



LEA 02	Monetary	Gateway
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> To engage investor ESG objectives</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> To engage investor ESG objectives</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service providers</li> </ul>

# RI TRANSPARENCY REPORT

## 2020

Ainda, Energia & Infraestructura

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	✓	Private							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Private							✓
OO INF 03	Largest infrastructure sectors	✓	Private							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	✓	Private	✓					✓	
INF 02	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 04	Formal commitments to RI	✓	Private				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Private	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
INF 09	ESG issues impact in selection process	✓	Private	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Private		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	🔒	n/a		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	✓	Private	✓		✓				
INF 19	Approach to disclosing ESG incidents	✓	Private						✓	
INF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Ainda, Energia & Infraestructura

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Ainda Energía & Infraestructura (Ainda) is the general partner of a private equity fund engaged in the conceptualization, design, implementation and operation of investment opportunities in the Energy and Infrastructure sectors in Mexico. The fund is set as a listed private equity fund (Certificates of Development Capital), a structure established in 2006 by the Mexican regulator to allow pension funds (Afores) and other institutional investors to participate in private equity opportunities.

According to our investment strategy we can invest in the following industries: transport, including toll roads, airports and ports; water, mainly in public concessions and energy, including oil and gas, renewables and conventional power. So far we have invested in a toll road asset. At the present time we are pursuing other deals related to another toll road, a company providing ITS services in the transport sector, a water utility and several renewable and oil and gas projects.

It is important to highlight that Mexican regulation requires private equity funds with money from pension funds, to be listed in the Mexican Stock Exchange, therefore Ainda, as the GP of the listed fund AINDACK18, is subject to governance and transparency regulation at the level of a listed company.

In order to comply with this regulation Ainda has created a robust corporate governance, formed by:



- A **Technical Committee** in which investors must discuss and approve any relevant decisions related to the trust, including investments. The Technical Committee includes five experienced independent members proposed by Ainda that have to be approved by investors.
- An **Investment Committee** with experienced independent members (mostly others than those involved in the Technical Committee) that prefilter opportunities to the Technical Committee

Besides, the GP received a 22% capital raise from Proeza, an international conglomerate based in Monterrey, who contributes with valuable experience in corporate governance policies and chairs the Audit and Compensation Committees, as well as the Board of Directors. Both Committees include independent advisors as well.

It is also important to highlight that independent board members that participate in the two aforementioned committees of the CKD (Technical and Investments) have very relevant trajectories in the industry, offering highly experienced opinions with a mix of local and international knowledge. We have 8 independent board members:

#### 1. Fernando Gomez Mont:

- Currently, Partner at Zinser, Esponda y Gómez-Mont
- Former Minister for the Interior, Government of México
- President of the Justice Commission, Mexican Federal Congress
- Federal Congressman
- Member of the National Executive Board and the Political Commission of Partido Acción Nacional
- Founding Partner at ADP
- Bachelor's Degree in Law from Escuela Libre de Derecho

#### 2. Enrique Barón Crespo

- Currently, President of the International Yehudi Menuhin Foundation and the European Foundation for the Information Society
- President of the European Parliament
- Former Minister of Transport, Tourism and Communications of Spain
- Member of the City Council of Madrid
- Order of the Aztec Eagle,
- Ph.D. in Law, Universidad Complutense de Madrid
- Bachelor's Degree in Business Administration from ICADE and ESSEC

#### 3. Ginger Evans

- Currently CSO at CAG Holdings, a Carlyle Company
- CEO at Reach Airports Arlington Virginia
- Director of Chicago O`Hare airport
- VP at Parsons Corporation
- Led design& construction of Denver International Airport
- Aviation Director at Denver International Airport
- B.Sc. and M.Sc in Civil Engineering, Colorado State University

#### 4. Louis Ranger

- Currently Corporate Director at OAG
- Former Transport, Infrastructure and Communities Vice Minister, Canada
- Board Member of Canada Mortgage and Housing Corporation
- Excellence Award for Public Service
- B.Sc. and M.Sc. in Economics, Ottawa University and Montreal University

#### 5. Raúl Livas

- Currently Partner at ST Energía
- Corporate Planning Director at PEMEX
- Director of Pemex Petroquímica

- Head of the Energy Policy Unit, SENER
- General Director at MXV Capital Ventures
- National Economics Award
- Ph.D. in Economics from MIT
- B.Sc. in Economics from ITAM

#### 6. Guillermo Guerrero Villalobos

- CEO at DIRAC
- Construction Under Director at Renovación Nacional
- CEO at CFE and LyFC
- Director at CONAGUA
- National Civil Engineering Award
- Civil Engineer from Instituto Politécnico Nacional, Mexico

#### 7. Louise Goeser

- Currently, Board Member of Talen Energy Corporation, MSC Industrial Direct Co. and Seguros Monterrey NY Life
- President and Executive Director at Siemens Mesoamérica
- Quality Global Vice President at Ford Motor Co.
- MBA, University of Pittsburgh
- B.Sc. In Economics, Penn State

#### 8. Luis Robles Miaja

- Currently, Director Partner at Robles y Zaldívar and Institutional Advisor in Bolsa Mexicana de Valores
- Chairman of the Board, BBVA Bancomer
- Executive President of the Mexican Banking Association
- B.Sc. In Law from Escuela Libre de Derecho

Finally, in order to comply with transparency regulation on CKDs, Ainda has the support of the following third parties:

- Fiduciary: Manages investor funds (INVEX)
- Investor Representation: Monitors fiduciary operations (CI Banco)
- External Auditor: Audits financial statements of the trust (EY)
- Independent Valuator: Provides a third-party valuation of the assets in the trust (Deloitte)
- Administrative Services: Backoffice functions (IGNIA)

OO 02	Mandatory	Public	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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Mexico

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

**OO 02.3** | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

16

**OO 02.4** | Additional information. [Optional]

The regulation of the CKDs (Certificates of Development Capital) limit the fund to focus solely on investment opportunities in Mexico.

**OO 03** | **Mandatory** | **Public** | **Descriptive** | **General**

**OO 03.1** | Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 03.3** | Additional information. [Optional]

We are currently invested in a highway in the north of Mexico in which our strategic partner is PINFRA, the most experienced private highway operator in the country.

As part of our commitment to PRI we are working on the implementation of responsible investment practices during the construction and operation of the asset, and this has helped us to properly identify and manage ESG risks.

Some examples of RI actions that are being currently implemented at the project are: (i) GHG (define) measurement, (ii) reforestation, and (iii) rehabilitation of local roads, among other actions that are further addressed below in the document.

**OO 04** | **Mandatory** | **Public** | **Gateway/Peering** | **General**

**OO 04.1** | Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** | Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM			931	000	000
Currency	MXN				
Assets in USD			47	568	576

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1**

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	100	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

 as broad ranges**OO 06.2**

Publish asset class mix as per attached image [Optional].

**OO 06.3**

Indicate whether your organisation has any off-balance sheet assets [Optional].

 Yes No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

**OO 06.6** Provide contextual information on your AUM asset class split. [Optional]

The AUM reported consists of the construction, operation and maintenance of the 50 km toll road section between La Gloria and San Fernando of the highway that connects Monterrey with Nuevo Laredo, in northern Mexico, during a concession period of 30 years. The project also includes the improving and maintenance of a federal toll-free road that runs parallel to the toll section.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.



**OO 09.2** Additional information. [Optional]

The regulation of the CKDs (Certificates of Development Capital) limit the fund to focus solely on investment opportunities in Mexico.

### Asset class implementation gateway indicators

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Infrastructure

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12

Mandatory

Public

Gateway

General

OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Infrastructure

Closing module

- Closing module

# Ainda, Energia & Infraestructura

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Ainda pursues investments with financial returns above market by identifying and managing risks and developing opportunities to increase project value in the medium-term. The six pillars of our strategy are:

1. Execute actions that trigger increased returns
2. Optimize fee structures to maximize returns
3. Seek projects with wide margins and operative/commercial efficiencies
4. Improve and optimize the financial structure.
5. Create platforms that facilitates investment exits.
6. Launch adjacent businesses that create synergies with the core project

Ainda's fiduciary duty is to execute long term sustainable investments (fund's life span is 15 years. The main ESG factors of our strategy are:

7. Incorporate internal and third party ESG analysis into the investment process
8. Solid corporate governance at the GP level that is replicated in the SPV's
9. Internal Code of Conduct and Ethics that protects investor interests by including PRI
10. Internal performance evaluation that includes the identification of ESG risks and opportunities.
11. Promoting the adoption of UNPRI by participating in forums and workshops
12. Develop a RI Program with involvement of its whole staff
13. ESG Benchmarking through GRESB
14. Incorporating UNPRI and ESG in the SPV's

It is relevant to mention that Ainda was one of the first signatories of UNPRI in Mexico.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Ainda has a publicly responsible investment policy in its placement document (Prospecto de Colocación), its web page and its corporate presentation published in the web page. As part of the regulation of CKDs in Mexico, Ainda is subject to reporting and transparency policies set by the Mexican Stock Exchange, therefore we have no variations or exceptions to the RI policy and ESG risk identification described above.

As mentioned earlier, the key elements of the RI policy that Ainda has are:

### **1. Internal and third party ESG analysis into the investment process**

ESG risk analysis consists first on the surveillance conducted by external lawyers, seeking full compliance with all applicable permits related to environmental and social impact, typically known as MIA and EVIS, respectively. In a second stage Ainda, (alone or in conjunction with its potential partner(s)) hires an external ESG assessment in order to analyse environmental and social risks and develop a mitigation plan.

### **2. Solid corporate governance at the GP level that is replicated in the SPV's**

Under the terms of our investment contracts, Ainda undertakes all necessary efforts, research, and analyses of all available information to ensure that sound investments. Ainda evaluates the feasibility of each project in accordance with international best practices in the private equity sector. Once Ainda has concluded all its analyses, it presents the results of its assessments to the corporate governance bodies, which decide whether to approve the investment or not. Its corporate governance bodies include an internal Audit Committee, an Investments Committee and a Technical Committee, with independent members and LP's (some of which are UNPRI signatories as well). Therefore, besides internal analyses performed as part of Ainda's investment process, ESG risks and opportunities in its projects are subject to independent assessments and monitoring.

On top of the corporate governance that a listed fund as Ainda has to have, we have Proeza as a partner, an international conglomerate that contributes with an extensive local and global experience in the management of social and environmental risks (Proeza operates manufacturing plants in XX countries), as well as through their participation in the Audit and Compensation Committees

### **3. An internal Ethics and Conduct Code that protects investor interests by including PRI**

All employees must sign the Ethics and Conduct Code and thus accepting to implementation and enforcement PRI. Employees must renew their adherence to said Code each anniversary.

**4. Internal performance evaluation that includes ESG risks and opportunities identification.**

Ainda's compensation policy establishes that each fund employee must be evaluated in terms of her/his performance in each of the investment processes in which he/she participates during the evaluation period. Ainda's investment process includes ESG risk and opportunity identification. Annual bonuses are defined in terms of the annual performance evaluation.

**5. Promoting the adoption of UNPRI by participating in forums and workshops**

Ainda's C-level employees have participated in almost every forum that PRI has organized in Mexico. Additionally, staff level have joined and contributed in different workshops with current and potential signatories as well. Besides, Ainda's C-level employees often join the most prestigious panels in the industry, through which they continually reinforce ESG messages, following up through social media posts.

**6. Developed a RI Program that involves all Ainda's staff**

Ainda developed a Responsible Investment Program that involves all its staff, having in mind compliance of all responsible investment principles, with reviews and updates every quarter.

**7. ESG Benchmarking through GRESB**

As a result of a recommendation made by UNPRI, beginning 2020, Ainda is joining GRESB which will help us identify ESG risks and opportunities.

**8. Incorporating UNPRI and ESG in the SPV's**

Ainda is a hands-on investor which actively participates in the administration and governance bodies of the portfolio companies (SPVs). We are ensuring that the companies implement PRI by including specific commitments in all relevant documents of the transactions (SPA, SHA, among others). Moreover, Ainda and/or its partners ensure that the SPV or equivalent figure is properly staffed with the necessary resources who will be responsible for monitoring compliance with ESG principles and with the recommendations provided in the third-party assessments. We also ensure that third parties involved in the project, such as EPC and O&M contractors, include ESG policies in their key processes and incorporate proper talent in their staff to manage and mitigate ESG risks.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
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<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

<http://ainda.mx/responsabilidad/>

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

URL

<http://ainda.mx/responsabilidad/>

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

Attachment (will be made public)

Attachment

[File 1:2020.02.07 Presentation AINDA.pdf](#)

Fiduciary (or equivalent) duties

Asset class-specific RI guidelines

URL/Attachment

URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

- Attachment (will be made public)
- Sector specific RI guidelines

URL/Attachment

- URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment

URL/Attachment

URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

Attachment

File Attachment

[Estructura Organizacional PRI.pdf \[208KB\]](#)

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

Attachment

File Attachment

[2020.02.07 Presentation AINDA.pdf \[1551KB\]](#)

Active ownership approaches

URL/Attachment

URL

URL

<https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>

Attachment

Reporting

URL/Attachment

URL

URL

<http://ainda.mx/pri/>

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

Our three main public communication channels are:

- Investment Prospectus <https://www.bmv.com.mx/docs-pub/prospect/AINDACK-prosp21-13032018-124716-1.pdf>
- Website <http://ainda.mx/en/?lang=en>
- Corporate Presentation <http://ainda.mx/investor-relations/?lang=en/#documents>

SG 03	Mandatory	Public	Core Assessed	General
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

The relationship between the GP and its clients, investors, partners or promoted companies may imply potential conflicts of interest. To avoid these, according to the contract with our investors, the GP must disclose all potentially affected parties in any potential conflict of interest, and it must allow the governing bodies to resolve the conflict of interest according to their attributions and independence.

None of the beneficiaries may use its position or influence within the GP to carry out business activities with (i) family members, or (ii) any organization or company in which a member of the beneficiaries' family is part of and (iii) any person who has a conflict with the interests of the GP.

Additionally, one of our shareholders is a large private industrial conglomerate (Proeza) based in Monterrey, Mexico, which provides guidance and support to the normal operation of our governance system and which also helps monitor and solve potential conflicts of interest. Through this relationship, Ainda has been given access to a third-party provider of a confidential "hotline", which allows employee or other stakeholders to transparently disclose potential conflicts of interest.

No

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2** Additional information. [Optional]

Our Responsible Investment policy requires that a progress report on ESG topics is presented at least quarterly to the Audit Committee.

## Governance and human resources

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 07.1** Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)



Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Engineering and Compliance,**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Board members or trustees: Ainda (as a secondary trustee) applies ESG analyses aligned to best practices (ILPA and UNPRI) to identify and manage investments.

Board members and the trustees in first place (pension funds) oversee and are accountable for the full investment process through the respective Corporate Governance bodies, including the Investment and Technical Committees and the Board of Directors. Investment and Technical Committees are called on an as-needed basis, but we have had at least three per year.

On the other hand, Ainda as GP has its own Board of Directors, as well as Audit and Compensation Committees that hold meetings every quarter. Proeza, as partner of Ainda, chairs the Board and both committees. According to

our RI investment policy, ESG topics must be presented quarterly to the Audit Committee, and yearly performance reviews of the staff are reviewed and approved by the Compensation Committee, including ESG aspects

The investment process followed by Ainda consists of the following five stages. It is publicly available in our web page and in the placement prospectus:

### **1. Opportunity generation**

- Frequent contacts with companies in order to search for sources of capital
- Presence in forums relevant to the sectors, including all those related to ESG or RI.
- Approaches to different managing teams in each sector.
- Leveraging contacts of Committee members
- Generation and negotiation of new ideas, developing and entering strategic alliances that render strategic control and competitive advantages.
- Analysis and presence in governmental development plans.
- Development of a technical brief for a project, to find out whether it complies with basic eligibility criteria

### **2. Analysis**

- Analysis of business models to reflect them on a financial model.
- Market and geographic location analysis.
- Evaluation of investments and opportunities to create value.
- Risk identification and management.
- Environmental, social, and corporate governance considerations through third-party evaluations.
- Determination of assumptions and sensitivity analysis.
- Selection of base cases and upsides.
- Compilation and review of background from partners or shareholders of companies and projects. \*This is very important when selecting the adequate partner in a project, as we have rejected projects in which the partner does not have a proper ESG risk management record.
- Possibility of exiting from an investment.
- Technical and business peer review by alliance members.

### **3. Structuring**

- Production and negotiation of investment contracts and shareholders agreements
- EPC structuring and contracts with optimal offtakers.
- Creation of solid work teams.
- Defining capital structures and ways to participate in trusts.
- Incentive schemes for partners, investors, and operators.
- Options for optimization of tax strategies
- Compilation of a closing information binder.
- Inclusion of planning in adequate monitoring.

### **4. Monitoring**

- Active participation in governance bodies of the promoted companies.
- Following up the defined strategy to ensure operational and financial metrics.
- Monitoring by means of project management methodologies.
- Reviewing of annual budgets.
- Improvement of management processes and systems.
- Development of new businesses.
- Relation with regulatory authorities and local governments.
- Ensuring compliance with regulations, standards, conduct codes, and international standards.
- Reviewing of environmental, social, and corporate governance implications.

### **5. Exit**

- Sale process with two parties or a limited number of participants.
- Conversion of debt into equity or the other way around.
- Mergers with companies

As mentioned before, the experience and knowledge of our board members (whose experience is described in question OO 1.2) bring to the Investment and Technical Committees is very important to make our Corporate Governance bodies and have them add value to Ainda’s investment decisions.

C-level staff oversee and are accountable for the full investment process on a day to day basis. They are also responsible of defining guidelines to implement ESG policies and to present results to the Investment and Technical Committees, as well as to the Audit and Compensation Committees, and to the Board of Directors.

Within Ainda, all the professional staff is responsible for the analysis, structuring, monitoring and exit in each of the projects. This staff includes its investment analysts, Portfolio Managers, Head of Engineering, Head of Compliance, and Head of Investor Relations. According to our investment process, RI must be considered in each of these stages so that everyone in the company has implementation responsibilities.

Accountability for all the staff is enforced through our compensation policy which establishes that annual bonuses and increase in salaries are in line with the annual performance evaluation which is based on each of the elements of the investment process (origination, analysis, structuring, monitoring and exit). It is also enforced through the commitment with an Ethics and Conduct code in which staff is committed to incorporate ESG risks and opportunities in the analysis.

Additionally, Ainda has an RI team who is responsible for elaborating RI execution plans and goals in Ainda. This team is also responsible for the oversight of RI implementation throughout the company. It is important to mention that this team is cross-sectional, including members of different functions within the company (i.e. finance, legal, compliance, engineering, etc.).

Besides, in line with transparency policies adopted from our partner Proeza, Ainda has an anonymous transparency line through which anyone can report any mismanagement taken in the investment process, including ESG topics.

Finally, Ainda also ensures compliance of ESG practices through 3rd parties, including for example:

Service providers. Ainda requires third party ESG assessment in the analysis and monitoring of investments.

Fiduciary Manager: In compliance with the regulation of CKDs in Mexico, Ainda hired a third-party fiduciary that manages through a trust the proceeds from the fund. The fiduciary attends the Technical Committee and is fully accountable in its duties.

Investor Representative: The fund was placed through the Mexican Stock Exchange and investors have to be represented by a third-party entity. The trust hired Evercore, one of the best brokerage houses in Mexico, whose duty is to look for investor’s interests. Therefore, Evercore (now CI Banco) oversees any relevant decisions taken in relation to the funds in the trust.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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Number
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12

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Ainda played an advanced role during 2019:

- Participation in forums and events organized by UNPRI
- Participation as speakers in different forums organized by UNPRI
- Promotion of ESG principles within Infrastructure forums organized by 3rd parties
- Participation in meetings with existing and potential signatories

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Ainda is currently in evaluation fund process.

- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

**Institutional Limited Partners Association**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In terms of transparency, asset valuation, investment analysis and compliance meetings with shareholders, Ainda adopted the Institutional Limited Partners Association (ILPA) standards to align incentives and give assurance to investors.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10

Mandatory

Public

Core Assessed

PRI 4

**SG 10.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2**

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

Description

Every year Ainda participates in an executive course at Instituto Tecnológico Autónomo de México where we include RI topics in energy and infrastructure in the syllabus of the course.

In addition, top managers regularly participate in specialized conferences and seminars during which they disseminate PRI concerns and promote their adoption by wider communities.

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
  - Spoke publicly at events and conferences to promote responsible investment

Description

Participation as speaker in different forums organized by UNPRI  
Participation in meetings with other existing signatories

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

### Description

Participation in meetings with potential signatories

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

### Description

Ainda has participated in several previously mentioned workshops

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

## Outsourcing to fiduciary managers and investment consultants

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

## SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

## SG 12.4

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation

Describe how responsible investment is incorporated

The external assessments hired by Ainda provide a detailed description of the main environmental and social risks related to the asset under study.

- Investment research
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

## SG 12.5

Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- Including responsible investment as a standard agenda item at performance review meetings
- Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- Reviewing the impact of ESG factors on financial performance
- Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- Including responsible investment criteria as a formal component of overall manager performance evaluation
- Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- Reviewing how ESG materiality is defined by the fiduciary manager
- Other general aspects of your monitoring; specify
- We do not consider responsible investment in the monitoring processes for fiduciary managers.

## ESG issues in asset allocation



SG 13	Mandatory	Public	Descriptive	PRI 1
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**SG 13.1** Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

In order to assess ESG factors, Ainda performs various sensitivity analyses of strategic variables that could have a substantial impact on IRR.

- Yes, in order to assess future climate-related risks and opportunities  
 No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes  
 Determining fixed income duration  
 Allocation of assets between geographic markets  
 Sector weightings  
 Other, specify  
 We do not consider ESG issues in strategic asset allocation

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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**SG 19.1** Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Infrastructure

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.  
 We disclose to clients/beneficiaries only.  
 We disclose to the public

	<b>Disclosure to clients/beneficiaries</b>
	<div data-bbox="288 309 1447 367" style="background-color: #0070C0; color: white; padding: 2px;">Disclosure to clients/beneficiaries</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> ESG information on how you select infrastructure investments</li> <li><input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments</li> <li><input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance</li> </ul>
	<div data-bbox="288 542 1447 600" style="background-color: #0070C0; color: white; padding: 2px;">Frequency</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>

# Ainda, Energia & Infraestructura

## Reported Information

Public version

Direct - Infrastructure

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

INF 02	Mandatory	Public	Core Assessed	PRI 1-6
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**INF 02.1** Indicate if your organisation has a responsible investment policy for infrastructure.

Yes

**INF 02.2** Provide a URL if your policy is publicly available.

<http://ainda.mx/pri-principles-for-responsible-investment/?lang=en>

No

## Fundraising of infrastructure funds

INF 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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**INF 03.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**INF 03.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**INF 03.3** Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

As mentioned before, Ainda's fiduciary duty is to execute long term sustainable investments. Our organization refers to RI in the fund placement documents by stating that it will incorporate ESG factors throughout the investment process, and this is ensured by its solid internal governance structure. Details of these aspects have been explained in section INF 01.1.

No

Not applicable as our organisation does not fundraise

## Pre-Investment (Selection)

INF 05	Mandatory	Public	Gateway	PRI 1
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INF 05.1

Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.

Yes

INF 05.2

Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.

We consider ESG issues when first reviewing potential opportunities. The results of these analyses are assessed by our Committees in order to select opportunities with the best risk-return profile.

Investment strategy:

2. Analysis

- Careful due diligence of the potential partner in the project by choosing companies with the highest performance and ethics standards in the industry.
- Analysis of corporate governance structure in the SPV in order to avoid potential conflicts of interest and KYC risks
- Assessment and mitigation of potential environmental and social risks, such as hurricanes, floods, earthquakes, social outbreaks and blockage of toll plazas, among others
- Hire a third-party study for ESG risks and opportunities assessment
- Internal and third-party review of applicable environmental and social permits
- Use of GRESB standards and metrics to evaluate ESG risks

No

INF 07

Mandatory

Public

Core Assessed

PRI 1,3

INF 07.1

Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

**ESG issues**

Environmental

List up to three typical examples of environmental issues

Risks related to climate disasters, i.e., hurricanes, earthquakes, floods

Red flags for environmental permit issuance

Water scarcity and water contamination

Social

List up to three typical examples of social issues

Opposition to rights-of-way acquisition for linear energy and infrastructure projects (for example, toll-roads, transmission lines, pipelines, etc).

Blockages of toll plazas in toll roads.

land use requirements

Governance

List up to three typical examples of governance issues

Possible conflicts of interest with stakeholders

Alignment of stakeholders interests

Participation of independent institutions to help resolve conflicts

## Selection, appointment and monitoring of third-party infrastructure operators

INF 10

Mandatory

Public

Core Assessed

PRI 4

INF 10.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

Yes

INF 10.2

Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- Selection process of third-party operators incorporates ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Contractual requirements when appointing third-party operators includes ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Monitoring of third-party operators covers ESG responsibilities and implementation
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators

INF 10.3

Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]

As part of our internal policies, Ainda hires a third-party to perform an intelligence market analysis (including but not limited to a Know-Your-Customer or "KYC" analysis) with the purpose of identifying any potential conflicts with regards to bribery and mismanagement of ESG risks, among others. This is performed for potential equity partners (both on an individual or enterprise level) and operators. Ainda is very selective with this criterion, in order to have the best partners and operators in the market.

In addition, Ainda requires all third-party operators to explicitly include the evaluation and attention of ESG issues in their processes. Ainda also includes best efforts from both parties in the contract to comply with UNPRI principles. We also require that the operators include talented staff to manage and mitigate risks related to environmental, social and governance issues.

Ainda also ensures that the SPV or equivalent figure is properly staffed with the necessary resources to monitor ESG risks and opportunities in line with recommendations provided by the external auditor.

INF 10.4

Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]

In the case of the highway asset we are currently invested in northern Mexico, our partner and project operator is PINFRA, the largest private highway operator in the country. Therefore, their management is experienced in identifying and mitigating ESG risks. For example:

**Social**

- PINFRA has relevant experience in managing community relations. In our project they are currently recycling construction materials to rehabilitate local roads for the benefit of adjacent communities
- Average employee compensations are 350% above the minimum wage.

**Environmental**

- PINFRA has implemented a GHG emission measurement system that is allowing the company to meet carbon emission reduction goals.
- The design of toll plazas includes water recycling systems.
- PINFRA is reforesting 124 hectares in the region.
- Since the asset is somewhat exposed to hurricanes, a so-called "culvert design" has enhanced their capacity to increase project resilience to this risk.

**Governance**

- The O&M and SHA contracts include commitments to implement PRI and to continuously monitor and measure ESG risks and opportunities.
- Ainsa also has a robust corporate governance structure (minority rights, reserved matters, etc..) in the SPV that prevents bribery risks and conflicts of interest.

No

**Post-investment (monitoring and active ownership)**

**Overview**

INF 11

Mandatory

Public

Gateway

PRI 2

INF 11.1

Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

Yes

INF 11.2

Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

<b>INF 11.3</b>	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]
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As previously mentioned, Ainda and PINFRA undertake the following actions in its AUM in northern Mexico:

**Social**

- PINFRA has relevant experience in managing community relations. In our project they are currently recycling construction materials to rehabilitate local roads for the benefit of adjacent communities
- Average employee compensations are 350% above the minimum wage.

**Environmental**

- PINFRA has implemented a GHG emission measurement system that is allowing the company to meet carbon emission reduction goals.
- The design of toll plazas includes water recycling systems.
- PINFRA is reforesting 124 hectares in the region.
- Since the asset is somewhat exposed to hurricanes, a so-called "culvert design" has enhanced their capacity to increase project resilience to this risk.

**Governance**

- The O&M and SHA contracts include commitments to implement PRI and to continuously monitor and measure ESG risks and opportunities.
- Ainda also has a robust corporate governance structure (minority rights, reserved matters, etc..) in the SPV that prevents bribery risks and conflicts of interest.

Ainda has a hands-on approach in the assets that we manage. Therefore, we actively participate in the SPV's board meetings and, as part of our commitment with PRI, we push the RI agenda of the SPV in which we are currently invested. Among the actions we are taking as board members is the recommendation that the SPV develops capabilities to focus primarily on following-up the ESG actions and goals previously mentioned. This team must have a performance evaluation and incentive system based on ESG issues.

No

**Infrastructure Monitoring and Operations**

<b>INF 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>INF 12.1</b>	Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.
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- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

<b>INF 12.2</b>	Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
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- Environmental



List up to three example targets per issue

Greenhouse gas emissions  
Number of reforested hectares  
Liters of water reused

Social

List up to three example targets per issue

Number of new jobs created  
Number of business in the rights of way created  
Kilometers of local roads new or restored

Governance

List up to three example targets per issue

Percentage of RI goals achieved  
Number of staff dedicated to ESG issues  
ESG meetings per year

We do not set and/or monitor against targets

INF 13	Mandatory	Public	Additional Assessed	PRI 2
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**INF 13.1** Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**INF 13.2** Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- >0% and <10% of infrastructure investees
- 0% of infrastructure investees

(in terms of number of infrastructure investees)

**INF 13.3** Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]

Our organization is engaged in the management of the invested assets by actively participating in Board meetings with voting rights and promoting the systematic monitoring of ESG issues.

For example, in the case of the highway asset we have in northern Mexico, ESG issues and related actions are reviewed at the quarterly Board meetings.

No

## Infrastructure Maintenance

<b>INF 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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### INF 15.1

Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.

- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

### INF 15.2

Describe your approach to ESG considerations for infrastructure maintenance projects.  
[Optional]

Our investment policy do not include infrastructure maintenance projects.

# Ainda, Energia & Infraestructura

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)