

	POLICY FOR RESPONSIBLE INVESTMENT						
	CODE:	RIN-SOS-005	VERSION	December 2020	PREPARED BY:	Regulatory	PAGE:



RESPONSIBLE INVESTMENT

FUNO® plays a relevant role in the positive transformation and development of the communities in which we operate, through the creation of economic, social and environmental value. Our commitment to the development and operation of sustainable infrastructure has been validated since 2011.

We believe that this policy demonstrates the values that FUNO® has respected and promoted since its Initial Public Offering and maintains our commitment to continue promoting best practices in our investment process with a vision of sustainability and responsibility.

1. OBJECTIVES

Document real estate acquisition practices in accordance with the FUNO® Sustainability mission, in compliance with the code of ethics and the Principles for Responsible Investment (PRI). Strengthen our environmental, social and corporate governance due diligence practices in FUNO® acquisitions and real estate.

2. SCOPE

Applies for investment in real estate, as of the publication of this policy.

3. DEFINITIONS

Responsible investment: PRI (Principles for Responsible Investment) defines responsible investment as an investment approach that incorporates environmental, social and corporate governance (ESG) factors into investment decisions to better manage risk and generate long-term sustainable returns. The six PRI principles are listed below:

1. To incorporate ESG factors into our investment analysis and decision-making processes.
2. To perform an active management and incorporate ESG issues into our policies and procedures.
3. To request entities in which we invest transparent disclosure of ESG issues.
4. To promote the acceptance and application of the Principles.
5. To work together to improve our effectiveness in implementing the Principles.
6. To report in our operations the progress in the implementation of the Principles.

4. RESPONSIBILITIES

Position	Responsibilities
Directorate of Acquisitions	<p>When initiating the process of an acquisition, arrange the environmental audit through a certified third party.</p> <p>Inform the Sustainability area of the upcoming acquisition of a property, so that the ESG due diligence process is settled accordingly.</p>
Certified third party	<p>Develop the due diligence process, incorporating the ESG aspects established in this policy.</p> <p>Prepare a detailed report.</p>

Technical Committee	To review the report and assess the points of improvement and, in case there is any qualification, a time period will be given for the selling party to solve the irregularity.
Directorate of Human Resources	To inform about the working conditions we offer with a notice period of at least 15 days, to the corresponding human capital.
Directorate of Sustainability	To monitor, document, and register the incorporation of ESG criteria in the due diligence process. To communicate to the corresponding stakeholders. To follow-up the compliance of this policy. To perform an annual evaluation of FUNO® as PRI signatories.

5. ENVIRONMENTAL AUDITING

FUNO® is committed to promote sustainability through its investments, which is why, at the time of evaluating the acquisition of a new property or portfolio of properties, it will be environmentally audited by a certified third party.

The consultant hired for this service must submit a detailed report to the technical committee, mentioning the irregularities found. Said irregularities must be solved by the selling party within a period defined by mutual agreement with FUNO®.

Within the environmental assessment, the international sustainability guidelines will be considered, which include among others, the following:

- Land Use Certificates.
- Construction license.
- Notice of the completion of the construction.
- Certificate of occupancy of real estate.
- Environmental Impact Authorization.
- Biodiversity Impact.
- Change of land use in forest lands.
- Generation and management of urban solid wastes and recovery of materials.
- Generation and management of hazardous wastes.
- Water supply services.
- Adequate means for wastewater discharge.
- Sole environmental license on topics of emissions to the atmosphere.
- The existence or absence of polychlorinated biphenyls and asbestos.
- National Waters and Federal Zones.

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- Federal Terrestrial Maritime Zone.
- Protected Natural Areas.
- Ecological and Territorial Planning Programs.
- The existence or absence of administrative proceedings for dictating penalties supported by the environmental authorities of the three government levels.
- The existence or absence of soil contamination and the need for remediation of polluted sites.

Our investment decisions should consider the exposure of properties to hydrometeorological factors and phenomena which may impact their facilities and operations, and whose intensity increases due to climate change. In this sense, it is necessary for our investment process to consider the vulnerability of the properties to the impacts of:

- Hurricanes.
- Storms.
- Increased sea level in coastal zones.
- Flooding.
- Drought and hydric availability.

To this end, it should be reviewed that the properties have facilities and technologies capable of mitigating the physical risks associated with climate change, such as the following, but not limited to:

- Pluvial water uptake systems.
- Eco-friendly coastal containment barriers (such as artificial reefs or the implementation of geotextiles).
- Residual water treatment plants.
- Efficient drainage facilities.
- Water saving technologies.

Taking these elements into account makes it possible to identify and reduce the risks and impacts related to Climate Change in investments and guarantee a greater capacity to adapt to future scenarios.

6. SOCIAL RESPONSIBILITY

In social compliance, a due diligence process that considers the following aspects will be carried out:

- Non-discrimination in cases where the owners or users of the properties are individuals, communities, or other vulnerable groups.
- Respect the rights of all stakeholders involved.
- Ensure the Human Rights of the communities in which investments are carried out, protecting vulnerable sectors including indigenous groups, as well as the uses, customs and traditions that limit the recognition of ownership by gender.

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- In the case of acquisitions made with the workforce, FUNO® will take the necessary measures to inform about the working conditions we offer with a notice period of at least 15 days.

7. APPROVAL

This policy has been previously reviewed and authorized by the Technical Committee, which is the equivalent of the Board of Directors.

The Technical Committee has designated the Procurement, Sustainability, Human Resources and Legal areas as those responsible for the proper implementation and execution of this policy.