



Responsible Investment Policy

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1. DEFINITIONS

"Affiliate" Means, any person who, directly or indirectly, has control of or is controlled by said person or, together with said person, is under the common control of another person and with respect to natural persons, the spouse and any blood ascendant or descendant no degree limit.

"Board of Directors" It means, the supreme governing body of the Company.

"Company" It means, Promotora IGNIA S.C. "IGNIA".

"Compliance Area" It means, the area in charge of advising, supervising and executing compliance with the code Code and the other Integrity Policies of IGNIA that will act as Compliance Officer and will be made up of up to 3 members appointed by the Company's Board of Directors.

"Confidential information" Means, all the information of IGNIA or Third Parties, including that related to the business, operation and administration of it and its respective Affiliates, whether in writing, verbally or in any other way, including, but not limited to, those of a financial, accounting, operational and legal nature, trade secrets, information related to research and development, improvements, technical knowledge ("know-how"), concepts, designs, processes, techniques, products, services, equipment, ideas, writing, notes, business plans, marketing, promotion, advertising and marketing, price lists, personnel, customers and suppliers, results of analysis and tests, projections, information related to new projects or investments.

"Conflict of interest"

Conflicts of interest are those situations in which a person's judgment, in relation to their primary interests and the ethics and integrity of their actions, tends to be unduly influenced by a secondary interest, which is frequently economic. or personal; In other words, a person incurs a conflict of interest when instead of complying with what is due (ex. their functions and activities within IGNIA), they could guide their decisions or act for their own benefit or that of a Third Party (ex. friend or family member) .

"ESG"

They are Environmental, Social and Government criteria. It is a set of standards that incorporate criteria environmental, social and corporate governance in making decisions, through a responsible investment approach that allow investors to better manage risk and potentially, generate sustainable returns in the long term.

"IGNIA"

It means, jointly, the Company and its Subsidiaries.

"Members"

Means, employees, officers, directors, administrators, collaborators, representatives, proxies and members of the corporate bodies of IGNIA.

"Partner (s)" or "Shareholder (s)"

It means, the people who have a participation in the capital stock of the Company and have decision-making power depending on the percentage of their contribution.

"Responsible Investment Policy"

Means, this Code of Conduct, Ethics and Integrity; which is part of the Integrity Policies.

"Subsidiary (s)"

It means, the legal entities with respect to which the Company exercises Control.

2. INTRODUCTION

IGNIA was founded on the idea that business plays an important role in society. IGNIA's purpose is to empower companies that bring innovative business models to the emerging middle class of Mexico, promoting social and financial inclusion for the 72% of Mexico's population in the emerging middle class.

IGNIA understands that environmental awareness, social impact, and ethical governance are key to sustainable development in Mexico and the world. IGNIA strives to be an example in Latin America for high standards in the venture capital industry.

3. OBJECTIVE

At IGNIA we are convinced that incorporating ESG factors in our investment process and also in monitoring our portfolio companies contributes to the creation of value in them as well as risk management.

- IGNIA will pursue Environmental, Social, and Governance principles in all activities, both in the investment process and business operations.
- IGNIA will consider Environmental, Social and Governance factors throughout the investment process, from meeting with entrepreneurs and due diligence to valuations and exit strategies.
- IGNIA will expect portfolio companies to seek long-term value and consider social impact as part of the company decisions.
- IGNIA will continue to support and encourage ethical practices and sustainable development among its employees.

4. VISION

IGNIA is an avid promoter of incorporating ESG factors in VC investing globally, through the PRI. IGNIA's ESG factor implementation in their current and future funds will be held to the highest standards. IGNIA strives to create a more equitable world and through this network of world-class industry leaders, IGNIA will continue to strengthen ESG principles in investing.

5. REACH

Each and every one of the Members and those Third Parties who provide their services or collaborate with IGNIA at its different levels and areas are subject to the provision of this policy.

6. INVESTMENT OBJECTIVES

With extensive investing experience and a focus on understanding the Latin American consumer and SMEs market dynamics, trends and regulatory implications, IGNIA's leadership team is uniquely positioned to capitalize on the significant opportunities in industries such as fintech, SaaS, digital marketplaces, e-commerce and the gig-economy.

IGNIA investment objectives that take ESG factors/real economy influence into account

IGNIA's selection process and approval of investments include 9 rigorous steps:

1. Initial meeting with entrepreneurs
2. Internal pipeline meeting
3. Initial diligence
4. Investment Opportunity framework
5. Partners Committee
6. Summary of the terms and conditions "Term Sheet"
7. Investment Memorandum
8. Investment Committee
9. Documentation and final due diligence

During the initial Diligence (Step 3) IGNIA performs a deeper analysis of companies that show unique competitive advantages and fit with IGNIA's investment thesis, with the objective of analyzing the industry, competency, financials, product or service traction, and KPIs, together with sales and financial projections.

For the Investment Opportunity framework (Step 4) IGNIA drafts an internal document which includes details of the business such as: value proposition, industry, market, competitive advantages, business model, traction, strategy, team, financials, opportunity for IGNIA and potential risks. In the framework IGNIA includes a ESG section with the following questions:

- **Environmental:**

Does the company have an impact in CO2 emissions?

In which ways has the company tried to optimize their energy usage?

Is most of the company's documentation digitalized or is printing a frequent occurrence?

What are the company's public commitments towards sustainable development and corporate responsibility?

- **Social:**

What is the team's mix of diversity, gender, ethnicity, etc.?

Name the human resources policies. (Example: maternity & paternity leave, vacations, etc).

What is the company's employee retention rate? What are their recruitment policies?

Does the company provide performance reviews, and opportunities for professional development?

Is there a gender equality policy? An equal pay policy?

Is the team committed to the company's mission and vision? In which ways can the company encourage a mindset alignment from all levels, senior executives, and board members?

Are there any social opportunities that the company wishes to improve in the near future? If so, please mention them and ways to tackle them.

Is the company's employment structure in compliance with the law? For example, does the company employ outsourcing services?

How does the company want its team to evolve in the next 5 years?

Governance:

What are the company's Corporate Governance policies and procedures? What is the communication strategy for these policies? Is the team committed to them?

Does the company have a Code of Ethics?

Does the company have a Board, and what are the guidelines?

What are the existing reporting requirements in the market where the company operates?

Can the company make an effort to stay ahead of new regulatory developments in their industry?

Does the company board of directors' present interest in ways to improve the ESG performance of the company?

How does the company maintain and enhance its relationship with investors?

In case the investment is approved, IGNIA works on the legal, financial, and administrative due diligence, (Step 9) with the help of external service providers, in order to ensure that the interest and rights of IGNIA are preserved and identify potential contingencies, including ESG policies, that would have to be offset before the investment.

At the same time, a law firm appointed by IGNIA drafts all the closing documents reflecting the agreed-upon term sheet clauses and work on the legal documents required for the closing. Once all the documentation is signed, IGNIA can fund the investment.

INVESTMENT STRATEGY

Key components of IGNIA's investment thesis:

- Generate a balanced portfolio with investments in companies primarily focused on the Emerging Middle Class and SMEs.
- Invest in great market opportunities
- Invest in industries that we know and with entrepreneurs that develop platforms with great potential for scale.
- Invest in high-performance entrepreneurial teams.
- Invest in companies with proven traction and sound unit economics.
- Invest mainly in industries that satisfy the Emerging Middle Class and/or SMEs focusing on the following verticals: fintech, SaaS, marketplaces, gig Economy, e-commerce.
- Invest in businesses focused on the consumer (Business to Consumer "B2C" or Business to Business to Consumer "B2B2C") that demonstrate outstanding traction
- Build a diversified portfolio and take advantage of opportunities by investing a percentage of the portfolio in companies focused on socio-economic classes A or B and in models with a Business to Business or B2B focus
- Focus on companies located in Latin America or planning to tap into the Latin American market where we offer the most value-add
- Take advantage of opportunities and invest in companies outside of Latin America, to achieve a diversified portfolio, partnering with local co-investors.
- Capture the greatest economic value by investing in "early stage" - typically Pre-Series A, Series A and Series B
- Maintain reserves of 50% of the fund to pursue subsequent investments ("follow-ons") in the portfolio companies with better performance
- Continue to attract world-class co-investors to participate in investment rounds

VALUE PROPOSITION

IGNIA's goals are to identify promising entrepreneurs with scalable business models that deliver a better value proposition to the Emerging Middle Class and SMEs, invest in them in terms that are mutually beneficial, and guide and support them throughout their rapid growth, therefore helping them generate financial returns.

IGNIA's business model provides Portfolio Companies with much more than financial resources. Recognizing how challenging it is to develop a venture, IGNIA provides companies with resources to facilitate the fulfillment of its objectives and growth.

IGNIA offers entrepreneurs a powerful network that allows them to open doors and break bottlenecks.

Through its extensive knowledge and experience, the team supports its entrepreneurs with quality mentoring.

It is involved in companies' corporate governance, participating in the Board of Directors of Portfolio Companies and keeping track of their operational results and strategy, thus helping to implement better practices influencing the value generation.

IGNIA has extensive skills to support companies in their fundraising stages, and it is of great help when companies are attracting talent.

IGNIA seeks to participate on the Board of Directors of the Portfolio Companies (in Fund II, IGNIA participates in 17 of 25 companies' boards). In coordination with the Portfolio Company, IGNIA helps define its strategic direction.

On a monthly basis, the IGNIA team meets to closely analyze the operational and financial Key Performance Indicators (KPIs) of Portfolio Companies, comparing historical results against the budget to identify areas of opportunity where they can provide support.

7. GOVERNMENT

Good corporate governance improves overall performance and promotes trust between our investors, entrepreneurs and co-investors.

At IGNIA we promote to adopt best practices of corporate governance:

1. To build a strong, qualified board of directors and evaluate monthly performance of the company.
2. Create a dedicated team to ESG factors.
3. Monitor monthly operating and ESG KPIs.
4. Commit to a code of ethics.

8. ESG INCORPORATION

- a) **Generation of Opportunities:** As part of IGNIA's Investment Process, every capitalist partner is subject to a process of intelligence analysis type KYC (Know your Customer) to verify their alignment with IGNIA in terms of the philosophy and ethical principles established in the code. Therefore, IGNIA seeks investment companies with companies committed to the implementation and evaluation of ESG risks and opportunities.

- b) **Project analysis:** IGNIA incorporates in its Investment Process an ESG analysis carried out internally. This analysis includes, the review of regulatory compliance with the regulations on the environmental and social impact, as well as, a review of the risks and opportunities in ESG, including where appropriate, the recommendations to manage and develop a work plan based on best practices and principles of ESG.
- c) **Structuring:** IGNIA structures the investments with a corporate government that contemplates and protects the rights of minorities, through the signing of an agreement between shareholders and, if necessary, modification of the bylaws of the promoted company, where the right of at least IGNIA to: (i) participate in corporate governance, (ii) have the right to cast a vote to resolve fundamental matters, (iii) appoint the Commissioner or other positions on the Board of Directors or Committees, as appropriate, (iv) agree on a process for the resolution of fundamental business disagreements, and (v) establish rules for the transfer of shares (preemptive rights), among others.
- d) **Monitoring:** IGNIA participates actively, constantly and proactively in the governing body of the promoted companies, and promotes the implementation of responsible investment policies and the preparation of plans to mitigate potential risks and to manage and develop opportunities in this area, with in order to promptly monitor ESG factors in project management.

ESG PRINCIPLES

Environment

Regarding investment and internal decisions' impact on the environment, IGNIA will pursue the following:

- Limiting harmful environmental pollution
- Responsible management of waste disposal
- Efficient use of natural resources
- Use of suppliers that demonstrate environmentally sustainable practices
- Compliance with all environmental and social regulations

Society

IGNIA's investment thesis includes heavy emphasis on social impact. Regarding investment decision impact on society, IGNIA will consider the following:

- Working conditions of employees, including compensation, working hours, and safety
- Abolition of forced and compulsory labor, including child labor
- Business processes free from unfair discrimination
- Impact on local and global community
- Inclusion of women entrepreneurs

Within internal operations, IGNIA will seek the following:

- Inclusion and promotion of women in the workplace
- Eliminating discrimination based on race, ethnicity, gender, sexual orientation, age, religion, disability, or nationality.
- Effective implementation of IGNIA's PDP (Personal Development Plan) policy
 - o Individual development plans are created for each team member
 - o Semi-annual reviews
 - o Day-to-day personal and professional development under a mentor

Governance

To ensure ethical standards are met, IGNIA will conform to the following:

- Acceptance of governance and advice, independent of race, ethnicity, gender, sexual orientation, age, religion, disability, or nationality.
- Absence of any form of corruption within IGNIA or portfolio companies
- Generally accepted guidelines for corporate governance
- Effective governance of portfolio companies
- External audits where applicable
- Honest transparent communication with all relevant stakeholders
- Implementation of IGNIA's Code of Ethics*

*IGNIA has a Code of Ethics which all employees are required to sign, along with a Code of Ethics specifically for the entrepreneurs of the portfolio companies that is signed prior to investment. This Code of Ethics includes topics regarding values, promotion of diversity, confidentiality of information, and environmental issues, among others.

EXCLUSIONS

IGNIA does not invest in the following sectors or activities:

- Any activity involves the manufacture and sale of weapons or related to its manufacture indirectly
- Mining or trading rough diamonds
- Artisanal mining: mining using rustic tools normally without regulation

- Production of chemical weapons
- Manufacture, storage and transportation of persistent organic pollutants
- Nuclear energy related activities
- Illegal logging and subsequent marketing of wood and forest products related
- Sites listed by UNESCO as world heritage sites
- Protected natural areas
- Activities or projects in the energy sector within or adjacent to sites listed by UNESCO as world heritage sites

COMPETENCE DEVELOPMENT

IGNIA encourages the participation of the entire team in ESG events and panels so that all can gain additional knowledge and give added value, while working together towards our goal.

IGNIA's policies are aligned and encourage the correct incorporation of ESG factors. The ESG Team and other employees involved in the implementation and compliance of this Policy will be evaluated annually in that sense.

WEBSITE

www.ignia.vc

CONFLICT OF INTERESTS POLICY

Private interests and IGNIA's interests must be kept strictly separate. Therefore, all Members must avoid situations that may lead to a conflict between their personal interests and those of IGNIA. All Members must carry out their activities and functions inherent to their positions and positions, always for the benefit of IGNIA, putting, at any time, the legitimate interests of the latter over their individual, third party or any other interests.

Integrity and loyalty are also essential when it comes to the private activities of IGNIA Members. All Members must ensure that any parallel activity has been previously approved by their hierarchical superior or by the Compliance Area if such activities may create a conflict with current or contemplated activities by IGNIA.

When there is kinship or interpersonal relationships between IGNIA Members, investors and suppliers, the related Member (s) must declare such a situation to the Compliance Area.

All Members must inform, immediately and in writing, the Compliance Area of any relationship or commercial operation of IGNIA with a person or company in which the Member has a direct or indirect interest, or even if said relationship or operation could (i) create a conflict of interest, (ii) affect any action or decision of the Member, or (iii) appear to be a possible misconduct or act of corruption. Unless otherwise provided by the Compliance Area, the Member who is in such a situation must invariably excuse himself from participating in the investment, operation, bidding or transaction in particular, as well as participating in decision-making regarding such activities or transactions.

REPORTING / DIVULGATION AND PROMOTION

IGNIA will make this Policy, and its updates, available to the public through its internet page for their knowledge and consultation. In the case of the team Members, this Policy will be disseminated through the ordinary and electronic means of communication that are deemed pertinent.

Also, IGNIA promotes incorporation of obligations related to the best ESG practices in its portfolio companies, and is committed to make it's PRI annual report publicly.

INTERNAL FOLLOW UP

ESG TEAM

IGNIA's Responsible Investment Policy and objectives for its Responsible Investment activities will be set and reviewed annually by the ESG team along with PRI, and will be circulated and disclosed, as well as any update to it. The ESG team will attend PRI's courses and panels throughout the year.

IGNIA

Whole IGNIA team will report ESG information from the portfolio companies on a quarterly basis.

COMMITMENT AND ACCEPTANCE

By signing this policy I acknowledge (i) that I have read and understood the content and scope of the policy" (ii) that I should approach my superior and/ or Compliance Area if I have any questions about the Integrity Policies. and (iii) know the internal complaint mechanisms.

As a member of IGNIA I agree to carry out my activities or services in accordance with this policy and other IGNIA policies.

Como Integrante de IGNIA me comprometo a desempeñar mis actividades o prestación de servicio de conformidad con la presente política y demás políticas de IGNIA.

