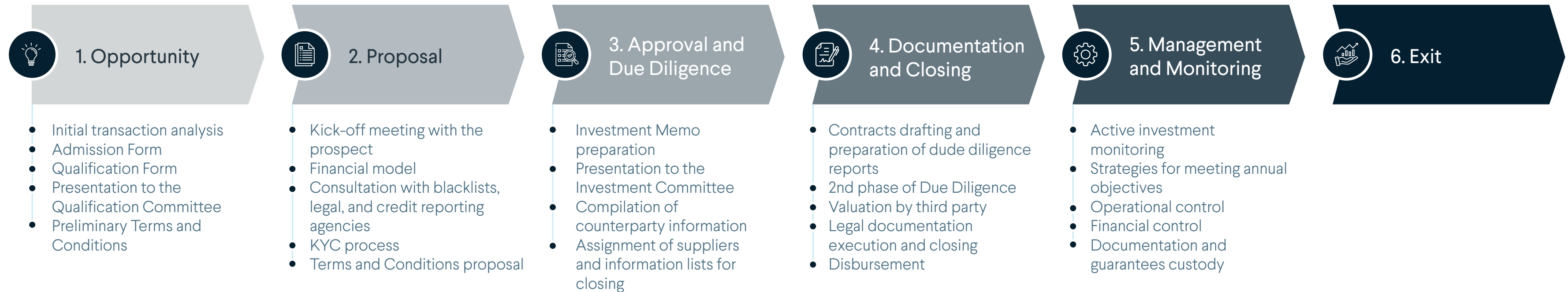
Since the inception of Alsis Funds, we have invested a total of USD \$477 million across 91 different transactions. Currently, our portfolio comprises 41 unrealized investments.

## Four Investment Strategies Specialization

<div><b>Subordinated/Mezzanine/ Hybrid/ Convertible</b></div> <div><ul style="list-style-type: none"><li>• Debt for housing development projects where repayment is based on a percentage of underlying home sales</li><li>• In other sectors, the amortization structure depends on the business type and its operation</li><li>• Debt service payment is subordinated to the principal or interest of another loan or financing</li><li>• Convertible to the debtor's equity</li></ul></div>	<div><b>Loan Investments</b></div> <div><ul style="list-style-type: none"><li>• Senior loans to SMEs with a limited credit track record with no other senior financing in the capital structure</li><li>• Debt service is primarily secured by the cash flows generated from the real assets or the operational cash flows of the financed projects</li><li>• Financing in different sectors, including real estate/housing</li></ul></div>	<div><b>NPLs and REOs Portfolios</b></div> <div><ul style="list-style-type: none"><li>• Transactions backed by non-performing mortgages or foreclosed real estate portfolios</li><li>• Loans were originated by Banks and acquired directly from them or from other financial institutions</li><li>• Active portfolio management by Special Servicers with limited capital but with experience in the collection of this type of assets</li></ul></div>	<div><b>Loan Portfolios Originated by Third Parties</b></div> <div><ul style="list-style-type: none"><li>• Debt to non-banking financial institutions and banks, backed by loan portfolios</li><li>• Direct purchases of performing loan portfolios originated by third parties</li><li>• Secured debt by underlying portfolios but with a portion of the expected return based on the company's performance or growth</li></ul></div>
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# Investment Process

Our investment process is distinguished by its strategic and structured approach, comprising six steps:



Our investment process incorporates a rigorous evaluation of Environmental, Social and Governance (ESG) factors, reaffirming our commitment to responsible investing. This begins with Environmental and Social Investment Policy Compliance, ensuring alignment with sustainable principles. We employ the IFC's Eligibility Criteria and Exclusion List to screen out investments that may conflict with the fund's values and our investment thesis. Prior to any engagement, we conduct a Preliminary Risk and Impact Analysis to understand the potential environmental and social consequences.

We also carry out an Environmental and Social Due Diligence (ESDD), a comprehensive process that includes administering questionnaires, determining an ESG Baseline, and developing an Action Plan with binding obligations to mitigate identified risks. Additionally, we implement constant monitoring, conducted monthly, bimonthly, and annually, complemented by an Environmental and Social Due Diligence Report, ensuring vigilant oversight of the ESG performance of our investments. We also emphasize the Ethical Complaints Attention Mechanism and continuous ESG Training for portfolio companies/borrowers, emphasizing the importance of a culture of integrity and transparency. Finally, our data collection and reporting processes strengthen our ongoing commitment to continuous improvement and accountability to stakeholder groups.



# 03 Corporate Governance

GRI: 2-7, 2-9, 2-12, 2-13, 2-15, 2-16, 2-17, 2-23, 2-24, 2-26 and 205-2

SASB: FN-AC-330a.1 and FN-AC-510a.2

# Management Team

The Management Team of Alsis Funds is comprised of highly experienced professionals in the private equity and financial sectors. They have held executive roles in financial institutions in both Mexico and the United States, demonstrating their ability to adapt through various economic cycles. The team has extensive experience in structuring transactions and managing investment funds for institutional investors.

The Founding Partners have worked closely for over 25 years, creating a strong synergy that reinforces the strategic vision and direction of Alsis Funds. This solid collaboration has been instrumental in the firm's continuous growth, enabling them to anticipate and respond effectively to market dynamics.

David Sánchez-Tembleque	Xavier González-Sanfelíu	Orlando Méndez Piñón	Luis Alberto Burgos	Ángel García Vázquez	Arturo Zamora Urióstegui
Managing Partner	Partner	Partner Structured Finance	Managing Director Finance	Managing Director Administration & Accounting	Director Legal & Loan Administration
Tenure: 17 years	Tenure: 17 years	Tenure: 15 years	Tenure: 8 years	Tenure: 5 years	Tenure: 7 years
Work Experience: <ul style="list-style-type: none"><li>• 25+ years in the industry</li><li>• CEO at Homex</li><li>• CFO at INFONAVIT</li><li>• Deputy General Director of Corporate Financing and Investor Relations at BBVA Bancomer</li></ul>	Work Experience: <ul style="list-style-type: none"><li>• 25+ years in the industry</li><li>• MD at Biscayne Bay Group</li><li>• VP and Head of Asset Backed Securities for Latin America</li><li>• Investment Banking Associate at JP Morgan</li></ul>	Work Experience: <ul style="list-style-type: none"><li>• 15+ years in the industry</li><li>• Started as an Intern at Alsis Funds, continued growing as Analyst, Associate, VP, Director, and Managing Director</li></ul>	Work Experience: <ul style="list-style-type: none"><li>• 10 years in the industry</li><li>• Started as an Analyst at Alsis Funds, continued growing as Associate and Director</li><li>• ICP Group</li><li>• Intercam</li></ul>	Work Experience: <ul style="list-style-type: none"><li>• 25+ years in the industry</li><li>• Senior Manager and General Accountant at INFONAVIT</li><li>• Homex</li><li>• BBVA Bancomer</li><li>• PwC</li></ul>	Work Experience: <ul style="list-style-type: none"><li>• 15+ years in the industry</li><li>• Held various positions in renowned notaries public in Mexico City, managing clients across different industries</li><li>• Professor for 10 years at the Escuela Libre de Derecho</li></ul>
Academic Background: <ul style="list-style-type: none"><li>• MBA from Tulane University</li><li>• Bachelor in Economics from the University of Santiago de Compostela</li></ul>	Academic Background: <ul style="list-style-type: none"><li>• MBA from Wharton School of Business</li><li>• Bachelor in International Business from McGill University</li></ul>	Academic Background: <ul style="list-style-type: none"><li>• Bachelor's degrees in Economics and Business Administration from the University of Oviedo</li></ul>	Academic Background: <ul style="list-style-type: none"><li>• Bachelor in Financial Management from Monterrey Institute of Technology and Higher Education</li></ul>	Academic Background: <ul style="list-style-type: none"><li>• Bachelor in Accounting from La Salle University</li></ul>	Academic Background: <ul style="list-style-type: none"><li>• Bachelor of Laws from Escuela Libre de Derecho</li></ul>



# Our Committees

Alsis Funds is supported by various committees that guide the decision-making of the Management Team and oversee the performance of the investment portfolio. These committees ensure a comprehensive and strategic approach, allowing for efficient management that is aligned with the firm's objectives.



## ■ Advisory Committee

Focused on decision-making aligned with the documentation of each vehicle

**Members:** Investors, Managing Partner, and Partner

## ■ Investment Committee

Authorizes new investments, monitors progress, and triggers strategies for specific situations related to current investments

**Members:** Managing Partner, Partner, Structured Finance Partner, and Independents (as required for specific discussions)

## ■ Qualification Committee

Responsible for presenting and approving terms and conditions for new investments and restructuring of existing projects

**Members:** Managing Partner and Structured Finance Partner

## ■ Operations Committee

Carries out the review of general operational matters across the various areas of Alsis Funds

**Members:** Managing Partner, Admin. & Accounting MD and Treasury and HR Director

## ■ Valuation Committee

Manages the guidelines, aligned with best practices, for the valuation of the portfolio at fair market value

**Members:** Managing Partner, Finance MD, and Admin. & Accounting MD

## ■ Ethics Committee

Monitors compliance with the firm's Comprehensive Ethics System and also serves as support for professional ethics tools for accredited partners

**Members:** Managing Partner, Legal & Loan Admin. Director, and Treasury and HR Director

## ■ Sustainability and Impact Committee

Manages decision-making on sustainability issues within the firm and strategic direction in ESG matters

**Members:** Managing Partner, Finance MD, and Treasury and HR Director

## ■ Asset Management Committee

Monitoring of the investment portfolio, different committees for each strategy

**Members:** Managing Partner, Structured Finance Partner, Finance MD, Admin. & Accounting MD, and Legal & Loan Admin Director

# Our Team

As of the end of 2023, our team was comprised of 23 professionals<sup>1</sup>, of whom 9 are women, representing 39% of our workforce. We take pride in having a highly skilled team with the necessary aptitudes to excel in their respective areas. Each member is dedicated to excellence and continuous development. Additionally, 100% of our staff hold full-time, permanent, and indefinite contracts, reflecting our commitment to job stability and the well-being of our employees. This commitment fosters a positive and productive work environment, driving the long-term growth of our firm.



David Sánchez-Tembleque  
 Managing Partner



Xavier González-Sanfeliu  
 Partner



Orlando Méndez Piñón  
 Partner  
 Structured Finance



Luis Alberto Burgos  
 Managing Director  
 Finance



Ángel García Vázquez  
 Managing Director  
 Administration & Accounting



Arturo Zamora Urióstegui  
 Director  
 Legal & Loan Administration



Alejandra Ruiz Carriedo  
 Director  
 Admin. & Accounting and HR



Mariela Figueroa  
 US Comptroller  
 Administration & Accounting



Juan José Ortiz  
 Vice President  
 Structured Finance



Maximiliano Noriega  
 Vice President  
 Finance



Gabriel Espinosa  
 Housing Projects Manager  
 Structured Finance



Guillermo Illanes  
 Associate  
 Structured Finance



Jorge Hernández  
 Associate  
 Finance



Itzel Vilchis  
 Accountant  
 Administration & Accounting



Omar Vidal Mercado  
 Legal  
 Legal & Loan Administration



Georgina Paguía  
 Housing Support  
 Legal & Loan Administration



Sergio Díez  
 Analyst  
 Structured Finance



Eva Paloma Juárez  
 ESG Analyst  
 Finance



Sofía Ibarrola  
 Analyst  
 Finance



Aurelia Gamboa  
 Analyst  
 Structured Finance



Avi Vargas  
 Analyst  
 Structured Finance



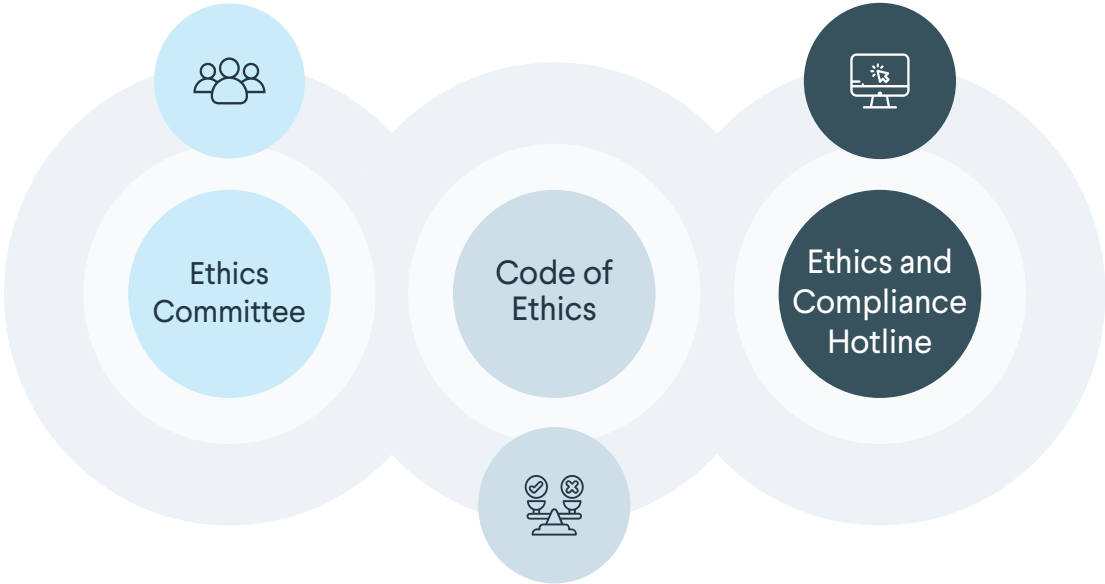
María Isabel García  
 Administration  
 Administration & Accounting

<sup>1</sup>Includes interns who are under temporary contract arrangements of 3 months, with a maximum cumulative term of 12 months.



# Comprehensive Ethics System

At Alsis Funds, we maintain a robust comprehensive ethics system that includes an Ethics Committee, a Code of Ethics and Business Conduct, and an Ethics and Compliance Hotline. These essential tools promote and ensure adherence to the values that define our corporate culture and support our employees, ensuring a respectful and fair working environment.



## Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct is foundational to ensuring integrity and transparency across all levels of our operations, both internal and external. It provides clear guidance for navigating complex situations, thereby promoting an ethical work environment and maintaining high standards for employees, directors, and business partners. This code underscores fundamental values such as responsibility, enhancing trust within and outside the organization, and sets clear behavioral expectations. It is supported by other internal documents and mandates all employees to confidentially discuss any doubts or concerns with their direct supervisors or the Compliance Officer, safeguarding them against any reprisals. Commitment to these standards is reinforced through the mandatory annual signing of the Code by all employees and the distribution of tools for its effective implementation.

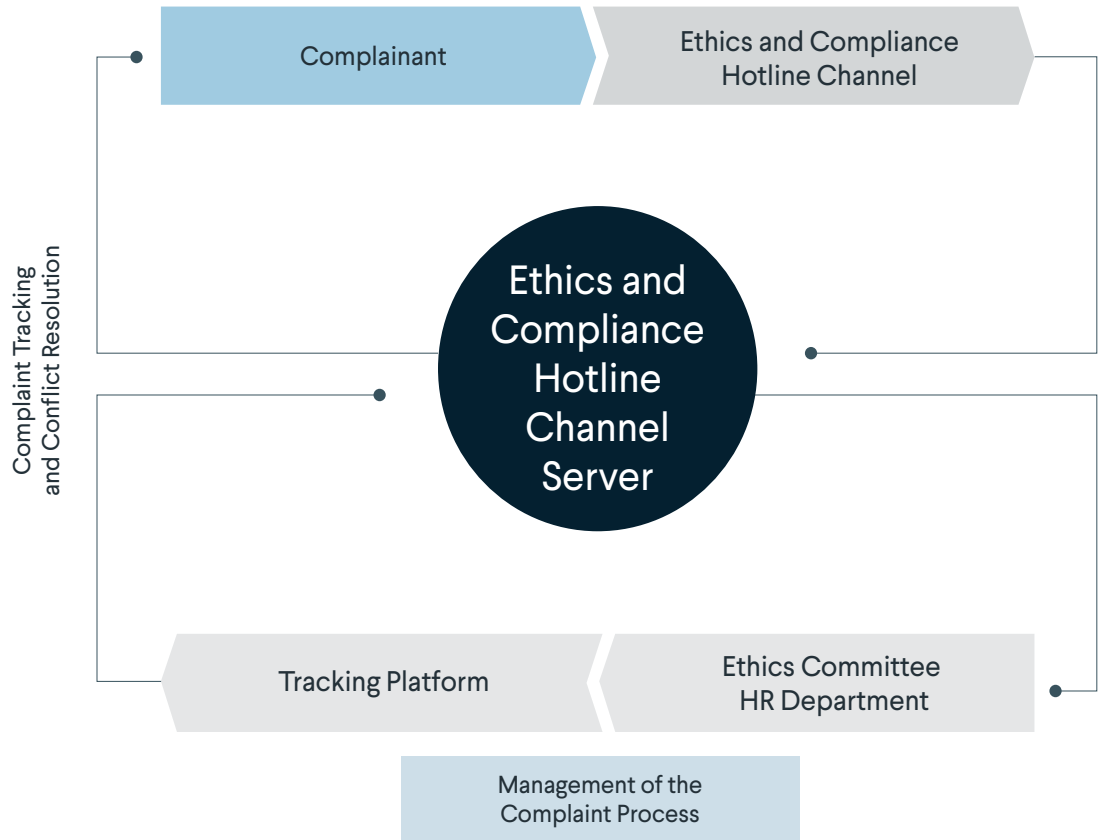
## Communication of Concerns

Our comprehensive ethics system includes an Ethics and Compliance Hotline, managed by a third-party provider, accessible to all members of the Alsis Funds ecosystem. This hotline guarantees the secure and confidential reporting of any irregularities, further supporting our commitment to transparency and ethical business practices. Additionally, the system features a risk map that categorizes incidents by severity—high, medium, and low—enabling us to proactively anticipate and manage risks.

## Means of Reporting:

Website

The Alsis Funds Ethics and Compliance Hotline Channel is vital for upholding our norms and Code of Ethics. It allows employees, clients, and suppliers to report any suspicious or unethical behavior confidentially. All reports are processed impartially and are only shared with the necessary staff involved in the investigation and resolution of the issues. We have a firm policy against any reprisals towards individuals who report concerns.



# Commitments of Our Operations

At Alsis Funds, our institutional policies and procedures are designed to protect the company's best interests and align with international best practice standards. We ensure that our practices adhere to global initiatives such as the International Finance Corporation's Sustainability Framework and Performance Standards on Environmental and Social Sustainability, the Principles for Responsible Investment (UNPRI), the Guiding Principles on Business and Human Rights, the UN Global Compact, and the Sustainable Development Goals.

## ■ Conflict of Interest

Conflicts of interest pose significant ethical challenges within our corporate environment, occurring when personal interests of employees or associates conflict with those of the company, clients, or suppliers. Such conflicts jeopardize not only adherence to our Code of Ethics but also the integrity of individual employment contracts.

We rigorously follow directives established by our investors to ensure transparency and integrity in all decisions and actions. This adherence helps maintain trust and ensures that each investment is managed according to the highest ethical and professional standards.

## ■ Anti-Corruption and Anti-Bribery

At Alsis Funds, we carefully manage the offering and receipt of gifts and entertainment to prevent potential influences on business

decisions. We have established clear guidelines that prohibit employees from accepting or offering gifts or entertainment that could compromise personal or company integrity.

Prohibited actions include:

- Cash or cash-equivalent transactions
- Gifts seeking preferential treatment for oneself or others
- Any gifts or attentions involving illegal activities

All employees are expected to act with the utmost integrity, and engaging in fraudulent practices, corruption, or theft is strictly forbidden as these actions contradict our core values and compromise our responsibilities towards the company.

## ■ Cybersecurity Initiatives

We prioritize integrity and discretion in all communications, both internal and external, ensuring that our information dissemination is accurate and timely, avoiding intentional distortions of facts. This reflects our commitment to corporate responsibility and adherence to stringent disclosure standards. Our cybersecurity measures include:

- Training for all staff members
- Implementation of security protocols by our software providers

In the event of an attempt to compromise any team member's information, our HR Department is promptly notified, and an alert is issued to the entire team about the nature of the scam.





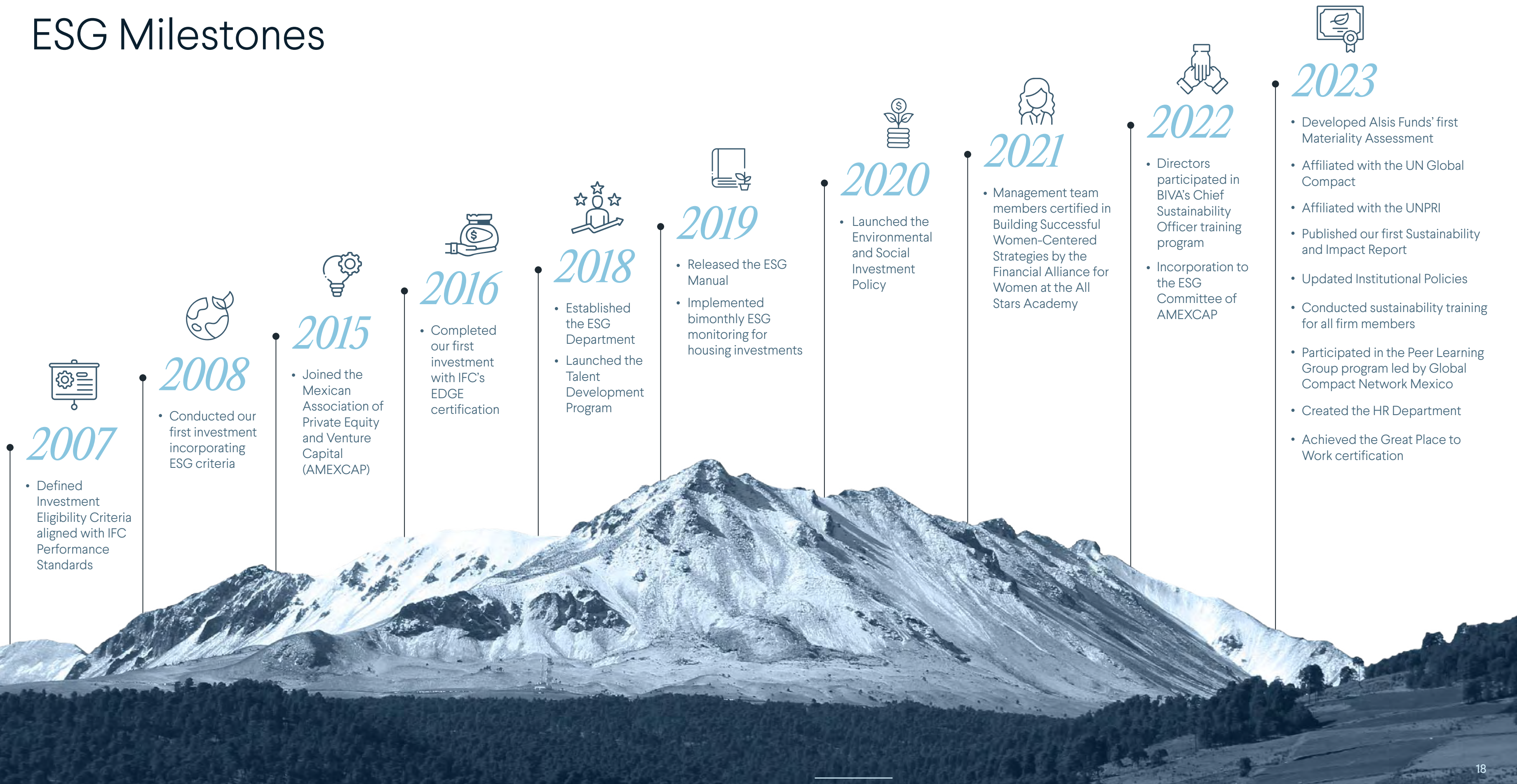
# *04* ESG Approach

GRI: 2-28, 2-29, 3-1, 3-2 and 3-3

SASB: FN-AC-410a.1 and FN-AC-410a.2



# ESG Milestones



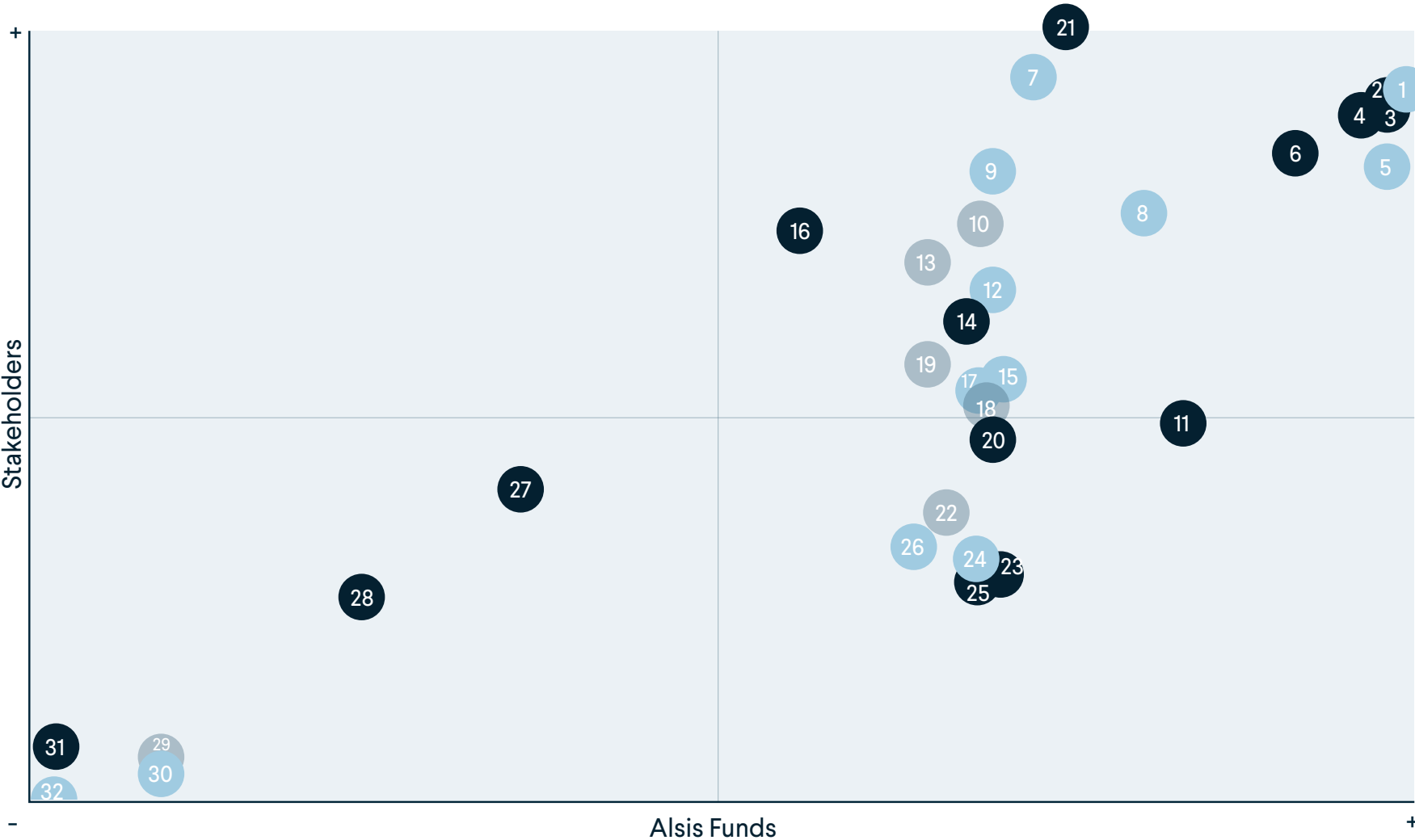


# Materiality

In 2023, Alsis Funds conducted its first materiality assessment to identify critical social, environmental, and governance issues affecting our operations. This involved engaging key stakeholders and creating a materiality matrix that now serves as a robust foundation for our ongoing improvement efforts. The insights gained from this assessment have directly informed our 2024 strategy, allowing us to concentrate on the identified priority issues.

Recognizing the importance of remaining current with international best practices and evolving stakeholder expectations, we are committed to updating our materiality assessment at least every three years. This ensures our strategies and operations continuously align with the core value drivers of our business and address sustainability, corporate governance, and social risks and opportunities effectively. Our approach highlights our dedication to sustainable value creation and reinforces our commitment to responsible and ethical business practices.

## Materiality Matrix



## Material Topics

	<div>Environmental</div>	<div>Social</div>	<div>Governance</div>
Priority	<div>10</div> <div>Emissions</div>	<div>1</div> <div>Child labor</div> <div>5</div> <div>Grievance mechanism</div> <div>7</div> <div>Non-discrimination</div> <div>8</div> <div>Diversity and equal opportunities</div> <div>9</div> <div>Client health and safety</div>	<div>2</div> <div>Taxes</div> <div>3</div> <div>Transparency</div> <div>4</div> <div>Anti-corruption</div> <div>6</div> <div>Client privacy</div> <div>11</div> <div>ESG considerations in investment management</div>
Emerging	<div>13</div> <div>Residues</div> <div>18</div> <div>Water effluents</div> <div>19</div> <div>Energy</div> <div>22</div> <div>Implement environmental impact assessment</div> <div>29</div> <div>Biodiversity</div>	<div>12</div> <div>Public policy</div> <div>15</div> <div>Local communities</div> <div>17</div> <div>Indirect economic impacts</div> <div>24</div> <div>Investment in community environmental initiatives</div> <div>26</div> <div>Employment</div> <div>30</div> <div>Materials</div> <div>32</div> <div>Freedom of association and collective bargaining</div>	<div>14</div> <div>Forced labor</div> <div>16</div> <div>Monitoring of working conditions</div> <div>20</div> <div>Professional training and education</div> <div>21</div> <div>Market presence</div> <div>23</div> <div>Supplier environmental assessment</div> <div>25</div> <div>Safety practices</div> <div>27</div> <div>Labor</div> <div>28</div> <div>Health and safety in the workplace</div> <div>31</div> <div>Indigenous peoples</div>

# Stakeholder Groups

In our efforts to identify and analyze our stakeholder groups, we have implemented the Saliency model. This model assesses the influence and importance of these groups based on three criteria: power, legitimacy, and urgency. By using this framework, we can effectively discern how each group can impact or be impacted by our activities, evaluating their capacity to influence (power), their legitimate authority (legitimacy), and the immediacy of their expectations (urgency).



Management Team



Employees



Investors



Portfolio Companies/  
Borrowers



Suppliers



Including the materiality matrix in our report reflects our commitment to comprehensive and efficient risk management, a hallmark of our historical investments. This approach provides us a complete view of our stakeholders' expectations, facilitating ongoing improvements in our management practices. Additionally, alignment with SASB metrics reinforces that our strategies are in line with industry expectations. By analyzing critical issues across environmental, social, and governance dimensions, we have identified both our strengths and areas for improvement, especially in environmental aspects. This process underscores our dedication to sustainability and responsible performance, ensuring that our operations and strategies remain aligned with our stakeholders' interests in the long term.



# Contribution to the Sustainable Development Goals

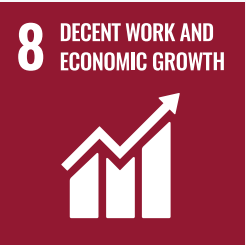
As catalysts for channeling resources towards crucial economic sectors, we recognize our responsibility to support the global development agendas. We have conducted an initial assessment to determine how our investments align with the United Nations Sustainable Development Goals (SDGs), contributing to the 2030 Agenda. We have identified that our contribution focuses on 6 of the 17 SDGs, and we are committed to deepening and expanding these efforts as we progress in our impact journey.



Our management is dedicated to promoting gender equity and inclusion. A notable achievement in this area is the absence of a gender pay gap at Alsis Funds.



We uphold transparent and inclusive processes for our team and foster action through established investment requirements that promote equality.



We strive to provide competitive professional development opportunities and ensure that our investments do not support child labor, forced labor, or unsafe working conditions.



In the real estate sector, our investments are focused on affordable housing and enhancing access to basic services.



Our investment strategy is crafted to equip SMEs with access to capital through market-competitive instruments.



We channel financial resources towards emerging economies, addressing challenges across various industries, and aim to foster partnerships that align with our sustainability objectives.



# Affiliations

At the forefront of change and business innovation, collaboration and affiliation with international networks play a crucial role. These alliances amplify our impact and reach, equipping us with tools to lead towards a more sustainable and ethical future in the private equity industry. We highlight our participation and commitment through various affiliations, underscoring their importance in our efforts to promote responsible investment practices and foster a collaborative and ethical work environment. This collective approach reflects our dedication to professional excellence and positions us as leaders in promoting sustainability and corporate social responsibility.



In 2023, we were honored to join the prestigious group of signatories of the UN Principles for Responsible Investment (UNPRI). Established in 2005, UNPRI is globally recognized for uniting institutional investors and fund managers worldwide to advance investment practices that incorporate environmental, social, and governance (ESG) factors through six key principles. Our commitment aligns us with international best practices in responsible investment.



In 2023, we became part of the UN Global Compact initiative. As the world’s largest corporate sustainability initiative, it encourages companies to align their strategies and operations with universal principles on human rights, labor, the environment, and anti-corruption, and to support the Sustainable Development Goals (SDGs).



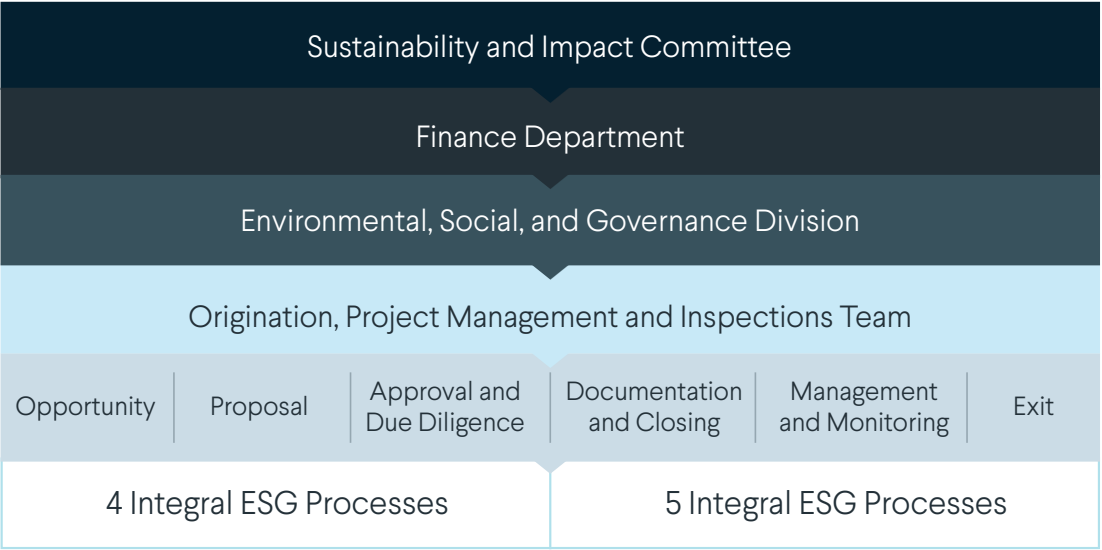
Since 2015, we have been active members of the Mexican Association of Private Equity and Venture Capital (AMEXCAP), a non-profit organization founded in 2003 that promotes the growth and development of the private equity and venture capital industry in Mexico. In 2022, we deepened our involvement by joining AMEXCAP’s ESG Committee, which is dedicated to promoting sustainability and integrating ESG practices within the sector.



# Comprehensive Risk Management

At Alsis Funds, our investment decisions are grounded in a meticulous evaluation of risks, primarily distinguishing between counterparty risk and project risk. Counterparty risk evaluates the technical capacity, regulatory compliance, financial robustness, and ethics of applicants. Project risk analysis considers elements such as geographic footprint, land use, property records, regulations, financial viability, and stakeholder relationships. This comprehensive approach ensures that our investments are responsible and aligned with our values of sustainability and corporate responsibility.

## Operational and Governance Management Framework



In December 2023, the Sustainability and Impact Investing Committee held its first meeting, addressing pivotal issues for the future direction of Alsis Funds concerning ESG matters. We drafted our Annual Strategy

to ensure strategic alignment with our long-term goals, defining a clear focus on material ESG issues and establishing specific actions for 2024. We reaffirmed our reporting commitments, assessed the ESG status of our investments, and outlined initiatives to be implemented in 2024. Additionally, we set medium-term internal and external goals to foster sustainable growth and operational excellence.

We have established and continue to refine a structure that includes an ESG Management System to ensure compliance with relevant regulations and facilitate effective implementation across all organizational areas. At Alsis Funds, the Finance Department is responsible for overseeing ESG functions, covering critical functions such as investor relations, asset management, financial planning, and financial management, among others. This framework relies on a specialized team dedicated to ensuring operational excellence and integrating sustainability practices into our daily management. This team includes:

### ESG Compliance Officer

Responsible for regulatory compliance in critical areas of Origination and Asset Management, as well as defining ESG guidelines and policies throughout the business investment cycle at Alsis Funds.

### Project Inspector Network

Conducts physical inspections at all stages of development, ensuring that necessary permits and licenses are up-to-date. This includes validating construction progress, urbanization status, and verifying the adequacy for human living and quality of the work.

### Independent Sustainability Specialist

Tasked with consolidating annual follow-up reports for each project, directing these reports to the ESG Compliance Officer, who acts as the principal client.

Our investment management system safeguards our commitment to sustainability, aligned with the International Finance Corporation's (IFC) Environmental and Social Performance Standards. All financed projects must meet Alsis Funds' eligibility criteria. During the due diligence process, if a project is approved, it must develop a tailored Social and Environmental Management System based on the identified potential risks and impacts, ensuring compliance with our sustainability standards.

### Environmental and Social Management System Requirements

- Environmental and social policy
- Organizational chart including ESG roles
- Occupational health and safety plan or regulations
- Environmental management plan or program
- Plan, program, or procedure for emergency prevention and response
- Grievance mechanism for workers and stakeholders
- Monitoring process of contractors and labor conditions
- Maintaining communication channels with external stakeholders

# Housing Sector Risks and Opportunities

Climate change presents significant risks and opportunities for housing investments. The Task Force on Climate-related Financial Disclosures (TCFD) offers a comprehensive framework for organizations to assess and disclose these climate-related factors. By adopting the TCFD recommendations, housing investors can better understand, mitigate, and capitalize on the impacts of climate change on their investment portfolios.

## Integration of the TCFD Framework

Climate change has implications for housing investments, including analyzing how extreme weather events, rising sea levels, and evolving building regulations can affect property values and operating costs. By incorporating the TCFD guidelines, we can integrate climate considerations into our risk management processes and investment decisions.



## Key Climate-Related Risks

There are two key risks to consider:

### Physical Risks

- **Acute Risks:** These are driven by events and include extreme weather conditions such as hurricanes, floods, and wildfires that can cause immediate damage to properties
- **Chronic Risks:** Long-term changes, such as rising sea levels and increasing temperatures, can gradually degrade building structures and reduce property values

### Transition Risks

- **Regulatory Changes:** New laws and regulations aimed at mitigating climate change can affect building codes, construction practices, and operational requirements
- **Market Changes:** Shifts in market preferences towards more sustainable and energy-efficient homes can impact the demand for traditional properties
- **Technological Advances:** Innovations in green technologies can render older and less efficient buildings obsolete



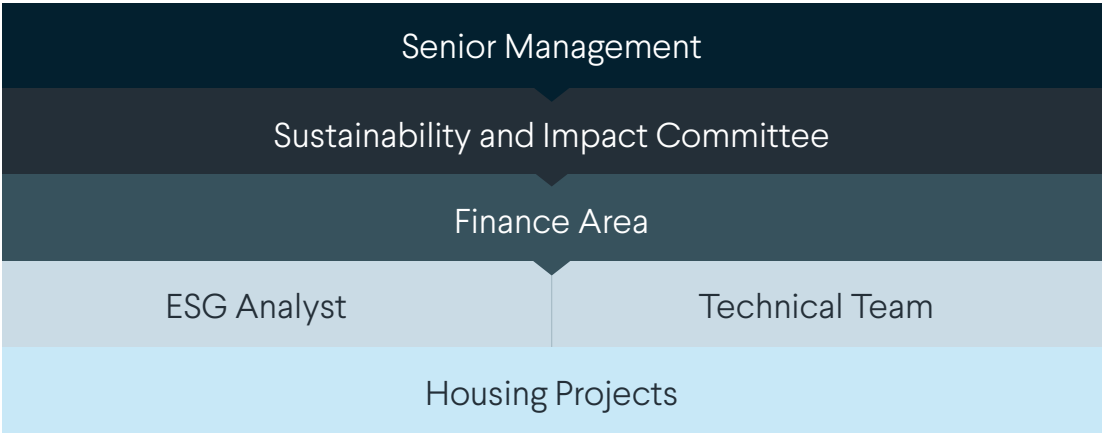


# Integration of TCFD into Our Housing Portfolio

## Governance

At Alsis Funds, we have a governance structure for ESG matters. Through various tools such as committees, due diligence, action plans, and continuous monitoring, we ensure that our investments remain aligned with our corporate priorities and create environmental, social, and governance value.

### Governance Structure for ESG Matters:



## Strategy

Track housing projects and conduct annual and bimonthly reviews aimed at identifying and mitigating financial, business, and ESG risks.

## Risk Management

**Committees:** Our housing-themed committees address risk situations that projects may face and create solutions for the challenges encountered by the project, as well as recognizing best practices.

**Due Diligence:** The environmental and social due diligence mechanism is an annual exercise that allows us to work on the areas of opportunity in the projects. This involves an annual review that captures the project's status and, through a third party, assigns a rating directly related to the project's scope.

**Action Plans:** Action plans are derived from a baseline established when the project originated, supplemented by technical aspects and the institutional framework of the company. Each year, considering the project's stage, we work on the identified areas of opportunity and track progress to align projects with best ESG practices.

**Technical Monitoring:** Technical monitoring consists of a network of inspectors and the housing project management area, where we track exposures to physical and transition risks.

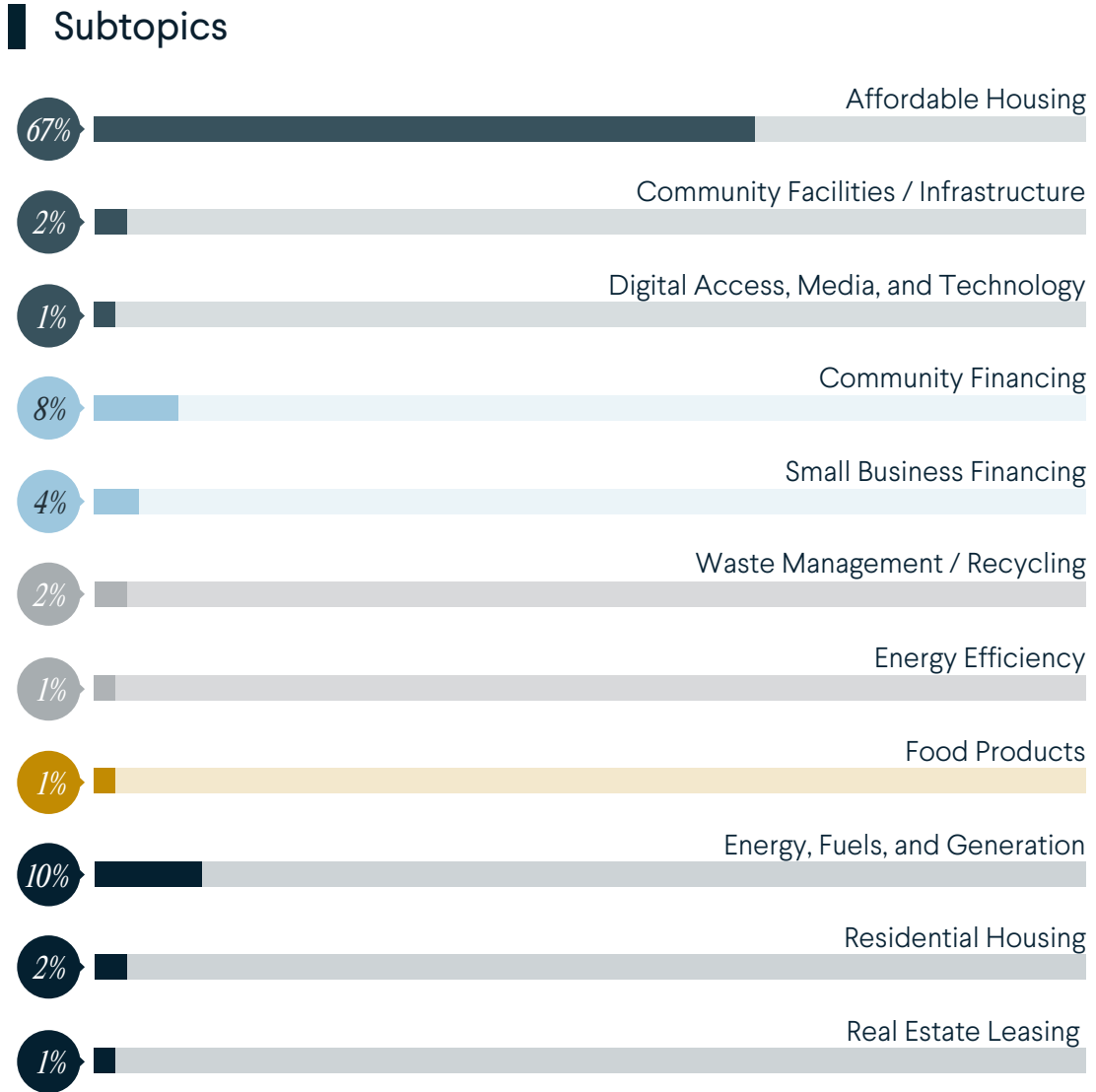
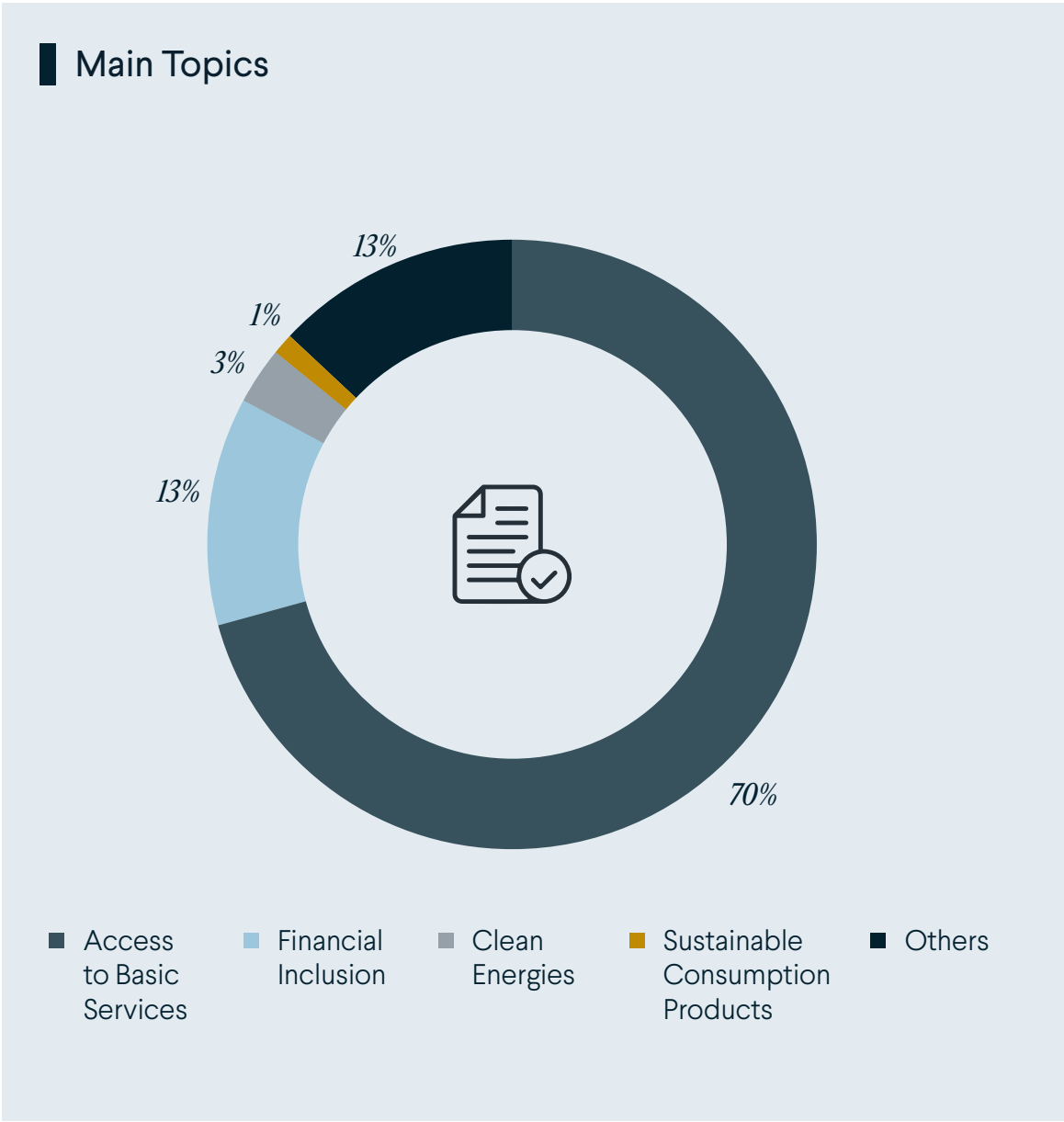
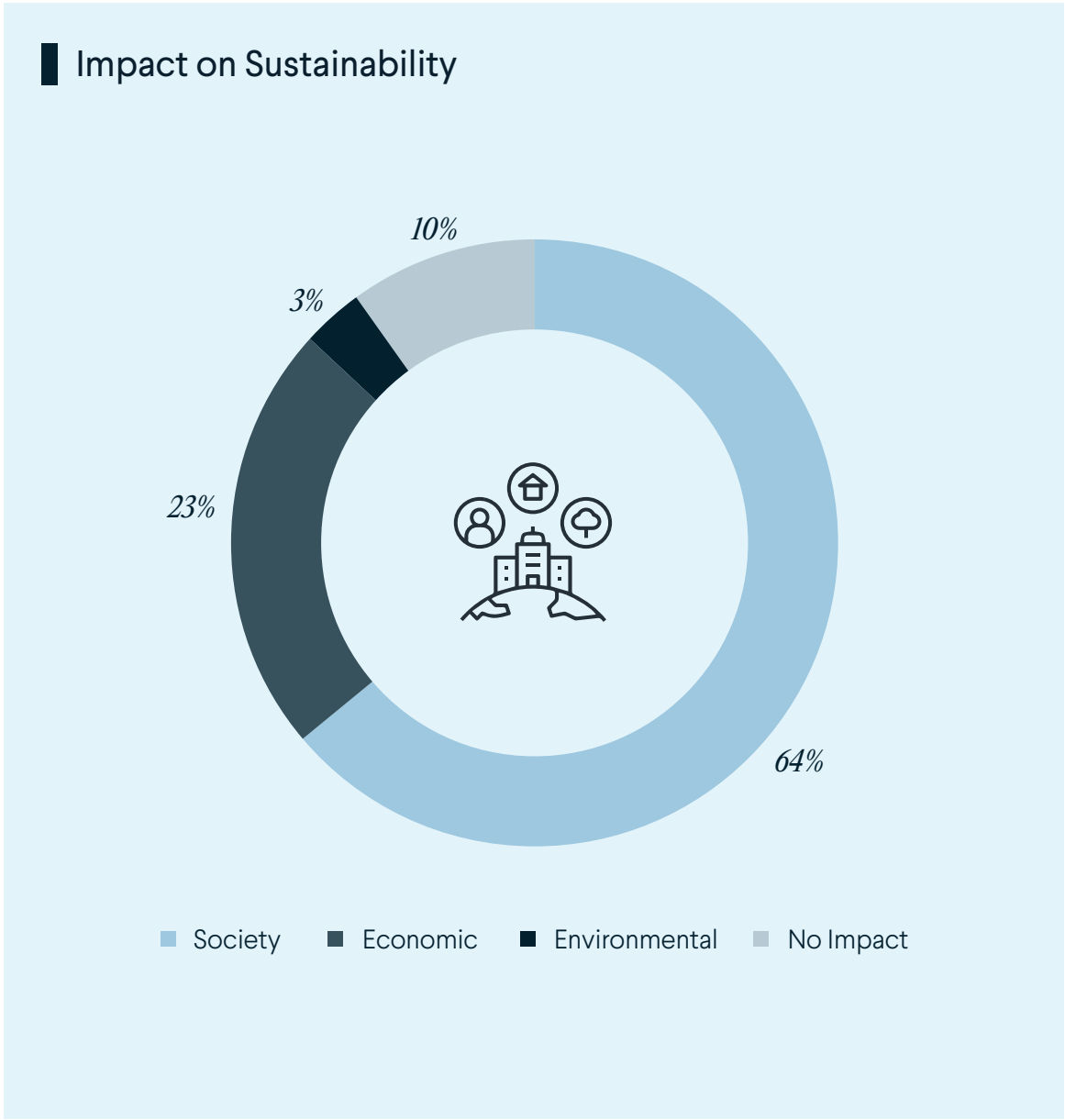


## Metrics and Objectives

- Corporate Strategy for Emissions Reduction
- Capacity building for the measurement of greenhouse gas emissions

# Impact Taxonomy

In our role within the investment sector, we strive to adopt common impact investment standards that enhance our investment decisions. To this end, we have adopted the IRIS+ thematic taxonomy and the GIIN Impact Base Snapshot. Given the unique profile of the sectors in which we invest, we sometimes face challenges in achieving direct alignment with these standards. Therefore, in the future, we will focus on exploring alternatives that refine our taxonomy and more accurately capture the real impact of our investments.





# Case Studies

## Sustainable Vertical Housing

The vertical residential project in the State of Mexico, comprising two 14-story buildings with a total of 240 apartments, is preliminarily certified under EDGE. Located in a redevelopment area, the project employs advanced techniques to maximize sustainability performance and resource efficiency.

With these 240 homes, we contribute significantly to urban revitalization, reducing water stress through the capture and utilization of 100% of rainwater. Additionally, the use of consumption monitoring technologies promotes resource efficiency. The installation of solar panels and wind turbines ensures a supply of renewable energy, while the hiring of local suppliers minimizes the environmental impact associated with material transportation.

This project serves as a sustainable model for future developments in the region, showcasing innovative solutions like the use of aerogenerators that positively impact the community and environment.



### Environmental Impact:

- 46% savings in electricity consumption
- 37% savings in water consumption
- 49% savings in energy used for material transportation
- 778.5 tons of CO<sub>2</sub> saved annually

Note: The results are compared to standard construction with similar characteristics on the market.

## Affordable Housing with Social Impact

The horizontal and vertical housing project for the middle segment in Jalisco, Mexico, aims to provide comfort and quality of life to its residents, fostering a community that shares amenities and respects the natural environment.

With 671 homes, this development helps form a cohesive community on the outskirts of Puerto Vallarta. The installation of LED lighting systems and low-consumption eco-efficient devices in bathrooms and kitchens enhances residents' quality of life.



### Social Impact:

- Installation of sculptures representing significant natural elements, created by a member of the construction team
- Collaboration with local authorities to clean sea outflows, crucial for mitigating floods, using project machinery
- Development of private neighborhoods with common areas that promote physical well-being, security, and privacy for residents

# *05* Social and Environmental Impact

GRI: 2-7, 2-27, 205-1, 205-3, 306-2, 401-1, 404-1, 406-1, 408-1, 409-1, 410-1, 411-1, 413-1 and 418-1



# Key ESG Indicators

<div>39%</div> <div>of our workforce is comprised of women</div>	<div>Zero</div> <div>gender pay gap at Alsis Funds</div>	<div>100%</div> <div>of our team received training in ESG matters</div>	<div>130+ hours</div> <div>of training in courses for the Alsis Funds team during 2023</div>
<div>100%</div> <div>Analysts recruited through the talent development program</div>	<div>20+</div> <div>institutional policies govern our activities</div>	<div>Zero</div> <div>finances for cases of non-compliance with legislation and regulations</div>	<div>500+</div> <div>indirect jobs created during 2023</div>
<div>100%</div> <div>of housing projects assessed for environmental risks and impacts before financing</div>	<div>100%</div> <div>of housing projects complied with Alsis Funds ESG guidelines during 2023</div>	<div>62</div> <div>SMEs financed since the inception of our firm</div>	<div>500+</div> <div>families benefited from the financing of housing projects during 2023</div>

# Our Social and Environmental Considerations

## Eligibility Criteria and Risks

At Alsis Funds, we have established eligibility criteria and a risk analysis process for each investment to ensure robust risk management. This approach enables us to consolidate financially sustainable investments that comply with environmental regulations and promote the best social and labor practices.

## Eligibility-Related Risks

In our investment process, we evaluate various risks associated with both the project and the counterparty, which are linked to our eligibility criteria:

### Project Risks

- Regional environment (e.g., months of inventory or state competitiveness index)
- Political climate (rule of law)
- Physical location
- Land use verification
- Property records
- Verification of no human settlements
- Regulatory compliance, types of housing, and financial viability
- Relationship with stakeholders

### Counterparty Risks

- Execution experience
- Regulatory compliance
- Financial solvency and access to bank credit
- Moral solvency (reputational background)



## Social and Environmental Requirements

At Alsis Funds, we consider it crucial to proactively manage environmental and social risks, in addition to conducting rigorous financial analysis and ensuring legal and regulatory compliance, to secure the long-term profitability and sustainability of our investments.

## Environmental and Social Policy

Efficient risk management represents a key value added by Alsis Funds to its investments over time. This is achieved through a philosophy of continuous improvement applied to all processes:

- Identification of investment opportunities
- Definition of eligibility criteria for counterparties
- Meticulous analysis of projects and their contextual environments
- Constant vigilance throughout the project lifecycle

We have embedded standards that foster respect for the environment, local communities, and the integrity and safety of workers involved in financed projects into our organizational culture and operational principles.

Committing to principles of social and environmental responsibility, we have set clear objectives to promote sustainable development:

1. Protect the environment by preventing contamination potentially arising from our operations, infrastructure, products, and services.
2. Ensure the safety and well-being of our collaborators, clients, and the communities where our projects are executed.
3. Design and finance investments that deliver enduring environmental and social benefits.
4. Implement an environmental and social management system to supervise, evaluate, execute, monitor, and continuously optimize the management of our projects.



■ Principles Guiding Our Institutional Conduct

To materialize our commitment to sustainability in our daily activities, we have internally formulated ten principles that define and guide our strategy.

1.

Meet or exceed the requirements of environmental legislation and regulations in business operations
2.

Adhere to environmental, social, and health and safety regulations in financed projects, adopting international practices
3.

Contribute to community initiatives to enhance and protect the local environment
4.

Protect and promote biodiversity, contributing to ecosystem conservation, and complying with national and international laws on protected species and habitats
5.

Prioritize the safety of personnel, clients, and communities in project areas
6.

Respect human rights and act ethically, promoting values of honesty, fairness, and integrity
7.

Establish mutually beneficial relationships, transparency, and accountability with stakeholder groups
8.

Promote diversity in work teams and ensure a discrimination-free environment
9.

Implement occupational health and safety protocols, and verify training and capacity building in safety for employees involved in projects
10.

Ensure consistent implementation of commitments and principles through the Environmental and Social Management System







## ■ Best Labor Practices

Our labor practices comply with the Federal Labor Law of Mexico, strictly adhering to legal provisions and the country's best labor practices. Additionally, we adhere to the best international industry standards, ensuring that our processes not only meet local regulations but also align with the most demanding global standards in our industry.

In October 2023, we received the "Great Place To Work" recognition, validating our commitment to labor excellence and employee well-being. This reflects our collective effort and dedication to creating an inclusive and motivating environment. In this regard, we are proud to report a retention rate of **88%** during 2023, demonstrating that our employees value and appreciate the positive work environment we have cultivated.

## ■ Training and Development of Our Employees

Excellence, one of our core values at Alsis Funds, is driven by our commitment to continuous learning. Our management team provides ongoing mentoring and regular feedback, including semi-annual evaluations to promote professional growth. We host annual internal training programs focused on anti-money laundering and the prevention of terrorist financing.

To enhance our team's understanding of ESG factors and promote essential skills, we support our portfolio companies/borrowers parties with continuous training. This includes

ensuring they have designated representatives responsible for ESG and adopting the best international practices.

Our commitment to training extends to all organizational levels. We continually strive to foster a sustainable strategy, operation, and culture that generate long-term value. Through our collaboration with Buk, a leading training platform, we enhance our team's technical and managerial skills and keep them abreast of market trends. This investment in professional development not only enhances the efficiency and quality of our projects but also fosters an innovative and committed workplace.

In 2023, we achieved **100%** participation from our team in training sessions covering key aspects of corporate ESG, anti-money laundering, and terrorist financing prevention.

We place high value on talent development and the promotion of diversity and inclusion within our industry. Believing that a company's strength lies in its people, our impact on Partners and Investors is distinguished by the excellence of our team.





Over the first ten years of operations, we identified challenges in recruitment within our industry, notably a lack of gender diversity. In response, we launched an internship program in 2018 with initial contracts of 3 months, extendable up to 12 months.

Currently, *30%* of our team consists of interns recruited through the internship program.

This initiative has historically involved **33** professionals, predominantly recent graduates with limited experience. The program offers them a valuable opportunity to establish their professional careers and accelerate their growth, whether at Alsis Funds or elsewhere.

Designed to generate medium- and long-term results, the program selects interns who demonstrate outstanding performance and growth potential. Our goal is to help them build successful careers at Alsis Funds.

In 2023, we achieved the highest recruitment of female interns to date, reaching *83%*, against *67%* in the previous period.

### ■ Diversity, Equity, and Inclusion

At Alsis Funds, we believe in Diversity, Equity, and Inclusion as pillars of our success. We ensure equal opportunities in hiring, eliminating any discrimination, and promoting a safe and respectful work environment, free from violence and harassment, where

professional growth is based on skills and abilities. Additionally, in our investments, we require that Human Resources policies include provisions on gender equity and non-discrimination.

The average age at Alsis Funds is **37** years; our team consists of *48%* under 30 years, *30%* between 30 and 50 years, and *22%* over 50 years.

Proof of our effort to maintain this commitment is our Policy on Diversity and Prevention of Violence, Discrimination, and Harassment, which reinforces our dedication to creating an inclusive and respectful work environment for all our employees.

### ■ Community Giveback

This past Christmas, our Mexico City office organized a Santa Claus gift-giving event for children at a local foster home. With **75%** of our employees participating, we delivered gifts to **16** children, spreading joy during the festive season. This initiative underscores our commitment to social responsibility and supporting vulnerable groups. We aim to enhance this activity in the future, increasing participation to amplify our positive impact on the community.

# Social and Environmental Considerations of Our Portfolio

## Alignment with IFC Performance Standards

The IFC Performance Standards provide us with a structured framework to assess and manage risks, ensuring that the projects we invest in meet the highest standards of responsibility and sustainability. Implementing these guidelines allows us to not only mitigate financial, environmental, and social risks but also align with the expectations of investors and regulators, who increasingly demand transparency and accountability.



1. Risk Management



2. Labor Conditions



3. Resource Efficiency



4. Community Health and Safety



5. Land Resettlement



6. Biodiversity



7. Indigenous Peoples



8. Cultural Heritage



## Best Labor Practices

At Alsis Funds, we ensure that all financing agreements explicitly and legally mandate compliance with all applicable labor laws for both direct employees and subcontractors involved in projects.

Additionally, our projects are required to adhere to the conditions outlined in IFC’s Performance Standard #2, which include:



Informing all workers (both direct and indirect) about their working conditions



Addressing worker grievances



Respecting freedom of association



Preventing child or forced labor



Promoting non-discrimination and equality of opportunity



Monitoring contractors and labor conditions

To support our creditors, we also offer an ethics hotline service for all projects upon request. In 2023, this service was provided to 22 investments.



To guarantee compliance with these conditions, we conduct monthly technical and ESG reviews, along with an annual Environmental and Social Due Diligence (ESDD) on projects. These inspections are crucial for maintaining health, safety, and strict adherence to labor standards and are diligently overseen by our ESG team and the Technical Examiner.

In 2023, 100% of our active housing investments received a passing grade.

Health and Safety in Our Communities

Land use ratification for our projects is a critical process that includes public consultations with area residents, conducted by the municipal authority as part of the Urban Development Plan (UDP). While the UDP dictates the type of projects allowed, public consultation is essential for the issuance of the building license.

During the due diligence phase prior to credit approval, we conduct a comprehensive stakeholder analysis. This process involves identifying local authorities, neighbors, local businesses, and NGOs within the project's influence area. We establish guidelines to effectively manage these relationships with the borrower, ensuring that all potential risks and impacts related to project implementation and construction activities are anticipated and addressed.

In addition to mitigating risks by aligning the project with the UDP requirements, the creditor commits to the following conditions:



Community health and safety

The creditor will provide basic benefits such as medical care and disability management for workers to prevent the spread of diseases. Additionally, the community will be involved in emergency response planning based on the risks and impacts identified to ensure preparedness and safety.



Security staff

When hiring a security company, it is mandatory for the firm to have significant experience or to have undergone an induction course designed to prevent excessive use of force and abuse. Additionally, a security protocol will be established to manage any unlawful discoveries or unauthorized entries to the project site.

In 2023, we are proud to report zero accidents at the corporate level and no severe or fatal accidents within our developments.

Indigenous Peoples and Cultural Heritage

In accordance with IFC’s Performance Standard #7, all projects financed by Alsis Funds are required to respect the rights and cultural heritage of indigenous communities. We actively promote significant community communication and ensure participation, requiring prior informed consent from impacted communities.

The National Institute of Anthropology and History (INAH, for its Spanish acronym) plays a pivotal role in protecting Mexico's cultural heritage through its Spatial Data Infrastructure Project, which identifies areas with significant cultural elements. At Alsis Funds, we automatically exclude financing for projects located within these designated areas to avoid potential impacts on cultural heritage. Additionally, in certain regions, obtaining an INAH authorization is mandatory for a construction license, ensuring that all portfolio companies/borrowers comply with applicable cultural preservation regulations.

Portfolio companies/borrowers involved in our projects are required to establish a procedure for managing any accidental discoveries of cultural artifacts. If such discoveries are made during project execution, they must adhere to INAH's guidelines and report the findings, ensuring compliance with the preservation standards set forth for Mexico's cultural heritage.

During 2023, we are pleased to report that there were no violations of indigenous peoples' rights in any of the projects funded by Alsis Funds.

Waste Management and Contamination Prevention

Our policy on efficient resource use and contamination prevention focuses on four key aspects:

 <p>Waste management</p>	 <p>Prohibition of toxic materials</p>
 <p>Soil mechanics (type of soils and implications for seismic and structural calculations)</p>	 <p>Compliance with the terms and conditions outlined in the Environmental Impact Statement (MIA) or other relevant documents within Mexican environmental legislation</p>

During demolition and construction, all projects must adhere to Mexico’s federal waste management regulations and adopt best practices from the Residuals Management Plan of the Mexican Chamber of Construction Industry (CMIC).

Monitoring measures are implemented to enhance resource use efficiency and prevent contamination, with thorough documentation of evidence as a fundamental requirement in our ESG management process.

Land Resettlement

Our investment policy establishes strict eligibility criteria to avoid population resettlement in financed projects:

- Investments are exclusively in projects involving privately owned lands, explicitly excluding financing for communally held lands
- The project on the acquired land must comply with the land use defined in the UDP and ratified in official documents.
- Properties must be duly registered in the Public Registry of Property and Commerce
- It is confirmed that there are no human settlements on the property through a physical inspection conducted by designated representatives of Alsis Funds. This inspection occurs before formalizing the credit, during the due diligence closure visit by at least two members of the Investment Committee

A preliminary analysis of risks and impacts related to economic displacements or resource use by communities is conducted. This includes a geo-referenced study to fully understand the context and, if necessary, establish mitigation measures in coordination with the project. Should significant displacement be anticipated, the creditor is required to propose mitigation measures, involving relevant authorities and stakeholders to ensure responsible management of potential impacts.

Alsis Funds has 0 investments involving land resettlement.

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Projects we support must comply with all environmental regulations at federal and local levels. Compliance is verified through official documents provided by the creditor and corroborated by project supervisors. Specifically, financed projects must align with IFC’s Performance Standard #6, which entails:

- Protection and Conservation of Biodiversity
- Management of Ecosystem Services

To ensure biodiversity conservation and manage environmental risks, Alsis Funds conducts bimonthly monitoring through its network of inspectors. This monitoring enforces compliance with the MIA and the Environmental Impact resolution, preventing pollution and conserving biodiversity in accordance with IFC’s Performance Standards #3 and #6. Additionally, an environmental risk map based on the MIA recommendations is developed to proactively identify and address environmental risks.





# Sustainability Goals for 2024

At Alsis Funds, our commitment to sustainability permeates every aspect of our operations. We aim not only to meet profitability expectations but also to ensure that our investments promote well-being and can be sustained over the long term. We prioritize improving the measurement and quantification of impact to enhance efficiency. Moreover, we emphasize the importance of inclusion, ethics, and congruence in all our actions, firmly believing that sustainability is an essential part of our corporate identity.

During 2023, we have defined six strategic axes that will serve as the foundation for guiding the implementation of improvement actions in ESG matters:



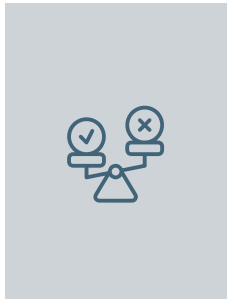
### Accountability

- Receive no notifications of ESG non-compliance in 2024
- Achieve 100% compliance in reporting by 2024



### Institutionalization

- Update and review 100% of institutional documents by 2024
- Update the majority of management processes in each area's manuals by the end of 2024



### Business Ethics

- Fully update the ethics system by 2024
- Train 100% of stakeholder groups, including those from financed projects, on the ethics hotline by 2024
- Open the ethics hotline to our suppliers



### Value Creation

- Conduct internal ESG training for all employees throughout 2024.
- Provide ESG training to all financed projects
- Account for the hours of training and advice provided to financed projects



### Transparency

- Ensure all valuable ESG documents comply with international standards and are publicly accessible
- Publish the Communication on Progress in alignment with the UN Global Compact requirements



### Environmental Action

- Participate in the UN Global Compact's Climate Ambition Accelerator to acquire essential knowledge and skills for setting emission reduction goals

# *06* About this Report

GRI: 2-3, 2-5 and 2-14



# Statement of Use

This report is designed to provide a comprehensive and detailed overview of our activities, underscoring our efforts in sustainability and our steadfast commitment to accountability. It covers the period from January 1, 2023, to December 31, 2023, and offers a summary of our initiatives, efforts, and achievements in environmental, social, and governance (ESG) performance.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB) standards, and the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). This adherence ensures that our reporting aligns with the best international practices in sustainability reporting and enables transparent disclosure of information of interest for investors and other stakeholders.

The information presented in this Sustainability and Impact Report was managed by the heads of the corresponding departments. Subsequently, it was consolidated and validated by our internal ESG team and received final approval from the Finance Managing Director and the Managing Partner, who reviewed and authorized its publication. Additionally, this report underwent external verification by Vert Desarrollo Sustentable, a firm specialized in sustainability reporting and compliance verification standards.

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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	Corporate Profile and ESG Approach	5 and 17
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	ESG Approach	17
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# GRI and SASB External Verification Letter



**Sustainability and Impact Report, 2023**  
**Independent External Verification Letter**

To the stakeholders of Alsis Funds, this document corresponds to the opinion of Vert, Desarrollo Sustentable (Vert), regarding the Sustainability and Impact Report 2023 of Alsis Funds.

The objective of Vert is to issue an independent verification regarding the contents of this report, taking as reference the standards of the Global Reporting Initiative 2021 and the Sustainability Accounting Standards Board applicable to the Asset Management and Custody Activities industry 2018.

**Verification Methodology:**

In order to have a complete understanding of the structure of the reports, Vert held meetings with the Alsis Funds Finance team (responsible for preparing the report in question) who, in turn, acted as a communication link with the other departments of the Company.

Furthermore, evaluations were conducted on the information collection mechanisms used to gather the numbers expressed in the content of the document, examining the qualitative and quantitative information included in this report.

Finally, the correct application of the topics was validated based on the Guidelines for the Preparation of GRI 2021 and SASB Standards applicable to the Asset Management and Custody Activities industry 2018, verifying their accuracy, traceability, and materiality, based on the material provided by Alsis Funds and its team, establishing the basis for compliance with the principles of accuracy, balance, clarity, completeness, comparability, timeliness, sustainability context, and verifiability in these and subsequent reports.

**Conclusions:**

As a result of the verification process, it was concluded that the Sustainability and Impact Report 2023 of Alsis Funds was prepared with reference to the GRI 2021 and SASB Standards applicable to the Asset Management and Custody Activities industry 2018. No evidence was found to suggest that compliance and adherence to the GRI and SASB methodology were not carried out adequately, nor that there are errors in the information presented or that any material topic was intentionally omitted.



Miguel Gonzalo Bermejo Rocher (Socio)  
GRI Certified Sustainability Professional -  
(based on the GRI Universal Standards 2021)  
Expedición: nov. 2023  
ID de la certificación: 88330479



Benjamín Salgado Pérez  
FSA Credential Level II Candidate

**About the Verification**

The associates of Vert possess the fundamental preparation to examine and validate the correct compliance with the necessary guidelines for the preparation and publication of Sustainability Reports, which allows them to express a professional opinion regarding the adherence of all non-financial content of the report to the GRI 2021 and SASB standards, based at all times on the principles of independence, objectivity, and confidentiality. Vert does not assume any commitment regarding the information collection processes implemented in this report. This verification is issued on June 28, 2024, and will remain valid as long as no modifications or subsequent publications are made after this date.



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