LINZOR

Impact & Sustainability Report

23|24

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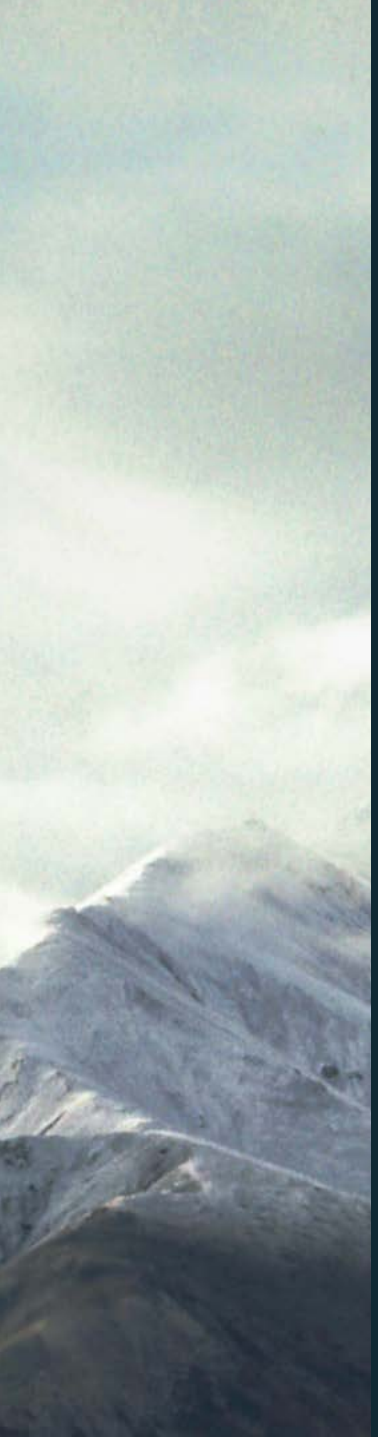
About this report

This report covers LCP's progress and performance in 2023 and 2024. We conduct regular impact assessments to inform our ESG strategy and to identify which topics are essential to our stakeholders. The content of this report is informed by collaboration and engagement with investors, portfolio companies, employees, and communities. It references frameworks and initiatives such as the GHG Protocol, Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (SDGs). Linzor's GRI Index and SASB Index are at the end of this report.



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01 INTRODUCTION

Introduction and recent changes

Linzor Capital Partners ("LCP") is a leading middle-market private equity firm at the forefront of responsible investing in Latin America. Through a robust strategy, we integrate Environmental, Social, and Governance ("ESG") principles into our operations. Since our establishment in 2006, we have invested over US$1.4 billion in the region, focusing on controlling positions to drive returns through long-term operational value creation. We prioritize a select number of investments to closely collaborate with each management team and achieve our growth and impact objectives.

We are pleased to present our 2023-2024 Impact and Sustainability Report, which outlines our efforts, progress, methodology, achievements, and challenges in advancing our sustainability goals. Prepared with reference to SASB and GRI recommendations, as well as the Task Force on Climate-Related Financial Disclosures ("TCFD") and the United Nations Sustainable Development Goals ("SDGs"), this report highlights our commitment to transparency, accountability, and continuous improvement.

Historically, Linzor funds employed an opportunistic approach, reviewing investments across various industries. However, due to evolving market dynamics, we have progressively concentrated on three main investment themes: (i) digital transformation, (ii) underserved sectors and changing demographics, and (iii) res aource efficiency.

Our current portfolio includes eleven unrealized investments, six of which are in Fund III (or "LCP III"), our most recent fully deployed fund. Fund III targeted companies that drive significant impact, addressing various deficits. For instance, in 2023, it facilitated capex financing to more than 5,700 SMEs (Engen Capital), provided quality and affordable education to over 151,800 students (UIN and S4L), delivered affordable specialized healthcare to more than 400,000 patients (Uno Salud and Sies Salud), and improved access to digital technology for over 350 companies (inConcert & Convertia). Additionally, Mundo[1], a realized Fund III investment, provided internet connectivity to ~639,000 subscribers at the time of our exit.

On average[2], in 2024 (vs. 2023), the companies in the Fund III portfolio achieved increases of 9.0 percentage points ("p.p.") in the Action Manager score for SDG #5 Gender Equality, 6.5 p.p. in SDG #8 Decent Work and Economic Growth, and 8.1 p.p. in SDG #13 Climate Action. Additionally, we are proud to report that in 2023, our eleven portfolio companies supported employment for over 16,400 individuals across the region, with women comprising 60% of the total workforce.

Aligned with our commitment to continuous improvement, informed by lessons learned, investor feedback, and the evolving

1) Exit in December 2021.
2) Based on the weighted average for each SDG among the Fund III portfolio companies by invested capital.

[GRI 2-2, 2-3]

landscape of ESG and impact investing, we are excited to share our 2023-2024 milestones:

- We appointed our first ESG & Impact Coordinator.
- Finalized our Environmental and Social Management System ("ESMS").
- Adopted Best Practice Corporate Governance guidelines.
- Committed to the 2X Challenge—a global initiative mobilizing capital for projects that empower women.

These initiatives enhance our ESG integration and impact analysis capabilities, attracting new investors, including development finance institutions (DFIs) focused on developmental impact, and validating our progress. This reinforces the credibility of our ESG framework, strengthens our market position, and appeals to like-minded investors. Future investments will continue to adhere to this framework.

Our commitment to sustainability extends beyond internal practices. We actively engage with our community through initiatives such as community service days, foster dialogue across our portfolio companies, and share best practices through our involvement in United Nations Principles for Responsible Investment ("UN PRI"[3]), ESG Data Convergence Initiative ("EDCI"[4]), 2X Challenge, and The Net Zero Asset Managers initiative ("NZAMi"[5]).

As we advance with our NZAMi commitment, we recognize the ongoing challenge of refining carbon footprint calculations, particularly for Scope 3 variables. Although our portfolio companies in LCP III have made notable progress in improving their carbon footprint assessments and are preparing to set science-based emissions reduction targets[6], the journey toward decarbonization remains a significant challenge for both our firm and society. Despite these complexities, we are committed to continuously evolving and learning alongside global advancements.

Linzor aims to lead by example in promoting responsible investment practices in the region, and we invite stakeholders to join us in driving sustainable growth and creating a positive societal impact, working together towards a more equitable future for Latin America.

3) United Nations-supported international network of financial institutions working together to implement responsible investment.
4) Open partnership of private equity stakeholders committed to collecting and reporting ESG data.
5) An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, and to supporting investing aligned with net zero emissions by 2050 or sooner.
6) In line with the The Science Based Targets initiative ("SBTi") standards.

[GRI 2-2, 2-3]

02 OUR COMMITMENT

Driving sustainable progress in Latin America

Latin American countries are developing nations with comparatively lower human development[7] and higher corruption risk[8] and inequality[9] than developed markets, underscoring the critical need for responsible investment. Linzor's extensive experience in the region has convinced us of the imperative to address environmental and social challenges, transforming them into opportunities for impactful and profitable investment.

As investors, our goal is to allocate capital to businesses that have the potential to grow and become more valuable and can do so in a sustainable and socially responsible manner. We firmly believe that integrating responsibility and purpose into our business model drives long-term value creation, supports carbon transition efforts, fosters inclusive growth, and mitigates risks across our portfolios.

At Linzor, our commitment extends to promoting sustainable practies, fostering diversity, upholding human rights and labor standards, and ensuring sound corporate governance and transparency. These principles guide every aspect of our operations, influencing strategic planning, investment decisions, risk management, and performance evaluation, encompassing all our stakeholders.

In addition to making tangible improvements within our organization and the companies we manage; we are fully committed to advancing the adoption of ESG best practices more broadly. This involves allocating time and resources to environmental and social management, fostering a culture of sustainability in the workplace, and leading by example in championing ESG initiatives locally and globally.

We aim to set a benchmark for other businesses and investment firms. In today's global landscape marked by heightened concerns over climate change and social equity, private sector companies play a crucial role in evaluating and enhancing ESG performance. This collective effort paves the way toward a more sustainable and equitable future for the region, aligned with the SDGs.

Our commitment is reflected in our portfolio's progress towards various SDGs. While each Linzor portfolio company targets different SDGs depending on its sector and business model, they all have the potential to contribute to SDGs 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 13 (Climate Action), which are the focus across the entire portfolio.

7) Index developed by the UN Development Programme based on life expectancy, education (mean years of schooling completed and expected years of schooling upon entering the education system), and per capita income indicators.
8) The Index published by Transparency International ranks countries by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys.
9) A measure of statistical dispersion representing the income inequality or wealth inequality within a nation, with a higher coefficient signaling higher inequality.

03 AN EVOLVING JOURNEY

Our impact and sustainability journey over the last decade

Our responsible investment policies and practices are the result of our evolution as a firm. We have always sought to instill the best practices in transparency, corporate responsibility, and ethics throughout our portfolio, and we are progressively taking a more proactive and deeper approach that involves setting more ambitious ESG and impact targets, as shown in the following timeline:

2013

The investment team started receiving periodic ESG training

2014

ESG due diligence was explicitly included in the investment memos

2017

Began measuring Linzor's GHG emissions using GHG Protocol standards

LAVCA award for Social Responsibility: Recognition of Farmashop's above-standard human resources policies

Linzor started tracking ESG indicators across the unrealized portfolio and sharing them with investors annually

2019

Published Linzor's first Impact & Sustainability Report

Signed the UN Principles for Responsible Investment

First Latin American (ex-Brazil) private equity firm to join the Net Zero Asset Managers Initiative

Adherence to the ESG Data Convergence Initiative

LAVCA Award for Social Responsibility: Recognition of Mundo's commitment to bridging the digital divide in Chile

2020

Launched a structured process to review and improve the portfolio's performance on ESG and impact matters using the SDG framework

Establishment of the ESG & Impact committee

2021

Welcomed the first team member 100% focused on ESG and impact matters

Finalized the Environmental and Social Management System ("ESMS")

Linzor was awarded as Best Private Markets ESG Fund in Emerging Markets

Committed to the 2X Challenge

2022

LCP III portfolio companies achieved ↑ 17.3 p.p. in their SDG Action Manager score[10] for SDG#5 Gender Equality and ↑ 20.0 p.p. for SDG#13 Climate Action vs. previous year

Farmashop was granted the National Prize for Energy Efficiency by the Uruguayan Government

2023

LAVCA Award for Gender and Diversity: Recognition of Sies Salud's commitment to empower women in Colombia

Linzor approved its Best Practice Corporate Governance guidelines

Made the first investment following the ESMS guidelines

2024

10) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

04 OUR COMPREHENSIVE APPROACH

Our impact and sustainability approach
Methodology and strategy

Responsible investment is at the core of Linzor's strategic framework, characterized by a proactive approach to enhancing positive impact and managing ESG risks across our portfolio companies. By integrating ESG and impact goals into their business strategy, our portfolio companies reap numerous benefits, including strengthened brand equity with clients and employees, competitive advantages, operational efficiencies, enhanced community relations, and proactive compliance with evolving regulations.

In 2023, we elevated our sustain ability strategy and revamped the analysis of environmental and social ("E&S") aspects for future funds' investments, starting with LCP IV. This initiative led to the development of an Environmental and Social Management System ("ESMS") aligned with the IFC Performance Standards and other relevant international frameworks. Key components of our ESMS include the formalization of our exclusion list during screening, conducting comprehensive E&S due diligence by risk category, developing pre-investment E&S action plans, and rigorous post investment monitoring and incident response. On the impact side, we develop an impact thesis for each investment based on the Five Dimensions of Impact framework and monitor indicators and outcomes throughout our investment. This structured approach ensures that ESG and impact considerations are seamlessly woven throughout each step of the investment lifecycle, as illustrated below:

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-23, 2-24]

Investment lifecycle

FUNDRAISING

- Communicate responsible investment policy
- Work in association with LPs & investment community
- Incorporate investors' ESG and impact requirements into the relevant documentation

SCREENING CHECK FOR HIGH-LEVEL RISK

- Check for high-level risks
- Apply the EDFI Harmonized Exclusion List
- Prioritize companies with a reputation for ESG consciousness and core business addressing one or more SDGs

DUE DILIGENCE

- Categorize the target according to the scope and magnitude of ESG risks
- Determine the ESG Due Diligence ("DD") scope and involvement of external consultants depending on risk category
- Conduct the comprehensive E&S due diligence by risk category, guided by IFC PS, ILO, WBG EHS Guidelines, UN PRI, SDGs, and applicable regulations, and prepare the impact thesis
- Agree on an action plan to address gaps and risks identified during DD, and establish indicators to measure and manage the impact

INVESTMENT

- Share ESG objectives, policies & practices with portfolio company
- Incorporate ESG priority actions into a 180-day plan
- Enforcement mechanisms to ensure compliance with the action plan

OWNERSHIP

- Formulate ESG roadmap with 3-5-year horizon
- Monitor impact and ESG performance through Key performance indicators ("KPIs"), site visits, and ongoing dialogue
- Set science-based targets to reduce carbon emissions
- Annual meeting with Linzor's ESG and Impact Committee
- Link management's variable compensation to ESG objectives
- Monitor compliance with the action plan

EXIT

- Ensure ongoing commitment to ESG goals and plan to achieve long-term carbon neutrality

● New/Reinforced in the ESMS.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-23, 2-24]

ESG principles and impact considerations are key components of our decision-making framework

Linzor's ESG strategy capitalizes on our inherent strength: an active investment style that collaborates closely with management to define business strategy and support long-term sustainability efforts, coupled with a meticulous approach that implements systems and processes to track key performance indicators ("KPIs") for informed board-level decision-making. This framework enables us to apply ESG and impact principles effectively to drive value creation and mitigate risks uniformly across our portfolio.

Our ESG and impact methodology is dynamic and continuously shaped by feedback from stakeholders, including investors, portfolio companies, financing providers, and relevant industry organizations. We remain committed to learning and adapting our processes to foster sustainability, aligning closely with established reporting standards and guidelines to ensure meaningful impact and transparency.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-23, 2-24]

Team organization

Linzor's governance structure ensures robust oversight of ESG and impact matters. All team members, from frontline staff to senior leadership, play a crucial role in the implementation of ESG and impact principles throughout our organization. Each employee brings unique perspectives, skills, and actions that collectively shape our ESG and impact performance and uphold our commitment to sustainability.

As an independent firm, Linzor is controlled by its partners, who collectively form the investment committee of each fund. The partners bear primary responsibility for establishing the firm's ESG and Impact investment strategy, including formulating the relevant policies and ensuring the execution of the processes established in the Environmental and Social Management System ("ESMS").

As a second front, the partners have established an ESG and impact committee ("ESGC") composed of five Linzor professionals and two external subject-matter experts. Some ESGC members rotate every two to three years, while others have a permanent role, including the Founding Managing Partner, the Head of ESG & Impact, and the ESG & Impact Coordinator.

The ESGC oversees Linzor's implementation of its ESG and Impact policies, ensuring robust management of E&S risks and impact objectives. It proposes updates to strengthen the ESMS, challenging and reviewing progress on the ESG business plan for each portfolio company, providing input for the annual Impact & Sustainability report, reviewing feedback from stakeholders on Linzor's ESG performance and portfolio companies, and encouraging participation in ESG awards.

The committee also convenes annual sessions with each portfolio company's management

The ESGC is currently comprised by:

Tomás Garcia Escudero
Principal

Ana Giannareas
Partner and Head of ESG and Impact

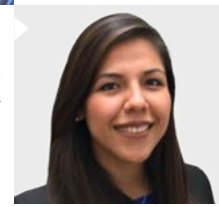
Gonzalo Muñoz
External member
UN High-Level Climate Champion COP25, Manuia and Triciclos Co-founder, recognized Latin American companies in circular economy, recycling, and sustainability consulting

Claudia Zeisberger
External member
INSEAD professor and founder of its Global Private Equity Initiative, KKR Sustainability advisor with 30 years of expertise in finance, responsible investing, and ESG

Matias Gutierrez
LCP IV Co-Managing Partner

Timothy Purcell
Founding Managing Partner

María del Carmen Vergara
ESG & Impact Coordinator



[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-9, 2-12, 2-13, 2-14, 2-23, 2-24, 2-29]

and Linzor deal teams. These sessions provide structure and accountability for the portfolio companies' sustainability efforts and foster enriching conversations among senior managers and committee members, leading to the identification of additional areas for improvement, the sharing of best practices across the portfolio companies, the introduction of fresh ideas, and challenges to management to set more ambitious targets. As illustrated in the following graphic, the ESGC reviews progress on the impact thesis and SDGs, including details on quantitative targets, action plans, and flagship impact projects:

Elements of Linzor's ESG and impact review for portfolio companies

SDG Action Manager

- Impact management tool developed by B Lab and the UN Global Compact
- 330-390 questions tailored to the company's sector
- Produces a quantitative score for alignment with each SDG, allowing us to establish a baseline for future comparisons

Carbon Footprint

- Scope 1, 2, and most relevant scope 3, calculated in accordance with Greenhouse Gas Protocol
- In progress: expanding scope 3 calculations
- Plan carbon emissions reductions and offsets in line with SBTi standards

ESG Key Performance Indicators

- Selected by the committee from relevant international frameworks
- Aligned with the ESG Data Convergence Initiative
- Includes cross-portfolio and company-specific metrics

Action Plans

- Prepared by portfolio company management teams with support from Linzor deal teams
- Specific actions and initiatives to execute the impact thesis and address any gaps and opportunities identified in the SDG Action Manager

Out of the Box Idea

- Original idea, unique to the company and in line with its impact thesis, with the objective of working together with clients, suppliers, employees, and/ or NGOs around an ESG-related project developed and sponsored by the company

Impact thesis

- Five dimensions of Impact framework and monitor indicators and outcomes throughout our investment.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-9, 2-12, 2-13, 2-14, 2-23, 2-24, 2-29]

As our commitment to ESG and impact principles has deepened each year, it became clear that dedicated responsibility was essential. In that sense, in 2023, we hired Linzor's first ESG & Impact Coordinator, who oversees the execution of our ESG and impact strategy across the portfolio and is responsible for the appraisal of prospective investments in alignment with ESMS guidelines. This strategic hire underscores our steadfast commitment to embedding ESG & Impact critical considerations into our investment practices. Linzor's ESG and impact team collaborates closely with the rest of the investment team to ensure a comprehensive evaluation process.

The investment team monitors each portfolio company and continuously follows up on the action plans throughout the year as part of their board and committee roles and ongoing interactions with management teams. The Investor Relations (IR) team is responsible for effectively communicating our responsible investment policies to prospective investors during fundraising and to existing investors throughout the life of each fund.

All team members play a crucial role in the implementation of sustainability principles

Portfolio companies are critical in managing and executing initiatives, analyzing risks, and assessing impacts according to Linzor's policies. We already incentivize management teams by linking their variable compensation to sustainable and impact KPIs. In order to clarify our expectations and secure solid senior management commitment, we will implement a regular review process to assess the progress of ESG objectives and the incentive scheme's effectiveness. Additionally, we will evaluate whether these objectives are sufficiently challenging and ambitious considering industry benchmarks.

Given the size of our target companies (with revenues ranging from US$30 to 200 million), dedicated sustainability departments are often not feasible. Instead, these responsibilities are typically managed by working groups composed of senior management, motivated employees who volunteer to lead initiatives, and Linzor deal team members. While this approach may present challenges, such as limited resources or time to fully address all ESG and impact considerations, it encourages the teams to prioritize initiatives and focus on the most impactful actions.

To increase awareness of the E&S Policy and ensure integration of the ESMS into our investment processes, we provide ongoing education and training for portfolio company senior management, our senior leadership, and our investment team.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-9, 2-12, 2-13, 2-14, 2-23, 2-24, 2-29]

Partnerships and collaboration

We are deeply committed to advancing ESG and impact principles through active partnerships, initiatives, and collaborative efforts. Through regular forums, panel events, annual conferences, communication campaigns, and development initiatives, we foster meaningful dialogue and engagement across our portfolio companies and fellow investment firms; these platforms serve as crucial arenas for sharing best practices and addressing pertinent environmental and social topics.

United Nations Principles for Responsible Investment ("UN PRI"): Linzor has participated as a signatory since 2021, submitting regular reports on our responsible investment policy. In the 2023 assessment (based on 2022 reporting), Linzor excelled across all modules, surpassing the PRI median and customized peer groups, achieving:

- 5/5 stars in Direct - Private Equity
- 4/5 in Confidence Building Measures
- 3/5 in Policy Governance and Strategy

We are proud of this recognition as it underscores our dedication to advancing sustainability and raising operational standards.

In 2024, Linzor joined the "Decarbonization and Net Zero for Private Equity" PRI working group, initiating discussions by the end of 2024. We look forward to sharing our progress and experience on carbon footprint reduction plans that align with our NZAMI commitment.

Net Zero Asset Managers Initiative ("NZAMI"): Linzor is one of 325 GPs committed to setting targets aligned with achieving a fair share of the 50% global reduction in greenhouse gas emissions by 2030 and achieving net zero emissions by 2050 required for limiting global warming to 1.5°C. Our portfolio companies are working on setting and validating their decarbonization plans with SBTi. This initiative has particular significance, as achieving long-term decarbonization goals will require sustained focus beyond our typical holding period. By setting their own SBTi targets, our portfolio companies commit to the continuity of this effort even after our eventual exit.

ESG Data Convergence Initiative ("EDCI"): The EDCI seeks to standardize ESG metrics and provide a comparative ESG reporting mechanism for the private equity industry. We have reported for three years, and the 2023 data for Linzor portfolio companies is included in the Appendix 1 to this report.

In 2024, Linzor served as part of the "Harnessing the EDCI Benchmark" working group, contributing ideas to improve and enhance the initiative.

2X Challenge: Linzor has committed, as part of the 2X Challenge, to allocate and mobilize capital to support projects that empower women and thus increase their economic participation. The initiative aligns with our commitment to promote SDG 5 among our portfolio companies, and it resonates with our internal objective of increasing gender diversity within our investment team.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-23, 2-24, 2-28]

Portfolio companies leverage collective strength to foster ESG and impact objectives

In addition, we actively foster dialogue, collaboration, and engagement among our portfolio companies. In 2022, we started hosting conferences for management teams to share and highlight best practices across various environmental and social topics. These gatherings serve as a platform to address concerns and drive positive outcomes through shared experiences. Additionally, we facilitate and promote calls between companies for more in-depth discussions on specific initiatives. In 2024, the main topic of discussion is carbon footprint reduction initiatives. Being part of Linzor's team enables us to leverage our collective efforts toward ESG and impact objectives.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-23, 2-24]

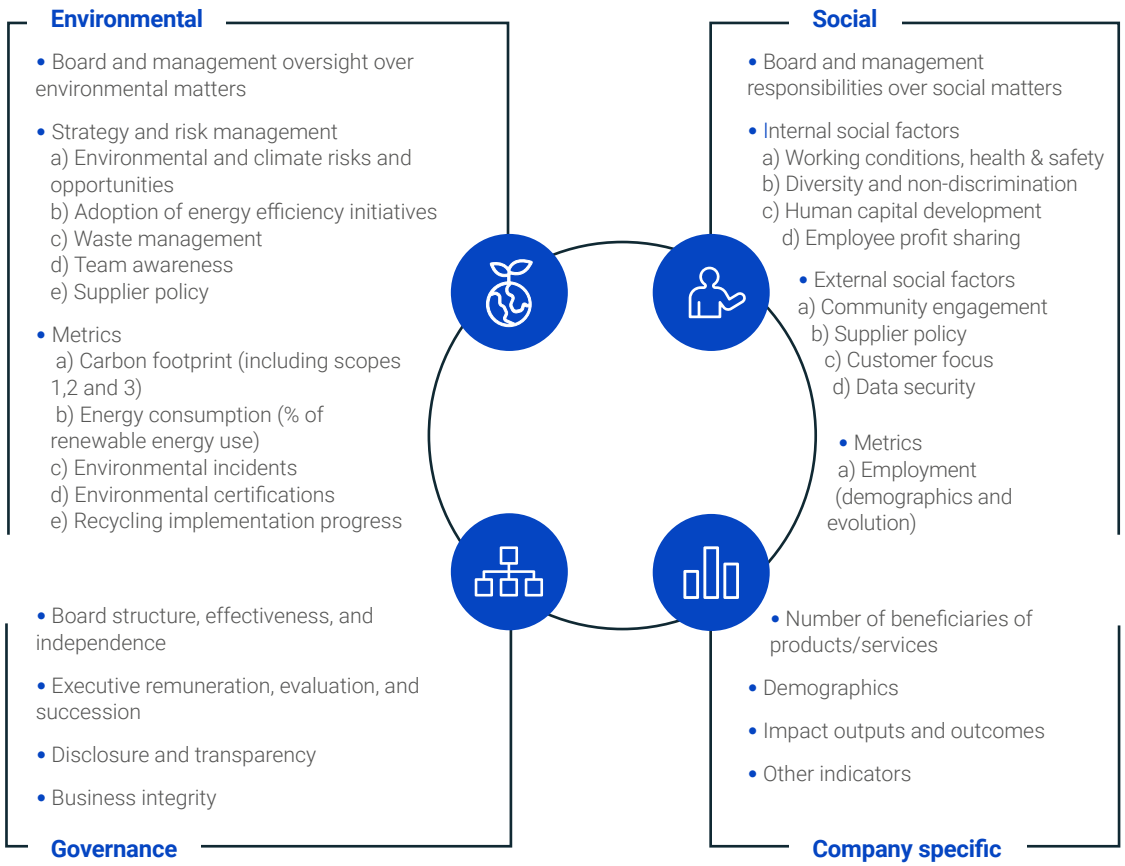
Accountability and transparency

Transparency and accountability are foundational principles at Linzor. We systematically collect ESG and impact data from our portfolio companies through an annual process that is not only governed by standardized reporting formats but also with reference to leading frameworks such as the GHG Protocol, Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), G20/OECD Principles of Corporate Governance, and the United Nations Sustainable Development Goals (SDGs).

The discussion materials for the annual ESG & Impact reviews include key performance indicators (KPIs), ESG and impact action plans, and additional agreed-upon metrics. Given the inherent challenge of consistently collecting certain data points year over year, we help portfolio companies identify data collection methods and alternatives that ensure accuracy and reliability.

Starting with Fund III, we implemented rigorous annual reporting[11] standards for portfolio companies, covering quantitative and qualitative performance assessments. The reporting process provides comprehensive insights into their sustainability practices and outcomes, as depicted in the accompanying graphic.

The content reported by portfolio companies is integral to our Annual Impact & Sustainability Reports, which are publicly accessible on our website. We are committed to transparency, prioritizing the timely dissemination of E&S information to investors and other stakeholders. This approach ensures that all stakeholders are well-informed and involved in our sustainability efforts, driving meaningful impact and enduring value across our ecosystem.



11) Conversely, our earlier funds (I & II) have been monitored since 2017 using a condensed set of cross-portfolio indicators.

[SASB FN-AC-410a.2, FN-AC-410a.3 / GRI 2-23, 2-24]

Continuous improvement

At Linzor, we are dedicated to continuous improvement in ESG and impact performance, driven by evolving sustainability challenges and stakeholder expectations. This year, we have identified several areas in which we can do better that will be our focus in the upcoming period:

1. Increasing diversity within our investment team and portfolio company senior leadership, reflecting our commitment to inclusivity and diverse perspectives.

2. Conducting a thorough impact analysis of our operations will provide valuable insights into our environmental and social outcomes, guiding future strategies.

3. Refining our carbon footprint calculations, including those of our portfolio companies. Some companies are still addressing data preparation challenges for specific scope 3 variables. We aim to measure and reduce our environmental impact accurately.

4. Supporting our portfolio companies in their process of setting decarbonization targets aligned with internationally recognized frameworks.

5. Ensuring accurate and meaningful data collection and analysis tied to portfolio companies' impact thesis.

6. Further strengthening governance practices at Linzor and portfolio companies.

7. Resuming continuous training initiatives to empower our team with the latest knowledge and best practices in sustainability.

8. Encouraging portfolio companies to conduct formal employee and customer satisfaction surveys to deepen their stakeholder engagement.

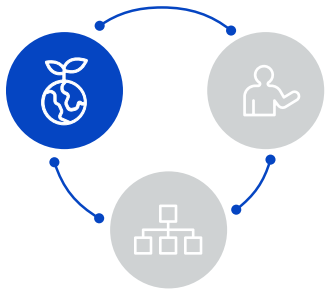
9. Fostering collective action by encouraging other private equity funds and investors in Latin America to join initiatives like the Principles for Responsible Investment (PRI) and ESG Data Collective Initiative (EDCI).

10. Strengthen the incentive tracking system for senior management to monitor performance against specific ESG targets and ensure that these targets are both ambitious and aligned with industry benchmarks.

These efforts reflect our proactive approach to tackling challenges and continually improving our ESG and impact practices, driving transparency and accountability across our operations and beyond.

05 SUSTAINABILITY AT LINZOR

ENVIRONMENTAL



On our road to carbon footprint reduction

At Linzor, we are committed to consistently integrating sustainability goals with business objectives encompassing our operations and those of our portfolio companies. Our commitment includes active participation in initiatives such as the Net Zero Asset Managers Initiative, where we strive to contribute significantly to global climate goals. We also continue working to adhere to recognized international frameworks (GHG Protocol, SBTi, and TCFD) for transparency and accountability in our analysis and reporting.

Governance of environmental matters

Linzor's partners have ultimate responsibility for upholding our ESG Policy and ensuring the integration of environmental and climate considerations into our investment process. The partners rely on the ESG and Impact Committee (ESGC) – comprised of some partners, some non-partner investment professionals, and external members – to drive and oversee progress across the portfolio regarding environmental and climate matters. The ESGC members and the Linzor partners covering each particular portfolio company actively engage in dialogue with senior management during our annual ESG and Impact review with such portfolio companies. The annual review covers risks and opportunities aligned with TCFD recommendations, ongoing carbon footprint monitoring, and other environmental-related metrics. The conclusions drawn by these committee meetings allow portfolio companies to refine their climate and environmental strategy and adjust their action plans accordingly. The senior management team at each portfolio company actively implements the agenda, incentivized through stock-option plans linked to ESG targets, emphasizing initiatives such as greenhouse gas (GHG) emission reduction plans validated by the Science-Based Targets initiative (SBTi). This hands-on approach underscores Linzor's active commitment to sustainability, which aims to embed environmental and climate-related considerations deeply within our operational and investment frameworks.

ENVIRONMENTAL

Our strategy and risk management approach

We conduct annual comprehensive assessments to identify pertinent environmental and climate topics at the Linzor and portfolio company levels. We utilize data-driven insights from KPI reports and collaborate with stakeholders, including regulators, environmental experts, and industry peers. Subsequently, each company develops customized action plans detailing specific steps, responsibilities, timelines, resource allocations, and targets, integrating across as many operational tiers as possible.

This approach ensures alignment between environmental objectives and broader business goals, underscoring the benefits of sustainability—such as cost savings, risk mitigation, and enhanced brand reputation. Furthermore, it seamlessly integrates environmental risk management into our and our portfolio companies' overall risk framework, encompassing operational, financial, and reputational considerations.

We have historically invested in low carbon intensity sectors, such as healthcare, education, financial services, telecommunications, retail and technology, resulting in a portfolio that exhibits a low weighted average carbon intensity relative to the MSCI country benchmarks for our markets and even the MSCI World ESG Leaders index. For LCP IV, we have formally introduced an exclusion list that rules out most fossil fuel-related investments, among other activities excluded due to their adverse environmental or social impacts.

Metrics and targets

Starting with LCP III, all portfolio companies have been diligently measuring their greenhouse gas emissions using the GHG Protocol standards. Over time, the portfolio companies have continuously refined their calculations, which aligns with our commitment to accuracy and transparency. The evolution of greenhouse gas emissions on an absolute and intensity basis is covered in detail during the annual ESG and Impact reviews, as well as the steps taken and planned to be taken to mitigate these emissions.

In November 2021, we committed to the Net Zero Asset Managers Initiative (NZAMI), pledging to establish a target aligned with achieving a fair share of a global 50% reduction in greenhouse gas emissions by 2030 and net zero emissions by 2050, critical milestones required to limit global warming to 1.5°C. In 2022, we formally disclosed our target, committing that by 2030, all our controlled private equity investments would set science-based targets within the first 12 to 18 months of ownership.

Linzor proudly led as the first private equity GP in Latin America (excluding Brazil) to join NZAMI, demonstrating our dedication to global sustainability efforts. We aim to foster a sense of shared commitment and maintain industry leadership by setting an example for other regional managers.

The unrealized LCP III portfolio companies, comprising ~60% of Linzor's total AUM, have made significant progress regarding their carbon footprint in the past year. All of them have enhanced their emission calculations, refining and incorporating new variables for direct emissions (Scope 1 & 2) and expanding the calculation of indirect emissions (Scope 3). They are actively working towards setting targets aligned with the SBTi methodology as part of their strategic and risk management processes. These targets will focus on emission intensity towards an interim target by 2030, covering Scope 1, 2, and material Scope 3 emissions, with a baseline typically set between 2021 and 2023. We believe obtaining validated Science-Based Targets at the portfolio company level will reinforce their commitment to those targets long past Linzor's exit.

ENVIRONMENTAL

The measures that portfolio companies are already taking to reduce their carbon footprint include:

- Sies Salud installed solar panels in seven of its 24 clinics, representing 5% of total energy consumption and saving 4% of energy costs. It has also implemented software to monitor and control energy and water consumption at the headquarters and invested in low-energy consumption technology at all its sites.

- Uno Salud signed an agreement with Big Sur Energy to receive energy from a photovoltaic plant, expected to generate approximately 650 MWh in clean energy, equivalent to the energy requirement of ~6 Uno Salud clinics, reducing ~280 tons of CO_2e emissions.

- S4L initiated bi-monthly preventive maintenance of air conditioning machines, resulting in fewer refrigerant recharges throughout the year, thereby reducing their refrigerant-related scope 1 emissions by 35% in 2023.

- UIN secured a sustainability-linked loan from Scotiabank, the first of its kind in the Mexican education sector. The loan includes incentives for reducing carbon emissions and promoting gender equality and the proceeds will be partly destined to installing photovoltaic panels across UIN's network of 15 campuses in Mexico.

- Engen-TIP has increased its hybrid/electric own fleet from 21% in 2022 to 46% in 2023, with plans for further improvement in the future.

ENVIRONMENTAL

At the Linzor level, we have also been measuring our operational emissions over the past five years. We are a relatively small team (32 professionals) covering a large geographic area, spanning from Mexico to the Southern Cone, and more recently Spain as well. As a result, the most relevant source of emissions associated with our operations comes from business travel.

We are aiming to reduce our travel to essential trips only and then compensate for the emissions from travel that cannot be avoided by purchasing certified emission reductions (CERs) from UN-FCCC-certified projects in Latin America to offset our remaining greenhouse gas emissions.

In 2023, we achieved a reduction of 137.1 tCO_2e (-29.7% YoY) in total emissions compared to 2022, reflecting:

(i) a lower electricity emission factor in Chile, driven by the increased share of renewable energy in the national grid,

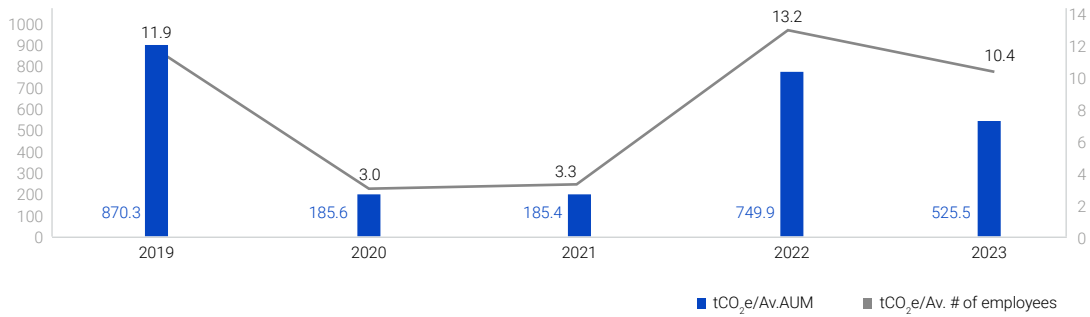
(ii) the closure of our Bogotá office,

(iii) a decrease in travel compared to 2022, in line with our air travel policy and aided by a more streamlined investment team.

Regarding the latter, while we recognize that our hands-on approach to managing our investments requires specific face-to-face interactions through travel, we aim to reduce unnecessary travel as much as possible. To this end, we are continually exploring and implementing alternative solutions, such as virtual meetings and enhanced digital collaboration tools, to balance our operational needs with our commitment to minimizing our carbon footprint.

Going forward, we continue to prioritize environmentally friendly practices in our two offices in Mexico and Santiago, focusing on energy and water efficiency, recycling, and waste reduction.

Linzor: Carbon footprint impact evolution



Linzor Carbon Footprint (tCO_2e)	2020	2021	2022	2023	YoY 2023 vs. 2022	YoY 2022 vs. 2021
Scope 1	0.0	0.0	0.0	0.0	0.0	0.0
Scope 2	17.0	16.0	24.5	18.7	-5.7	8.4
Scope 3	99.9	103.0	436.2	304.8	-131.4	333.2
Category 6: Business travel	99.9	103.0	436.2	284.8	-151.5	333.2
Category 7: Employee Commuting	N/A	N/A	N/A	20.0	N/A	N/A
Total Carbon Footprint (tCO_2e)	**116.9**	**119.1**	**460.7**	**323.6**	**-137.1**	**341.6**

[GRI 305-1, 305-2, 305-3, 305-4, 305-5]

ENVIRONMENTAL

All in all, considering Linzor's emissions alongside our LCP III[12] portfolio companies' carbon footprint —which includes Scope 1 and Scope 2 emissions —and using the Financed Emissions methodology (as outlined by PCAF), we have emitted a total of 3,701 tCO_2e (63% corresponding to Scope 2).

To provide perspective, we have translated these greenhouse gas (GHG) emissions into more relatable terms. Utilizing the Environmental Protection Agency's (EPA) carbon footprint calculator (updated in January 2024), we can contextualize our emissions to highlight their real-world impact. For context, our emissions are roughly equivalent to:

3,701
tCO_2e →

Equivalent to greenhouse gas emissions from:

881
gasoline-powered passenger vehicles driven for one year

15.2 million
kilometers driven by an average gasoline-powered passenger vehicle

Equivalent to CO_2 emissions from:

416,462
gallons of gasoline consumed

170,025
propane cylinders used for home

730
homes' electricity use for one year

1.9 million
kilograms of coal burned

363,566
gallons of diesel consumed

8,569
barrels of oil consumed

20.4
railcars' worth of coal burned

49
tanker trucks' worth of gasoline

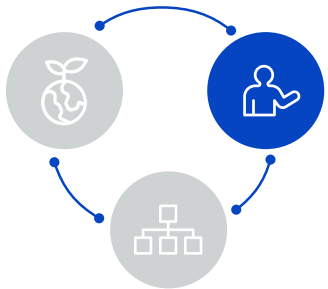
244.3 million
number of smartphones charged

In addition, Linzor and our portfolio companies continue to progress in measuring Scope 3 emissions. With these included, our combined carbon footprint reaches 98,101 tCO_2e. It's worth noting that both Linzor and our portfolio companies are among the few in Latin America with such advanced measurement capabilities, making it challenging to find comparables to benchmark our performance. We are committed to continuing our progress in this area and hope that, over time, more companies in our sectors will adopt similar practices, enabling greater industry-wide insights.

12) Considering all AUM managed, including co-investments.

[FN-AC-410b.1, FN-AC-410b.4]

SOCIAL



Stakeholders are key to our sustainability and long-term value strategy

We recognize that our stakeholders — including investors, employees, communities, customers, and suppliers — are integral to our commitment to sustainability and success. Their diverse interests and concerns influence our decision-making processes in support of our long-term value-creation strategy.

Linzor's partners have ultimate responsibility for ensuring robust governance of Linzor's social policies, including our Code of Conduct, Diversity Policy, Human Resources Policy, and Responsible Investment Policy. These guidelines underscore our commitment to ethical business practices, diversity, employee wellbeing, professional development, responsible investing, and transparent communication.

Metrics

Linzor professionals
Our regional team of 32 full-time members include highly experienced professionals from seven nationalities, based in two strategically located offices in Chile and Mexico, from which we cover all of our target markets. The diversity of nationalities and backgrounds provides complementary skill sets, ensures local expertise in each target market, and enriches our investment process and culture. As of July 31, 2024, women accounted for 50% of our total employees, 6.8 p.p. above 2022, and 30% of our investment professionals, 13 p.p. above 2022.

Jul-24	#	Female	Chile	Mexico	Others
Partners	9	22%	67%	22%	11%
Principals, VPs, and Coordinator	4	50%	50%	50%	0%
Associates and Analysts	7	29%	43%	57%	0%
Investment, IR and ESG teams	20	30%	55%	40%	5%
Administrative support	6	83%	67%	17%	17%
Finance / Operations	3	100%	67%	0%	33%
Housekeeping	2	100%	50%	50%	0%
Technology	1	0%	100%	0%	0%
Total	**32**	**50%**	**59%**	**31%**	**9%**

[SASB FN-AC-330a.1 / GRI 2-1, 2-7, 2-9, 405-1]

SOCIAL

Employment by portfolio companies

As of December 31, 2023, our portfolio of eleven companies employed over 16,400 individuals across Latin America and Spain, with 60% of these employees being women (up from 59% in 2022). Since our investment strategy focuses on value creation through business growth, portfolio companies generally experience significant expansion in their workforce during Linzor's holding period. By the end of 2023, our portfolio had created over 6,200 jobs in total since Linzor acquired ownership.

We focus not only on job creation but also on the quality of the jobs created. All portfolio companies from LCP III onwards are required to incorporate initiatives in line with SDG 8 Decent Work and Economic Growth into their sustainability action plans. We also require the adoption of non-discrimination policies, gender-friendly initiatives, health & safety best practices, and appropriate grievance mechanisms, among other measures intended to ensure a responsible and healthy work environment.

SOCIAL

Internal factors

Working conditions, health and safety

Linzor aims to uphold exemplary labor practices, exceeding minimum legal requirements in numerous areas and prioritizing human rights. We maintain rigorous Environmental and Social (E&S) standards across our operations, portfolio companies, and potential investments. This includes adherence to national laws, international conventions, and international benchmarks such as the ILO Core Labor Conventions and IFC's E&S Performance Standards. We actively ensure that our investments do not support entities involved in practices such as child or forced labor.

Diversity and non-discrimination

Linzor is committed to cultivating an inclusive and equitable workplace where every employee is valued and empowered to thrive. We strictly prohibit all types of harassment, and any discrimination based on race, age, gender identity, sexual orientation, disability, and any other protected status under applicable law. Our recruitment, hiring, and promotion processes prioritize merit, experience, and job-related qualifications, aligning with principles of equal employment opportunity.

In recent years, we have introduced new measures to address the historical underrepresentation of women in our investment team and in our portfolio companies' boards and senior management. In 2022, we established a Diversity Policy and developed an action plan, including the following initiatives:

- Tracking diversity metrics across Linzor and portfolio companies.
- Integrating initiatives supporting SDG #5 Gender Equality into the action plans of all portfolio companies undergoing Linzor's annual ESG and impact review.
- Introducing new HR policies to foster a flexible and sustainable work-life balance among Linzor's investment team.
- Establishing mentoring relation-ships to support and guide junior female employees throughout their careers at Linzor.
- Implementing diversity training modules for Linzor's investment team as part of our continuous learning curriculum.
- Hosting an annual virtual event for women, bringing together Linzor's female investment professionals, portfolio company board members, and senior managers.
- Engaging with industry associations such as Women in Finance and Mujeres Invirtiendo to advance the role of women in our industry.

This year, Ana Giannareas, who joined Linzor in 2014 as an associate and has since then taken on key responsibilities in ESG & Impact and Investor Relations, was promoted to Partner. Following her promotion, women comprise 22% of our Investment Committee. At July 31, 2024, 30% of our combined investment, ESG and IR roles were occupied by women, a 13 p.p. improvement relative to 2022. Although these figures reflect that there is still work to achieve gender balance, we view them as a positive step forward.

Looking ahead, we are dedicated to further enhancing our appeal to female candidates and improving the retention and development of top female talent by executing the initiatives included in our action plan in full and seeking feedback from current and prospective employees.

[GRI 2-9, 2-23, 405-1]

SOCIAL

Human capital development

Our team benefits from the stability provided by partners who enjoy long-standing relationships with each other while remaining committed to cultivating new talent among emerging investment professionals. Five of our nine current partners joined Linzor in non-partner roles, advanced their careers within the firm, and are now thriving in leadership roles, dedicated to upholding our legacy of success. We offer all employees, regardless of tenure or seniority, opportunities for professional growth, as evidenced by the promotion of four investment team members in 2024.

These promotions, alongside the transition of Fund IV leadership—with founding partners moving to Investment Committee roles and new partners stepping into management—demonstrates our commitment to nurturing talent and fostering a resilient organization for the future.

Promotions at Linzor are meritocratic, and career development plans and processes are transparent and structured for all employees. Our firm actively supports employees' growth by providing access to essential tools, training, and coaching as needed. For instance, new junior employees benefit from an online modeling and valuation course developed by a well-recognized training firm for investment banks and private equity firms.

Additionally, all investment professionals participate in Linzor's continuous learning and training program, led by our experienced professionals. These sessions are designed to accelerate professional development in a structured manner, leveraging the expertise accumulated by senior members over the years. By offering comprehensive training, Linzor expands its talent pool, enabling the integration of individuals with diverse backgrounds and perspectives. This continuous learning initiative enhances skill sets and fosters a unified organizational culture.

All employees undergo annual performance reviews that include a discussion of professional advancement based on self-assessment and feedback on both individual and team contributions. Partners then convene to evaluate each team member's performance, determining promotions and compensation based on predefined criteria. Following this process, each professional meets with their manager to receive detailed feedback, discuss further development opportunities, and provide a forum for employees to express concerns and share their experience at the firm.

The Partners have cultivated a unique firm culture that is cohesive, meritocratic, and focused on excellence and integrity. This culture and our firm commitment to sustainability have significantly enhanced our ability to attract and retain top talent at all levels, from our investment team and operating partner network to portfolio company management teams. High-performing individuals who value sustainability are drawn to our purpose-driven approach, aligning their personal values with our mission. This alignment boosts engagement and strengthens our recruitment efforts, allowing us to attract candidates eager to contribute to our high standards and positive environmental and social outcomes.

[GRI 2-17, 404-2, 404-3]

SOCIAL

External factors

Community engagement
By actively engaging with the community, Linzor creates lasting value for our stakeholders while contributing to the well-being and prosperity of the communities in which we operate. Throughout 2024, our Chilean and Mexican teams have continued to engage in meaningful projects that aim to make a positive difference and reinforce the Linzor team spirit.

Nurturing green futures
Chilean office

In April 2024, the Linzor Chile team undertook a green initiative by preparing 200 native Chilean trees in GrowinBags and potted plants. These green resources were donated to Colegio CREE Cerro Navia, a non-profit school in Santiago serving underprivileged students from Pre-K to 9th grade.

The Linzor team delivered the trees and plants in June 2024 and engaged with the school community to educate students on environmental sustainability. Discussions included topics such as climate change, greenhouse gas emissions, and renewable energy initiatives spearheaded by our portfolio companies. This educational component aims to inspire future generations to participate actively in environmental conservation efforts.

Building a new home
Mexican office

In May 2024, the Linzor Mexico team collaborated with the senior management teams of our Mexican portfolio companies, including UIN, S4L, inConcert, Convertia, Engen Capital, and TIP, to build a new home for a family of five in Villa de Allende, State of Mexico.

In partnership with local NGO Construyendo, this initiative provided a safe and dignified living space for a family that previously lived in an overcrowded setting. Over two days of dedicated effort, 48 volunteers worked alongside Construyendo to build a 46m² concrete house with electrical wiring and running water.

[GRI 413-1]

SOCIAL

Linzor team members are committed to philanthropy and active community engagement

Linzor has additionally extended its impact through charitable contributions to social impact projects. In 2024, Linzor supported the ongoing initiative at the San Joaquín Women's Penitentiary in Chile, where volunteers have been running a knitting workshop since 2015. This program promotes social reintegration by helping women develop skills to generate income, often serving as their only source of earnings. In 2023, we donated to Sies Salud's health project in Sampues, Colombia, and UIN's "Mujeres Líderes" program for female empowerment in Mexico, which will continue to make an impact this year.

Our commitment to community service goes beyond collective efforts. It extends to the personal initiatives of each team member, demonstrating their commitment and dedication; many of our partners and employees actively volunteer and support non-profit organizations such as:

- Gerardo Biagi (Partner) serves as a board member at Wela. This platform accelerates the growth of startups and high-impact companies and fosters the entrepreneurial ecosystem in southern Tamaulipas, Mexico.
- Ana Giannareas (Partner) mentors young women in a mentorship program run by Women in Finance Latin America, which promotes women's role in the finance sector in the region. María del Carmen Vergara (ESG & Impact Coordinator) also mentors young women at a lower-income university in Peru as part of the "Mujer e Ingenieria" project to promote their labor market insertion.
- Carlos Ingham (Linzor Co-Founder and Partner) is the Founder and Honorary President of Red de Alimentos, Chile's first food bank. Since its inception in 2010, Red de Alimentos has rescued and distributed over 81 million kilograms of food, along with more than 17 million hygiene items and 17 million diapers. The organization, which operates in all 16 regions of Chile, has supported over 290,000 people in the past 12 months (as of June 2024).
- Alfredo Irigoin (Linzor Co-Founder and Partner) is a board member in several non-profit institutions including Sanatorio Mater Dei (a hospital in Buenos Aires, Argentina), Colegio Madre Teresa (a K-12 school serving lower-income students in Buenos Aires, Argentina) and Fundación Impulso (which operates a free primary and secondary school in Montevideo, Uruguay that aims to close the education gap).
- Tim Purcell (Founding Managing Partner) and Matias Gutierrez (LCP IV Co-Managing Partner) serve as Chairman and board member, respectively, at Enseña Chile. This non-profit educational organization is a member of Teach for All.
- Tim Purcell (Founding Managing Partner) is a member of the board of Colegio CREE, a non-profit charter school in Chile serving Santiago's most vulnerable students in grades PK to 9th. Tim and his wife Teresa were founding sponsors of this school, helping to build its infrastructure and finance its operation.
- Cipriano Santisteban (Partner) has been a board member of the Fondo Nuestro ITAM program since 1999. The program provides housing and maintenance scholarships to students with compelling financial needs, achieving much higher retention and graduation rates for students in this segment.

Looking forward, Linzor is committed to expanding our community engagement efforts across all our offices. We will continue to collaborate with local NGOs and leverage our portfolio companies' expertise to maximize the impact of our initiatives. By measuring our outcomes and fostering ongoing relationships with the communities we serve, we strive to create lasting positive change.

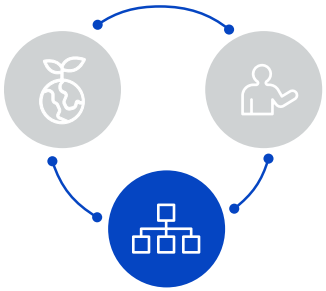
[GRI 413-1]

SOCIAL

Data security

Linzor prioritizes protecting sensitive information to maintain trust with investors, portfolio companies, and stakeholders. Our robust IT practices are specifically crafted to defend against cybersecurity threats and safeguard information privacy to mitigate risks and uphold the integrity and confidentiality of our data assets. Staff annually reaffirm their commitment to uphold Linzor's data security standards by reviewing and signing the Code of Conduct. Sensitive information reports are distributed securely through an online investor platform to preserve confidentiality.

GOVERNANCE



Strong governance enhances E&S risk management and opportunity seizing

We believe that if a company delivers good governance, it is more likely to approach E&S issues with the right long-term mindset, thereby managing significant risks effectively (or avoiding them altogether) and seizing relevant opportunities. In that sense, Linzor aims to ensure a solid governance structure at the general partner level and within each portfolio company. In 2024, Linzor's ESGC formalized a set of Corporate Governance Best Practices for Portfolio Companies, aligned with the G20/OECD Principles of Corporate Governance.

Governance structure and effectiveness

LCP operates as an independent firm governed by its nine partners, who collectively control the firm and comprise the investment committee for its different funds. All partners are long-standing professionals in their respective markets, with an average of 23 years of experience in the region and share a strong culture of professional integrity and excellence. They bring to the table deep, well-balanced, and complementary industry knowledge, an extensive track record in managing businesses across various economic cycles in Latin America, and vast networks within the local business communities in each of our target markets, which provides a solid foundation for our investment strategy.

The partners make consensus-driven decisions on investments and other material matters with the input of all partners given equal weight regardless of tenure. They convene weekly investment committee meetings, with attendance by the entire investment team, to review investment opportunities, assess market dynamics, and ensure alignment with fund objectives.

This approach nurtures a collaborative leadership style, enhances our execution capabilities, and provides learning and development opportunities for younger investment professionals.

Transparency and disclosure

We prioritize timely sharing of information on our engagement and management of the portfolio with all relevant stakeholders. Each fund provides quarterly financial reporting and detailed portfolio performance updates to investors through a secure online platform, ensuring confidentiality and facilitating seamless access to information. Additionally, we publish press releases and our impact and sustainability reports on our website, where they are accessible to the general public.

The Limited Partner Advisory Committee ("LPAC") of each of our funds meets quarterly to review investment performance (including a discussion of ESG and impact initiatives), assess macroeconomic trends, and address partnership matters in accordance with the fund's organizational documents. In addition to LPAC meetings, we engage proactively with investors through our Annual General Meetings ("AGM"), which offer a rich forum for discussing fund status and performance and addressing investor inquiries. We also hold one-on-one meetings or calls with investors seeking deeper insights into our activities, demonstrating our commitment to transparency and fostering strong relationships with our investors.

[SASB FN-AC-270a.3 / GRI 2-1, 2-9, 2-16]

GOVERNANCE

Business integrity

Our Partners have cultivated a distinct corporate culture founded on excellence and integrity. Consequently, we integrate the ten principles of the UN Global Compact[13] into our strategies, policies, and procedures, fostering a culture prioritizing integrity. Our employees are expected to uphold the highest ethical standards in conducting business with investors, suppliers, and other counterparts, responsibly managing firm assets, and complying with all relevant legal and regulatory requirements.

Our Code of Conduct requires annual affirmation from employees and sets forth stringent policies on business integrity, including guidelines on bribery, anti-corruption practices, insider trading, whistleblower protection, managing conflicts of interest, and professional conduct.

We have a dedicated online grievance channel for anonymous reporting of misconduct, encouraging any person to promptly report any suspected violations of our Code of Conduct, applicable laws, and company policies, as well as complaints and grievances in relation to our direct operations and/or those of our portfolio companies, without fear of reprisal. All reports will be thoroughly investigated by a senior member of the firm or an external third party appointed by LCP, if appropriate.

Employees are strictly prohibited from engaging in insider trading, and transactions in publicly traded securities of Latin American companies must be disclosed to our compliance channel. A designated partner oversees compliance issues, ethics, and potential conflicts of interest, with general input and oversight from the rest of the partners.

We have a robust Anti-Money Laundering ("AML") and Combating the Financing of Terrorism ("CFT") Policy in place, which includes comprehensive risk assessments for AML, CFT, and Know-Your-Client ("KYC") purposes aligned with applicable laws and regulations. Our annual check against international sanctions lists and rigorous compliance with FATCA and CRS reporting obligations ensure integrity in our relationships with investors and investees. Prospective investors and investees must provide specific documentation and disclose beneficial ownership details.

The investment managers of Linzor funds, Tacora Management Company Ltd. and Tacora Management Company II Ltd., are registered with the U.S. Securities and Exchange Commission as exempt-reporting advisors and with the Cayman Islands Monetary Authority as excluded persons under the Securities Investment Business Law (2019 Revision) of the Cayman Islands.

In addition to our stringent compliance framework, we have implemented a comprehensive risk management program overseen by the partners. This program ensures robust systems and controls are in place to effectively identify, monitor, and mitigate business conduct risks, including ESG considerations. Our partners regularly review the effectiveness of these measures, adjusting as necessary to uphold the highest standards of governance and ethical conduct.

13) The Ten Principles of the United Nations Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

[SASB FN-AC-510a.2 / GRI 2-1, 2-15, 2-16, 2-26, 205-2]

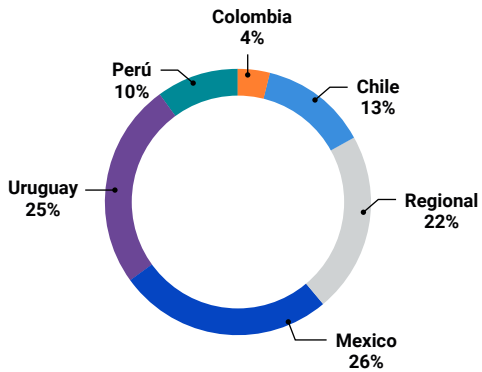
06 PORTFOLIO OVERVIEW

Portfolio overview

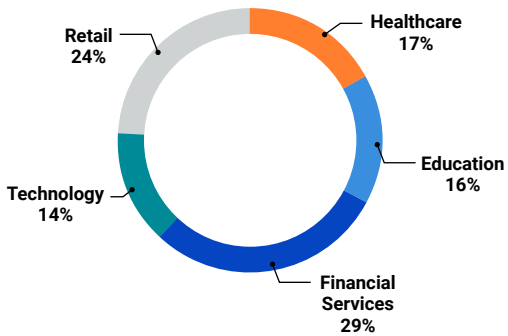
As of June 30, 2024, the Linzor portfolio was comprised by eleven unrealized investments through three funds, focused on control-oriented investments in middle-market companies across Latin America, particularly in Mexico, Chile, Colombia, and Peru. These markets offer complementary opportunities and growth potential.

Our control-oriented approach allows us to engage closely with management teams to set and execute strategic goals. Our value creation approach involves recruiting best-in-class management teams, implementing new systems, developing expansion plans, and executing organic and inorganic growth initiatives. We prioritize investments in companies that not only promise significant returns but also contribute positively by bridging deficits in underserved areas. Our strategy emphasizes rigorous management of strategic, operational, and ESG initiatives, reflecting our commitment to responsible investment. We integrate ESG considerations throughout the investment lifecycle, ensuring operational improvements align with our sustainability goals. This focus enables us to drive sustainable growth and enhance the impact of our portfolio.

Portfolio by country



Portfolio by industry



[GRI 2-1, 2-2]

Portfolio overview **LCP III**

LCP III was invested in companies that drive significant impact and address critical gaps in areas such as financial inclusion (Engen Capital), affordable and high-quality education (UIN and S4L), affordable specialized healthcare (Uno Salud and Sies Salud), and technology access (inConcert, Convertia, and Mundo[14]).

Healthcare	Sies Salud, Uno Salud Dental
Financial services	engen Capital, TIP
Education	S4 Learning, utel Universidad, UIN Universidad Insurgentes
Technology	convertia, inConcert

In 2023, our efforts through Fund III made a significant difference across Latin America, positively impacting:

>151K students
Received affordable higher education in LatAm

>400K patients
Received specialized health care treatments in Colombia and Chile

>9.1K jobs
Of which 65% are held by women

50% of LCP III
Have committed to set a reduction target validated by SBTi as of September, 2024

>5.7K SMEs
Received financing for productive equipment in Mexico

>350 companies
Received digital marketing technology and solutions in LatAm

42% up from 33% in 2022
Of top management roles were held by women

48.7Kwh up from 17.0 Kwh in 2022
Of self-supplied renewable energy (solar panels)

14) Investment was exited in December 2021.

All Linzor Fund III companies have aligned their environmental, social, and governance performance objectives to address SDGs 5, 8, and 13 (see Appendix 2), in addition to the SDGs that relate to their specific sector or business.

We require companies to actively engage with SDG #5 (Gender Equality) and SDG #8 (Decent Work and Economic Growth) to drive sustained, inclusive, and sustainable economic progress. We ensure that initiatives addressing both critical goals are integral to discussions on social and governance factors within each organization. These initiatives are a focal point of board deliberations and are overseen by designated management teams within each company.

We firmly believe that employees are key to each company's success. In this context, all Fund III portfolio companies must adhere to best practices in labor standards. This includes formalizing non-discrimination policies, complying with fair labor laws, providing constructive feedback, creating career development plans, addressing gender pay gaps, and using employee engagement surveys to assess and enhance the work environment.

We also recognize our responsibility to all stakeholders. Therefore, we encourage our portfolio companies to develop community support initiatives and implement supplier policies that uphold the principles and rights we promote. We recommend that companies actively seek customer feedback through satisfaction surveys, as this feedback is a powerful tool for improving their services and products. We also promote the adoption of robust data protection mechanisms to ensure the trust of those who share their information with us.

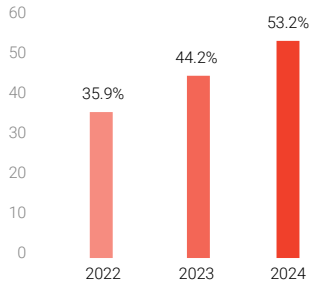
Each company in our portfolio has implemented written policies against bribery, corruption, and conflicts of interest and designated a person responsible for managing them, and an accessible formal complaint mechanism for all stakeholders, empowering them to voice their concerns.

We believe that what gets measured gets managed. Therefore, all companies report on various indicators related to social and governance aspects, which facilitates tracking progress regarding employment, diversity, and quality, among others. Efforts and advancements in these areas are reflected in the SDG 5 (+17.3 p.p. 2024 vs. 2022) and 8 (+13.6 p.p. 2024 vs. 2022) indicators, as illustrated in the following charts:

Measuring and reporting on ESG indicators enables companies to manage and make progress effectively

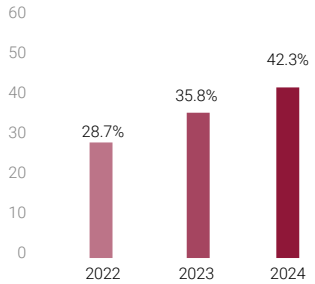
5 GENDER EQUALITY — ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

SDG 5 - LCP III WAVG[15]



8 DECENT WORK AND ECONOMIC GROWTH — PROMOTE SUSTEINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

SDG 8 - LCP III WAVG[15]



Finally, we have identified areas where all companies in our Fund III portfolio can continue progressing, including periodic training and annual evaluation of the board of directors and senior management.

15) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

Climate Action is the third critical commitment we promote at Linzor. To advance this goal, all companies in our Fund III portfolio report annually on their climate action progress and plans to the ESG & Impact Committee. Each company has a designated management team responsible for these matters with board oversight, ensuring comprehensive governance for the implementation and monitoring of climate initiatives.

We believe that strategy and management of environmental and climate risks must be integrated into operations. The companies are working on several initiatives, including training their employees on environmental issues, improving supplier policies to include environmental considerations, formalizing and transparently reporting their policies, and identifying and incorporating these risks into their risk management systems.

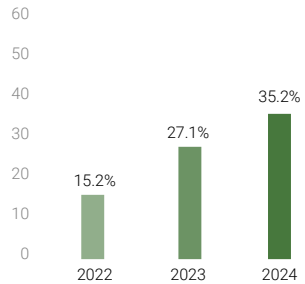
All companies in the Fund III portfolio have committed to regularly reporting environmental indicators. These reports have evolved to cover an increasingly broad range of topics and have refined their methodology, such as those for measuring carbon emissions.

Additionally, we are requiring all companies in the Fund III portfolio to develop emission reduction plans validated by the Science Based Targets Initiative (SBTi) or an equivalent framework with international recognition. As of September 2024, three companies have already signed their SBTi commitment letters and are in the process of validating their reduction targets, while the others are advancing in this area.

13 CLIMATE ACTION

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

SDG 13 - LCP III WAVG[16]



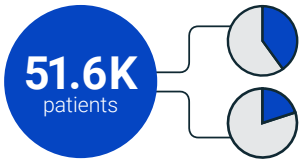
The efforts and progress made since 2021 are reflected in the progress of SDG 13, with an improvement of 20.0 p.p. (2024 vs. 2022).

In the following section, we discuss each company's ESG and impact initiatives and identify key opportunities that can drive sustainable development and foster their long-term value creation.

16) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

Sies Salud
Affordable specialized healthcare

LINZOR INVESTMENT DATE December 2020
COUNTRY OF OPERATIONS Colombia
HEADQUARTERS Colombia
INDUSTRY Healthcare
FOUNDATION 2006



44%
female

22%
coverage of HIV patients in the country

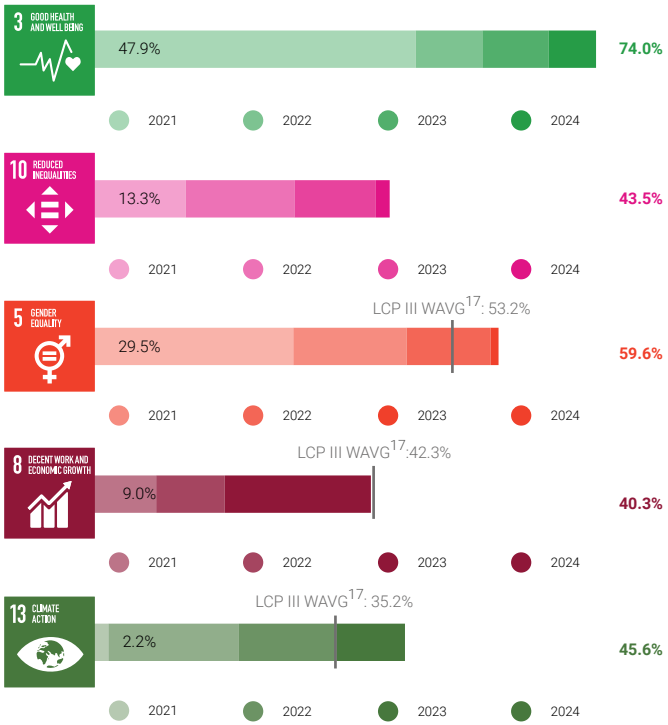
Mission: Sies Salud offers high-quality and comprehensive care for chronic diseases, initially focusing on HIV (60% of patients in 2023) while expanding into other health conditions such as chronic kidney disease (CKD), arthritis, diabetes, and oncology. The company's primary goal is to enhance healthcare access and outcomes, particularly in underserved regions, by broadening its services and utilizing multiple care channels.

Contribution and Impact measurement: Sies Salud has expanded its reach by increasing the number of clinics to 24 (by 2023) and incorporating a mobile unit. The company operates under a flexible care model that includes face-to-face (82%), virtual (14%), and home care (3%) delivery channels.

Sies' effective management of high-cost patients is reflected in impressive health metrics: HIV patients have lower hospitalization (0.2%) and mortality rates (0.8%) compared to national averages (2.0% and 2.7%, respectively) and a higher percentage of HIV patients in remission or asymptomatic (80% vs. 50% national average). Additionally, 74% of CKD patients experience no disease deterioration, an improvement over the national benchmark of 71%.

The company's business model inherently contributes to achieving SDGs 3 (Good Health and Well-being) and 10 (Reduced Inequality), as evidenced by a substantial improvement measured using the SDG AM tool since 2021 (+26.1 and +30.2 percentage points, respectively). This alignment with global health goals demonstrates Sies' commitment to making a significant impact on healthcare and reducing inequalities in access.

Beyond quality healthcare provision, Sies is committed to impactful social and environmental initiatives, which are reflected in the advancement of the SDGs 5, 8 and 13.



17) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Ongoing promotion of responsible energy consumption through internal communication and training programs for employees and users.
- Energy Efficiency:
  - Installed solar panels in seven sites, resulting in a 4% reduction in energy consumption.
  - Invested in energy-efficient technology across all new sites.
  - Installed solar panels in an Indigenous community school, benefiting 50 families.
- Installed software to monitor and enhance energy and water efficiency.
- Tracking Scopes 1 and 2 since 2019 and finalized Scope 3 calculation in 2023.
- Made progress towards setting Science-Based Targets Initiative (SBTi) target. Signed commitment in July 2024.
- Obtained an environmental excellence certification from the Bogotá Environmental Authority and joined the Global Network of Green Hospitals in 2023.

Social

- Offered training programs focused on women's empowerment, continuous learning, diversity, equity, and inclusion (DEI), as well as emotional, physical, and financial health.
- Revised the supplier policy to include a code of conduct addressing DEI, reduced inequalities, and gender equality. By 2023, 78% of suppliers have signed the updated code.
- Evaluated suppliers based on their adherence to gender equality, decent work conditions, and efforts to address inequalities, incorporating these criteria into the supplier selection process.
- Contributed to the community through donations of healthcare equipment, furniture, and technology, support for various foundations, and the installation of solar panels.
- Awarded the LAVCA 2024 Gender & Diversity Award in recognition of the organization's outstanding initiatives supporting women and highly vulnerable populations.

Governance

- Developed and disseminated policies on non-discrimination, non-harassment, workplace standards, and human rights.
- Ensured that the ESG policy and sustainability report are accessible to the public.
- Maintained a whistleblower channel since 2022, allowing employees and third parties to submit reports anonymously or with their identities, and updated the channel in 2023 to refine the categories for complaints, making it available for consultation by interested parties.

OPPORTUNITIES IDENTIFIED

Sies Salud has established a dedicated team to spearhead ESG initiatives, resulting in stronger performance on SDGs 5 and 13 compared to the average across Linzor companies. Nevertheless, there remains room for improvement regarding SDG 8. We have identified several opportunities to further advance in this area, including:

Environmental

- Implement training programs for suppliers to collect and report their greenhouse gas emissions accurately.
- Periodically review protocols for safely handling, storing, and disposing of hazardous and non-hazardous materials to avoid or minimize toxic generation.

Social

- Launch an employee engagement survey to address concerns and improve the workplace environment.
- Create and communicate a transparent career development plan to support employees' professional growth and advancement.
- Continuously enhance existing strategies to reduce employees' exposure to infectious diseases and maintain a safe working environment.

Governance

- Centralize physical and digital records and digitize patient-related procedures to improve data security and streamline access.
- Address the current lack of female representation in the board of directors.

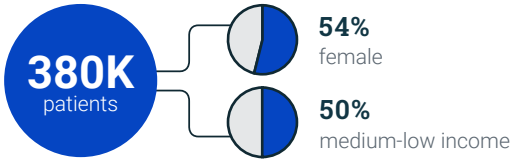
OUT OF THE BOX IDEA[18]

The company has launched a social investment project in the low-income, highly vulnerable community of Sampués, Magdalena. In 2023, Sies conducted three brigades, reaching 1,194 community members without access to health services. The company provided medical checkups, rapid lab tests, health workshops, and donations. In the first half of 2024, the project's second phase began, assisting 110 users (73% women) with nutrition, pediatrics, general medicine, and nursing care.

18) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company-sponsored ESG project.

Uno Salud
Affordable dental chain

LINZOR INVESTMENT DATE December 2020
COUNTRY OF OPERATIONS Chile
HEADQUARTERS Chile
INDUSTRY Healthcare
FOUNDATION 2010



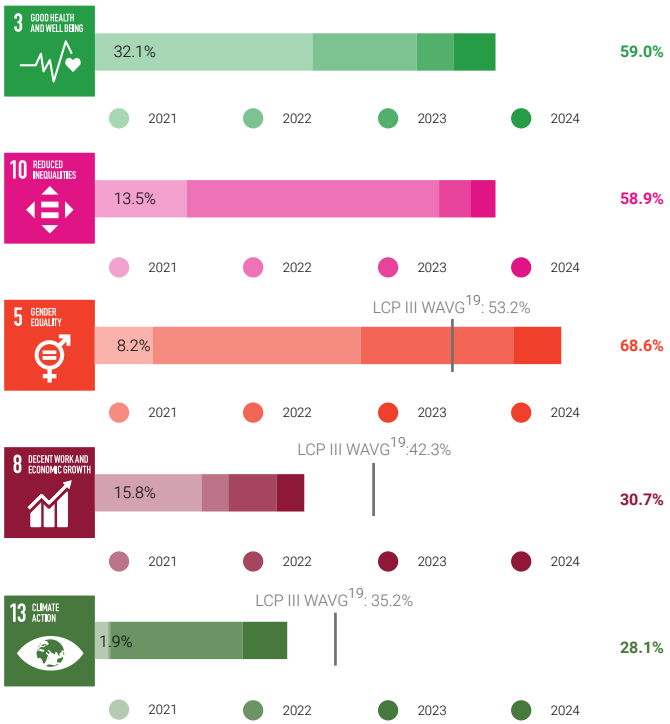
Mission: Uno Salud is committed to democratizing oral health by offering high-quality dental services at affordable prices, making dental care accessible to individuals across all socioeconomic levels. The company is focused on continuous innovation and improvement of service standards, ultimately aiming to enhance patients' quality of life and overall well-being.

Contribution and Impact measurement: Uno Salud has made substantial strides in providing accessible dental care, performing approximately 2.0 million procedures in 2023 at prices that are more affordable than those of its competitors. With 82 clinics nationwide, it offers 100% free diagnoses to its patients and free dental care to vulnerable populations in partnership with NGOs.

The company's dedication to quality is evident in its utilization of high-quality materials and cutting-edge technology, including digital X-rays and state-of-the-art sterilization equipment, across its extensive network of clinics.

The dental chain's business model supports SDGs 3 (Good Health and Well-being) and 10 (Reduced Inequality), with significant improvements noted by the SDG AM tool since 2021 (+26.9 and +45.4 p.p., respectively). By focusing on accessible, high-quality dental care, the company enhances oral health and aims to reduce service disparities, demonstrating a strong commitment to advancing global health and equality.

In addition to delivering high-quality dental care, Uno Salud is dedicated to making a significant impact through social and environmental initiatives, contributing to the progress of SDGs 5, 8, and 13. Some of them include:



MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Commitmented to carbon foot-print reduction targets by signing the SBTi letter. An external consultant has reviewed and validated the carbon footprint calculations.
- Signed a deal with Big Sur Energy to receive solar power for about six solar-powered clinics.
- Implemented recycling programs at headquarters, reducing paper usage and lowering water consumption.
- Surveyed suppliers on their climate strategies. By 2023, 57% had a climate strategy, and over 70% were taking active measures to address climate change.

Social

- Conducted workshops for employees to enhance their dental health.
- Offered scholarships for dentists' continuous learning, with commitments to serve underserved areas post-graduation.
- Provided job opportunities for recent graduates while supporting their professional development through internal promotion programs.
- Delivered free dental care services to vulnerable regions.
- Provided comprehensive health insurance benefits for employees.

Governance

- Trained employees on the company's code of conduct, complaints channel, and anti-harassment policies.
- Prioritized working with local and independent suppliers, making up 60% of the supplier base.
- Established and executed a CEO succession plan.

19) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

OPPORTUNITIES IDENTIFIED

Uno Salud continues to demonstrate progress across all ESG areas. However, its performance on SDGs 8 and 13 remains below the average of Fund III companies. To address this, we have identified several key opportunities for improvement that will help mitigate associated risks, including:

Environmental

- Train employees in environmental practices to boost compliance and responsibility.
- Use eco-friendly dental materials to reduce environmental impact.
- Integrate environmental criteria into supplier policies.
- Continuously review the disposal procedures for dental materials, such as mercury-containing amalgams and chemical waste, to ensure environmental safety and mitigate health risks.

Social

- Enhance patient satisfaction with personalized care and feedback systems.
- Develop clear career pathways to support employee growth.
- Collect customer insights through focus groups or feedback systems.

Governance

- Strengthen data security to protect patient privacy
- Publish an ESG policy and annual report to increase transparency and accountability.

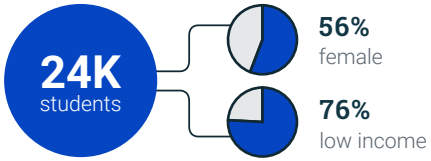
OUT OF THE BOX IDEA[20]

Uno Salud's project aims to enhance oral health access by training specialists and providing clinical care in underserved communities. The initiative has positively impacted relationships with suppliers, dentists, and local stakeholders, fostering a greater sense of purpose. In 2023, the team delivered dental care to 78 La Pintana and Jesús Niño patients and awarded 12 scholarships to dental specialists. Successful scholarship recipients from previous years are now contributing to clinics across Chile. Updates are shared internally via the monthly e-bulletin and externally through LinkedIn, Facebook, YouTube, and Uno Salud's website, highlighting the company's commitment to community and healthcare.

20) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company-sponsored ESG project.

Universidad Insurgentes
Hybrid affordable higher education

LINZOR INVESTMENT DATE May 2017
COUNTRY OF OPERATIONS Mexico
HEADQUARTERS Mexico
INDUSTRY Education
FOUNDATION 1995

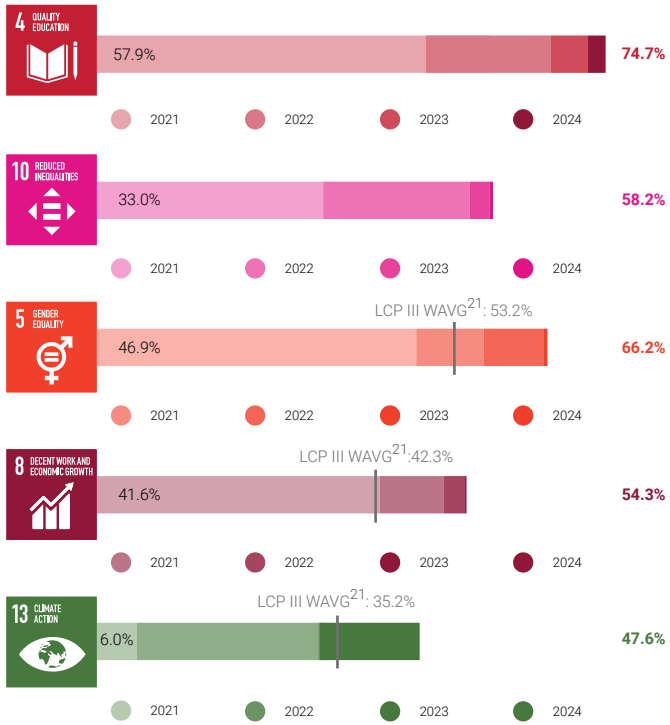


Mission: UIN is dedicated to offering high-quality, affordable education to lower economic segments, through its 19 campuses in the greater Mexico City area. The institution aims to provide students with the tools needed for personal and economic advancement, promote job formality, and reduce inequalities.

Contribution and Impact measurement: UIN ensures equal and affordable access to quality education, ranking among the top 14 affordable institutions within the 109-member FIMPES association and the most affordable private university among the 30 in ANUIES. UIN's programs boost employability, with an 82% employment rate for graduates with prior job experience and 40% higher salaries than competitors. Additionally, 68% of graduates find jobs within six months, surpassing the national average.

Serving a majority of first-generation university students, UIN aims to empower its students, foster equal opportunities, and address societal inequalities through its accessible education model, which directly boosts SDGs 4 (Quality Education) and 10 (Reduced inequalities), which experienced an improvement of 16.8 p.p and 25.2 p.p compared to 2021, respectively.

Furthermore, in alignment with Linzor's objectives, UIN is dedicated to advancing SDGs 5, 8, and 13 through impactful social and environmental initiatives. Key efforts include:



21) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.
22) FIMPES: Federation of Mexican Institutions of Higher Education, plays a crucial role in accrediting higher education institutions and their programs, supporting institutions in achieving excellence and adapting to educational needs and challenges.
23) ANUIES: National Association of Universities and Higher Education Institutions in Mexico. Represents universities and higher education institutions, coordinates their interests, and contributes to policy development in higher education.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Secured the first sustainability-linked loan to a Mexican university to partly finance the installation of solar panels. The project is projected to reduce 90% of electric energy use and meet Scope 2 targets. This pioneering financial arrangement includes a loan and a financial derivative that offers economic incentives for meeting specific targets related to carbon emissions and gender equality.
- Offered a 60-hour course on climate change, with 20 hours mandatory for all programs, and an additional 40 hours available for academic certification.
- Trained teachers and students in ecosystem restoration and green area maintenance, reaching over 2,300 students and 50 teachers in 2023.
- Became the first university to participate in the international "Carbon Neutral" initiative, achieving certification in early 2024.

Social

- Developed programs with Worldvision (impacting 2,000+ women) and "Mujeres Líderes" with Dalia Empower and Santander (15,000 scholarships, 50% placement rate).
- Secured 8,300+ agreements for social services, internships, and employment. Graduates complete courses to enhance employability.
- Partnered with Intellab and Telefónica Movistar, leading to 1,576 hires and training over 2,000 students in job search practices via the CONECTA platform, with a 60% completion rate.
- UIN leads in gender equality with a female rector (15% of Mexican universities have female rectors) and addresses income disparities by measuring gender compensation gaps.
- Adhered to a responsibility matrix ensuring equal pay across genders.

Governance

- Implemented a sustainable purchasing policy to promote environmental, social, and economic criteria in product and service contracts.
- Gathered ESG data from 37% of the top 40 suppliers, with 70% being SMEs, to lay the groundwork for future collaboration.
- Took an active role in FIMPES[22] to ensure quality academic content and promote ESG metrics in the accreditation process, achieving a 7-year accreditation.
- Achieved certification by ANUIES[23] as one of 33 top private universities out of 230.
- Implemented and monitored governance policies related to gender equality and educational impact.
- UIN's female rector is a member of the 33 Women for Gender Equality group, interacting at high government levels.

OPPORTUNITIES IDENTIFIED

Universidad Insurgentes has made substantial progress in recent years, leaving less room for further improvement and positioning it ahead of other Fund III companies.

While the SDG action manager tool facilitates performance evaluation, some sector-specific indicators are not fully applicable, indicating that UIN is nearing its maximum potential. To continue advancing, we have identified the following key initiatives:

Environmental

- Implement practices for responsible handling and disposal of all types of waste, including electronic waste.
- Work with third-party experts to manage and reduce the environmental impact of toxic lab waste from nursing programs.
- Develop and execute thorough recycling programs.
- Invest in water-saving technologies and practices.

Social

- Perform and utilize students' satisfaction surveys / focus groups / systematic feedback to gain insights and improve services.
- Broaden the supplier base while strengthening initiatives to increase awareness of and alignment with ESG practices and UIN policies.

Governance

- Regularly review and update anti-corruption policies and the Code of Ethics.
- Establish formal succession plans for the CEO and key employees to ensure continuity and preparedness for an effective leadership transition.

OUT OF THE BOX IDEA[24]

Three companies from the Linzor portfolio, Convertia, InConcert, and UIN, have launched a collaborative social project. This partnership showcases the strength of our private equity network, leveraging each company's unique expertise and knowledge to create a powerful impact.

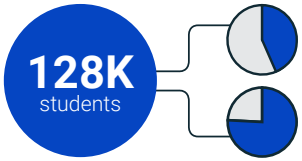
In this initiative, UIN will leverage its expertise in online education programs, Convertia will contribute insights into job market skills, and InConcert will provide digital technology and additional support. The project will feature a scholarship program for students nearing graduation and recent graduates in relevant fields. The program will cover marketing topics through digital content developed by UIN. At the same time, Convertia will provide practical training and job skills pertinent to marketing careers, with InConcert facilitating hands-on experience at their offices.

The goal is to offer mentorship, tools, and training to empower students to enhance their micro or family businesses and contribute to the growth of the local economy.

24) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company-sponsored ESG project.

S4L (UTEL)
Online affordable ed-tech

LINZOR INVESTMENT DATE May 2018
COUNTRY OF OPERATIONS Latin America ex Brazil
HEADQUARTERS Mexico
INDUSTRY Education
FOUNDATION 2011



47%[25]
female

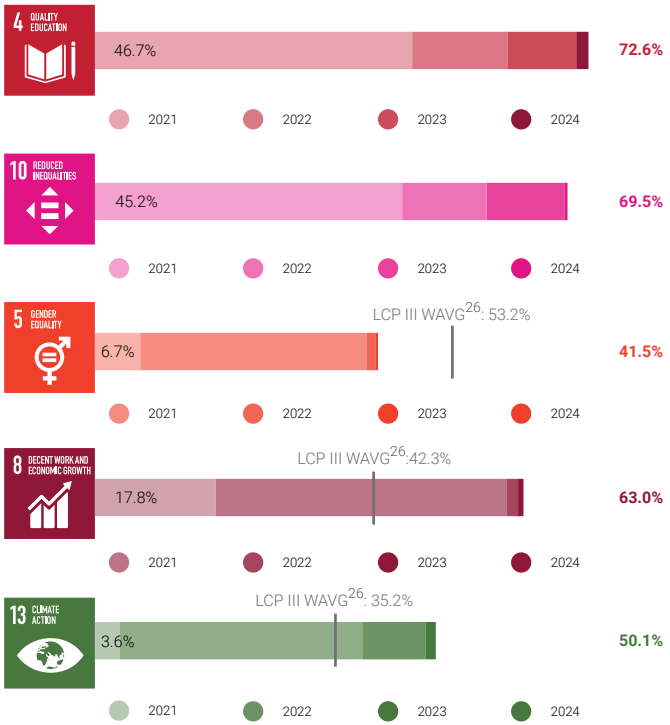
85%[25]
work while studying

Mission: S4L aims to enhance professional development and social mobility by providing online high-quality, flexible, and affordable higher education. It offers educational opportunities to diverse students ranging from 18 to 60 years old in emerging countries, providing them with a comprehensive range of academic offerings, including over 90 programs, mainly bachelor's degrees. S4L also collaborates with traditional universities to digitalize their degree offerings and offers bootcamps for workforce upskilling.

Contribution and Impact measurement: In 2023, S4L provided education primarily to students from middle- and low-income backgrounds, with 34% of them reporting family incomes below USD 500. Among these students, 85% managed to balance work and study to finance their education. The institution's dedication to quality and student satisfaction is evident from a Net Promoter Score (NPS) of 44. Graduates have achieved an 85% employment rate and saw notable wage increases post-graduation (+41% in Mexico and +30% in Latin America). These achievements contribute to advancing SDGs 4 (Quality Education) and 10 (Reduced Inequalities).

25) Data does not include on-line program management students.

Beyond quality education, S4L is committed to impactful social and environmental initiatives, which are reflected in the advancement of the SDGs 5, 8 and 13.



MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Offered four master's degrees and one bachelor's degree focused on sustainable development.
- Held recycling workshops, collecting 1,489 kg of waste from offices.
- Measured the carbon footprint for 2023, covering scopes 1, 2, and 3 for Utel Mexico and Utel Internacional. Scope 3 calculation was refined.
- Updated carbon reduction plan recommendations based on consultant advice.

Social

- Partnered with five NGOs, granting scholarships.
- Supported internal promotions, with 57% involving women.
- Hosted discussion panels and conferences focused on gender empowerment.
- Conducted employee training in DEI and daily skills, talent development, and competencies.
- Awarded 1,066 employee scholarships by 2023, with 70% going to women.
- Achieved an eNPS of +43 and increased employee engagement score to 79.

Governance

- Communicated ethical principles and supplier policies to suppliers and conducted a survey revealing that most have non-discrimination and non-harassment policies.
- Implemented a DEI Committee and policy in 2023.

26) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

OPPORTUNITIES IDENTIFIED

S4L has made limited progress on SDGs 5, 8 and 13. To address these areas and drive further growth, we have identified several key improvement opportunities for the upcoming periods:

Environmental

- Develop a supplier policy with environmental criteria to prioritize energy efficiency and sustainability.
- Implement a structured plan for hardware upgrades to minimize electronic waste.
- Establish a comprehensive e-waste management and recycling program.
- Adopt efficient data storage and management practices to reduce digital waste and energy use.
- Transition to energy-efficient data centers and use renewable energy.

Social

- Test for and address gender pay gaps.
- Use focus groups and feedback systems to collect customer insights.
- Ensure equal opportunities for professional development across all genders.
- Implement a supplier diversity policy to promote inclusive procurement.
- Adopt a policy for local sourcing to support local economies and reduce supply chain risks.

Governance

- Publish an ESG policy and annual report for greater transparency.
- Assess and manage risks in the supply chain to prevent disruptions.
- Introduce female representation in the Board of Directors.
- Review and approve anti-corruption policies and the Code of Ethics with the Board of Directors.

OUT OF THE BOX IDEA[27]

In 2023, S4L's "Bridge the Gap" program made notable strides in three key areas. It awarded 151 scholarships to disadvantaged youth and women, greatly enhancing educational opportunities. The program also included 113 Utel volunteers participating in charitable activities, delivering essential items, and supporting vulnerable communities. Additionally, S4L promoted environmental sustainability by facilitating recycling efforts and workshops, emphasizing its commitment to reducing its carbon footprint and fostering a greener future.

27) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company-sponsored ESG project.

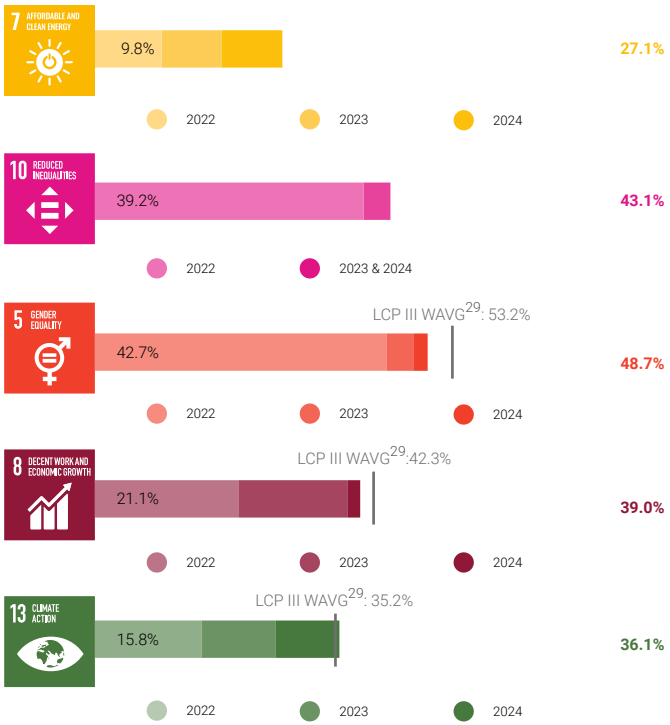
Engen Capital
Leasing platform for SMEs

LINZOR INVESTMENT DATE March 2016
COUNTRY OF OPERATIONS Mexico
HEADQUARTERS Mexico
INDUSTRY Services
FOUNDATION 1993

Mission: Engen Capital provides specialized corporate financing solutions, including long-term financing for productive assets through pure leasing, financial leasing, and corporate credit structures. Engen supports business capital expansion, especially in the underpenetrated Mexican banking market. TIP, a subsidiary of Engen Capital, leases and rents a diverse range of trailers and transportation engine-equipment to trucking companies, logistics providers, and large private fleets.

Contribution and Impact measurement: In 2023, Engen financed over 5,700 SMEs (~80% of Engen's portfolio), offering customized financing solutions for various productive assets, including technology, transportation, medical equipment, and more. They have supported the adoption of electric and hybrid vehicles and solar panels, integrating carbon offsets into traditional vehicle leases. Given its products, Engen directly impacts SDGs 7 (Affordable and clean energy) and 10 (Reduced inequalities).

In addition, due to the alignment of objectives with that of Fund III, Engen has implemented the following initiatives that have driven SDGs 5, 8, and 13[28]:



28) Graphics show Engen's score from 2022 onwards based on available comparable data.
29) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Partnered with an external consultant to assess the carbon footprint for 2023, focusing on increasing data accuracy, particularly for Scope 3 emissions, and reviewed the carbon footprint for 2022.
- Developed and implemented a comprehensive waste management plan.
- Conducted a trailer life cycle analysis (TIP) to evaluate the environmental impacts throughout the trailer's lifespan and identify areas for improvement.

Social

- Achieved the Socially Responsible Company insignia from CEMEFI[30] for the second consecutive year.
- Supported community initiatives through donations and scholarships.
- Enhanced employee skills and knowledge with targeted training programs, including leadership development, Engen University, ESG training, and Ethics Week.
- Implemented the Wellness Program, featuring vaccination campaigns and support for sports activities, to promote employee health and well-being.
- Conducted a compensation gap analysis to address gender equity issues and ensure fair and equitable compensation practices.
- Defined key ESG topics for training the ESG committee to enhance their understanding and management of sustainability issues.

Governance

- Introduced a Supplier Code of Ethics with clauses against gender discrimination and ensured adherence to principles of freedom of association (TIP).
- Published the updated ESG policy and the 2023 ESG report to transparently communicate our sustainability goals and achievements.

30) CEMEFI: The Centro Mexicano para la Filantropía, CEMEFI, is a private, nonprofit membership association based in Mexico City that seeks to promote a culture of philanthropy and social responsibility in Mexico.

OPPORTUNITIES IDENTIFIED

Engen's performance on SDGs 5 and 8 currently trails behind the weighted average of Fund III portfolio. To address this, we have outlined several key initiatives aimed at enhancing its ESG and impact performance. We recognize the importance of actively supporting and guiding the company to expedite its progress and achieve better results.

Environmental

- Create and implement a comprehensive training plan focused on enhancing ESG practices throughout the supply chain.
- Finalize the calculation of Scope 3 emissions to gain a complete understanding of indirect environmental impacts.
- Develop and implement reduction targets for direct (Scope 1) and indirect (Scope 2) emissions to improve overall environmental performance.
- Explore the installation of a photovoltaic system to enhance renewable energy use and reduce carbon footprint (TIP).
- Establish a robust sustainability policy to guide long-term environmental and social practices.

Social

- Conduct an analysis to identify and address gaps in living wage compensation across the organization.
- Strengthen our commitment to the Women's Empowerment Principles (TIP) to promote gender equality and empowerment.

Governance

- Develop and enforce an internal code of ethics, including transparent information for potential migrant workers.
- Improve communication within the supply chain regarding mechanisms for reporting and addressing discrimination grievances.

OUT OF THE BOX IDEA[31]

- Engen conducted a life cycle analysis (LCA) of trailer boxes in partnership with a key supplier to evaluate their environmental impact from production to disposal. The study highlighted manufacturing as the primary source of environmental burden due to high energy consumption. In response, Engen developed initiatives to enhance energy efficiency and explore renewable energy sources. This collaborative approach, involving suppliers and environmental experts, is crucial for advancing sustainability and implementing effective practices that align with broader environmental goals.

- The Internal Green Taxonomy project aims to enhance Engen's understanding and management of environmental risks and sustainability performance, using Mexico's Sustainable Taxonomy published in March 2023 as a framework. By assessing green certifications, fuel consumption, and operational efficiencies, Engen aims to drive its asset portfolio toward sustainable practices, enhancing its long-term value. Key challenges include obtaining comprehensive data on green certifications and asset usage. In 2024, Engen's goals involve identifying practical requirements for categorizing sectors such as energy, transport, and agriculture and refining asset identification with detailed SCIN codes.

31) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company-sponsored ESG project.

inConcert

Software as a service for customer experience

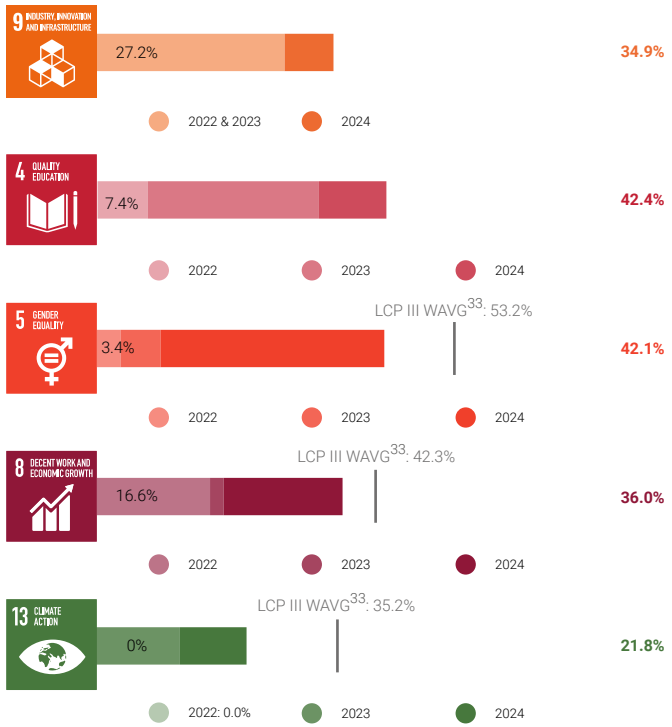
LINZOR INVESTMENT DATE January 2022
COUNTRY OF OPERATIONS Mexico, Spain, Chile, Peru, Uruguay, Colombia, Costa Rica, and Ecuador
HEADQUARTERS Uruguay
INDUSTRY Technology
FOUNDATION 2001

Mission: InConcert aims to be a leading Customer Experience (CX) software provider through the software as a service (SaaS) model. The company helps businesses optimize their contact centers, marketing, sales, customer service, and collections with an integrated suite of omnichannel and AI-powered solutions.

Contribution and Impact measurement: In 2023, InConcert provided technology solutions to over 350 companies and 1,000 clients in more than 25 countries. Its suite, including Contact Center, Marketing Automation, Speech Analytics, Conversational Bots, and Workforce Engagement solutions, integrates data and technology to enhance customer experience across multiple channels.

By fostering innovation, building resilient infrastructure, and promoting sustainable industrialization, InConcert directly supports SDG 9. At the same time, the Company contributes to SDG 4 by democratizing access to educational resources through online learning platforms and digital tools.

Beyond digital transformation and quality education, inConcert is committed to impactful social and environmental initiatives, which are reflected in the advancement of the SDGs 5, 8 and 13[32].



32) Graphics show inConcert's score from 2022 onwards based on Linzor's investment date.
33) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Achieved clean energy certification (Energy Star) for all but one data center.
- Measured the carbon footprint, including scopes 2 and 3.
- Implemented policies and practices to recycle office supplies, water, and paper and manage electricity consumption.

Social

- Established a customer success team that monitors customer service satisfaction.
- Provided Ubits and LinkedIn learning platform access for employee training.
- Completed 630 hours of training on the inConcert College Portal.
- Partnered with Laboratoria, an organization focused on gender equality empowering women to start and develop their careers in technology.
- Initiated internal studies to analyze and reduce gender pay gaps.
- Conducted Talent Banking program (4 trainees, 1 hired) and provided 690 hours of customer training, 80 hours of partner training, and 20 hours of partner onboarding.

Governance

- Established a Human Resources department.
- Incorporated two women into the steering committee.
- Formalized several governance policies, including those for procurement, DEI, gender equality, non-discrimination and fair labor rights, and fair compensation.
- Implemented an anonymous grievance channel for employers, customers, and suppliers.

OPPORTUNITIES IDENTIFIED

inConcert's performance on SDGs 5, 8, and 13 currently lags behind the weighted average of Fund III portfolio. As this company was the most recent addition to our fund, we anticipate its sustainability measures will continue to develop and mature throughout the year.

For instance, in 2023, the company established a Human Resources department specifically to enhance its social and governance initiatives. Despite this positive step, we recognize the need to support and guide the company to accelerate its progress actively, and some of the identified opportunities are:

Environmental

- Implement LED lights in the office.
- Enhance the precision of greenhouse gas (GHG) emissions calculations.
- Obtain detailed data from providers for more accurate assessments.
- Establish clear carbon reduction goals to start the SBTi validation process.
- Promote sustainability practices through employee training and awareness.
- Create and enforce a supplier policy that emphasizes energy efficiency and sustainability.
- Track recycling data.

Social

- Conduct thorough analyses to identify and address any gender pay disparities.
- Develop clear career pathways to support employee growth.
- Implement a detailed impact analysis to evaluate the effects of AI deployment on job roles and employment structures, ensuring that the transition contributes to workforce advancement and mitigating potential adverse impacts.

Governance

- Publish an ESG policy and annual report for greater transparency.
- Develop and implement a robust supplier policy that includes ESG criteria to ensure alignment with the company's sustainable practices.
- Conduct an in-depth assessment of current data security practices and breaches to enhance protection protocols, mitigate risks, and safeguard sensitive information effectively.
- Capitalize on the potential of artificial intelligence (AI) to drive digital transformation.

OUT OF THE BOX IDEA[34]

Three companies from the Linzor portfolio, Convertia, InConcert, and UIN, have launched a collaborative social project. This partnership showcases the strength of our private equity network, leveraging each company's unique expertise and knowledge to create a powerful impact.

In this initiative, UIN will leverage its expertise in online education programs, Convertia will contribute insights into job market skills, and InConcert will provide digital technology and additional support. The project will feature a scholarship program for students nearing graduation and recent graduates in relevant fields. The program will cover marketing topics through digital content developed by UIN. At the same time, Convertia will provide practical training and job skills pertinent to marketing careers, with InConcert facilitating hands-on experience at their offices.

The goal is to offer mentorship, tools, and training to empower students to enhance their micro or family businesses and contribute to the growth of the local economy.

34) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company sponsored ESG project.

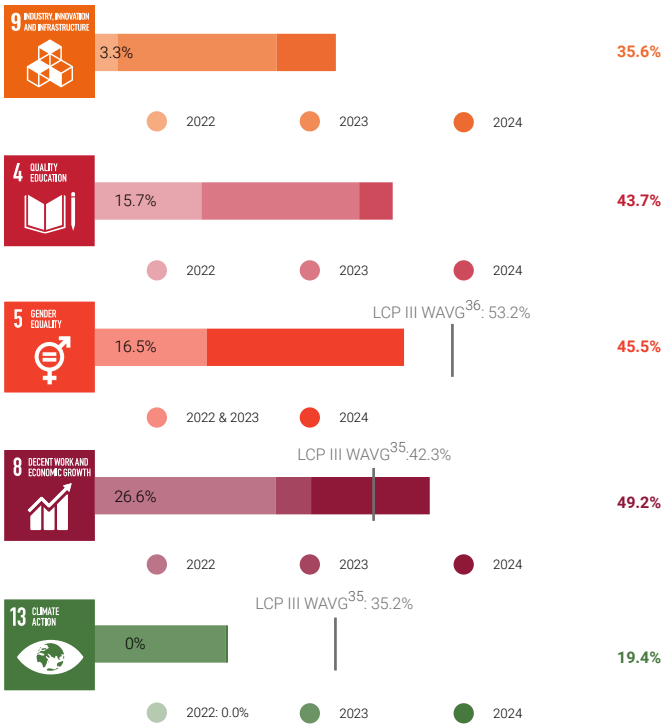
Convertia
Digital transformation solutions

LINZOR INVESTMENT DATE January 2022
COUNTRY OF OPERATIONS Mexico, Spain, Chile, Peru, Uruguay, Colombia, Costa Rica, Ecuador and USA
HEADQUARTERS Uruguay
INDUSTRY Technology
FOUNDATION 2017

Mission: Convertia aims to drive business growth and digital transformation by providing innovative customized technological solutions and expert strategic marketing, sales, and customer experience (CX) consulting.

Contribution and Impact measurement: Convertia operates in 11 countries across Latin America and Europe, and in 2023, it served more than 30 companies, offering cost-effective solutions that are competitively priced. Leveraging extensive experience and a unique methodology, Convertia provides value-added customer engagement services that drive significant growth and digital transformation across various industries. By fostering innovation, Convertia supports SDG 9, contributing to resilient infrastructure and sustainable industrialization. Simultaneously, the company enhances learning experiences through interactive training modules, real-time analytics, and AI-driven insights, which promote ongoing learning and skill development crucial for career advancement in the digital economy, thereby supporting SDG 4.

Beyond digital transformation, Convertia is committed to impactful social and environmental initiatives, which are reflected in the advancement of the SDGs 5, 8 and 13[35].



MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Ensured all but one data center received clean energy certificates (Energy Star).
- Implemented policies and practices to recycle office supplies, water, and paper and to manage electricity consumption.

Social

- Provided entry-level opportunities through contact centers to support labor market integration.
- Promoted workforce and leadership diversity and collaborated with Laboratoria to support women in technology.
- Strengthened technical skills for administrative tasks using the Ubits platform and LinkedIn Learning.
- Conducted the programs "Escuelita telemarketing" for single parents and "Leadership" (360 study hours).
- Donated 150 school supply kits to children in the Andean community.
- Conducted workshops on stress, anxiety, and self-care, information security measures, personal well-being, and DEI in telemarketing.

Governance

- Incorporated two women into the steering committee.
- Formalized several governance policies, including those for procurement, DEI, gender equality, non-discrimination and fair labor rights, and fair compensation.
- Implemented an anonymous grievance channel for employers, customers, and suppliers in 2023.

35) Graphics show Convertia's score from 2022 onwards based on Linzor's investment date.
36) Calculate the weighted average for each SDG across Fund III portfolio companies based on invested capital.

OPPORTUNITIES IDENTIFIED

Convertia's performance on SDGs 5 and 13 currently trails behind the weighted average of Fund III portfolio. As with inConcert, Convertia is the latest addition to Fund III, and we expect its sustainability measures to evolve and strengthen throughout the medium term. To drive improvement, we have identified the following key opportunities for advancement:

Environmental

- Improve the accuracy of greenhouse gas (GHG) emissions calculations.
- Gather more comprehensive data from providers, enabling more precise assessments.
- Establish clear carbon reduction goals.
- Promote and train employees in sustainability practices.
- Develop a supplier policy with environmental criteria to prioritize energy efficiency and sustainability.
- Continuously improve the recycling program to effectively manage and repurpose all waste materials, including electronic waste. Track recycling

Social

- Conduct thorough analyses to identify and address any gender pay disparities.
- Implement and analyze detailed client satisfaction surveys / systematic feedback.
- Define women's participation objective and focus on meeting it.
- Review and update salary adjustment policies to ensure they are fair, competitive, and aligned with industry best practices.
- Conduct a comprehensive impact analysis to assess how AI implementation affects job roles and employment dynamics, ensuring that the transition supports workforce development and maximizes positive social outcomes.

Governance

- Publish an ESG policy and annual report for greater transparency.
- Develop and implement a robust supplier policy that includes ESG criteria to ensure alignment with company's sustainable practices.
- Conduct an in-depth assessment of current data security practices and breaches to enhance protection protocols, mitigate risks, and safeguard sensitive information effectively.

OUT OF THE BOX IDEA [37]

Three companies from the Linzor portfolio, Convertia, InConcert, and UIN, have launched a collaborative social project. This partnership showcases the strength of our private equity network, leveraging each company's unique expertise and knowledge to create a powerful impact.

In this initiative, UIN will leverage its expertise in online education programs, Convertia will contribute insights into job market skills, and InConcert will provide digital technology and additional support. The project will feature a scholarship program for students nearing graduation and recent graduates in relevant fields. The program will cover marketing topics through digital content developed by UIN. At the same time, Convertia will provide practical training and job skills pertinent to marketing careers, with InConcert facilitating hands-on experience at their offices.

The goal is to offer mentorship, tools, and training to empower students to enhance their micro or family businesses and contribute to the growth of the local economy.

37) A unique concept aligned with the company's impact thesis, aiming to collaborate with stakeholders (clients, suppliers, employees, and NGOs) on a company sponsored ESG project.

Portfolio overview **LCP II**

Since 2017, we have actively monitored ESG performance across our first two funds using a streamlined set of cross-portfolio indicators. These indicators are collected annually from portfolio company management, reviewed during our investment committee meetings, and reported to investors at our annual meetings. Our investment professionals, leveraging their positions on company boards and maintaining ongoing direct interactions with management, continuously challenge portfolio companies to enhance their ESG performance. Key focus areas include energy efficiency, recycling, waste management, diversity in senior management and overall employee base, work accidents, employee turnover, community engagement, and corporate governance best practices. The unrealized companies of fund II comprise the following companies and sectors:

Pharmacy Retail farmashop

Retail & Financial services efe

Food pagnifique

The following pages provide a summary of the significant ESG developments within each portfolio company over the last years.

Farmashop

LINZOR INVESTMENT DATE January 2013
COUNTRY OF OPERATIONS Uruguay
HEADQUARTERS Uruguay
INDUSTRY Pharmacy retail
FOUNDATION 1998

Farmashop, a leading Uruguayan retailer specializing in pharmaceuticals, health, and wellness, wields a significant impact through its expansive network of 156 stores and a dedicated workforce of over 2,100 employees. Its influence is further exemplified by its impressive reach, with 34% of the national population participating in its loyalty program, which boasts 1.2 million active members as of 2023. Beyond its market presence, Farmashop is distinguished by its commitment to sustainability and employee development. The company leads by example, with 59.8% of its hybrid or electric delivery vehicles and 15% of its packaging made from renewable materials.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Achieved ISO 50.001 certification in energy management, complementing existing ISO 9.001 (quality management) and ISO 14.001 (environmental management) certifications.
- Launched an environment-focused reporting dashboard to monitor carbon emissions and other ESG metrics.
- Tracking Scopes 1 and 2 emissions since 2021.
- "Más Verde" since 2021 includes:
  - Solar panels installed at Farmashop's distribution center, providing 82% of its energy needs.
  - Sustainable mobility, with 60% of vehicles being electric or hybrid.
  - Employee training and awareness campaigns.
  - Waste management with 70% of waste recovered through source separation.
  - Transitioned from compostable bags to Kraft paper bags based on life cycle analysis.
  - Achieved 100% LED lighting system implementation.

Social

- Ranked 14th nationally in Great Place To Work ("GPTW") 2023 survey results.
- Awarded eCommerce Leader in Retail Uruguay 2023, competing with major companies like Mercado Libre, H&M, Despegar, and Itaú.
- Launched a program to support local suppliers with sustainable and innovative brands in the wellness market, fostering small business incubation in exchange for exclusivity.
- Provided over 70,000 hours of employee training and awarded 440 scholarships for employee continuous learning.
- Conducted performance evaluations for 86% of employees.
- Signed an agreement with the Ministry of Development in March 2023 to sponsor the Accesos Program, creating employment opportunities for individuals aged 18 to 64 in socioeconomic vulnerability.

Governance

- Published the 2023 sustainability report in alignment with GRI, SDGs, and AA1000 standards.
- Obtained ISO 37.001 certification in Anti-bribery Management Systems, becoming the first retailer in Uruguay and the second company in the country to achieve this.
- Established the ESG and Ethics Committees.
- Updated the Procurement Policy in 2023 to include environmental, energy, ethics, and compliance criteria for supplier selection and evaluation.

Pagnifique

LINZOR INVESTMENT DATE October 2013
COUNTRY OF OPERATIONS Regional
HEADQUARTERS Uruguay
INDUSTRY Food
FOUNDATION 1995

Leader in producing high-quality deep-frozen baked goods with automated high-tech plants in Uruguay, the United States and Mexico, supplying supermarket chains, restaurants, and hotels.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Invested in a hydraulic network and fire detection mechanism for fire prevention.
- Implemented LED lighting in 98% of facilities.
- Achieved recycling implementation between 75-100%.

Social

- Increased the percentage of women in the workforce to 67% (up from 65% in 2023).
- Raised the number of women in top management from 1 to 5 in 2023.
- Analyzed all serious work-related accidents by Health & Safety technicians and provided training in 2023, focusing on common issues.
- Made donations to children's NGOs in Uruguay, including Fundación Alvarez Caldeyro Barcia, Liceo Jubilar, and Techo.
- Partnered with Banco de Alimentos Uruguay since 2018 to donate remaining products at the close of business, collaborating with the community and minimizing food waste.
- Collaborated with the Forge Foundation to implement the "First Work Experience" program to place young people from disadvantaged backgrounds into qualified jobs.

Governance

- Installed "Solida" business intelligence software to improve stock order accuracy, which pertains to managing and overseeing company operations and decision-making processes.
- Updated Pagnifique's non-discrimination policy to encourage applications from the LGBTQ+ community.
- Conducted Fire Prevention and Defense Brigade courses for employees, led by the National Fire Department.

Grupo EFE

LINZOR INVESTMENT DATE December 2012
COUNTRY OF OPERATIONS Peru
HEADQUARTERS Peru
INDUSTRY Retail and Consumer finance
FOUNDATION 1961

Grupo EFE is a top Peruvian retailer specializing in home appliances, electronics, and personal care. With a nationwide network of more than 240 stores and 4,500 employees, it also provides a range of financial services to serve the underbanked low—and middle-income Peruvian population.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Implemented LED lighting across 75-100% of facilities.
- Achieved 50-75% recycling implementation.

Social

- Launched a smartphone app, digital debit card, and digital deposits in 2023, with new features for 2024, including transfers, bill payments, and GooglePay, improving customer convenience and engagement.

Governance

- Launched the Juntoz online marketplace to enhance Grupo Efe's digital sales capabilities, with plans to extend similar technology to Conecta and Motorcorp's websites.

Portfolio overview
Recent exits

As part of our ongoing commitment to transparency and responsible investment, we are pleased to highlight the ESG initiatives implemented during our involvement with the companies we have recently exited. While our formal ownership has concluded, the legacy of our dedication to proactive ESG actions remains evident in these organizations. We believe these examples will inspire continued progress and serve as a powerful reminder of the importance of sustainable practices within the industry.

Telecommunications mundo

Education SANTO TOMÁS

Apparel Retail komax

Mundo

LINZOR INVESTMENT DATE September 2019
EXIT DATE December 2021
COUNTRY OF OPERATIONS Chile
HEADQUARTERS Chile
INDUSTRY Telecommunications
FOUNDATION 1990

Mundo, a Chilean B2C provider of low-cost fiber broadband services, has made significant strides in expanding digital connectivity across underserved populations. By offering affordable and reliable internet access, Mundo has played a pivotal role in bridging the digital divide and fostering greater opportunities for development.

During its time with Linzor, Mundo successfully executed an accelerated expansion plan, which not only positioned the company as a leading player in the market but also drew significant interest from potential buyers, leading to an early exit. Although some ESG and impact initiatives were still maturing at the time of the exit, the continuity of the top management team and supportive new ownership have ensured that these efforts continue to evolve. Notable ongoing contributions that underscore Mundo's enduring commitment to both social impact and environmental sustainability include:

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Carbon Footprint Tracking: Mundo began tracking its carbon footprint (scopes 1 and 2) and exploring alternatives to reduce fuel consumption in its fleet and energy use in its hubs.
- Installed solar panels in select hubs.

Social

- Digital Inclusion: Expanded its fiber network to bridge the digital divide, offering affordable internet plans and increasing access in underserved areas. Provided free internet services to over 1,600 clients, including municipalities, community organizations, fire stations, schools, and elderly residences.
- Community Engagement: Formed strong bonds with local communities and received appreciation from authorities for its contributions.
- Diversity and Inclusion: Created an all-female technician squad to address gender diversity issues in the industry, enhancing its reputation as an employer.
- Recognition: Won the LAVCA Social Responsibility Award in 2021 for the social impact of its business strategy.

Governance

- Strategic Expansion: Implemented a successful expansion strategy to become Chile's #2 largest internet service provider, contributing to competitive pressure and industry-wide improvements.
- Professionalization and Financing: Secured financing for large-scale expansion and supported the management team in professionalizing the company.
- ESG Framework and Impact Process: Developed a framework to articulate and track ESG goals, identifying and addressing areas of untapped potential.

Santo Tomas

SANTO TOMÁS

LINZOR INVESTMENT DATE August 2009
EXIT DATE June 2023
COUNTRY OF OPERATIONS Chile
HEADQUARTERS Chile
INDUSTRY Education
FOUNDATION 1988

Corporación Santo Tomás ("CST") is one of the largest private education corporations in Chile, with more than 92,000 post-secondary students in 2023 distributed in 25 campuses in 19 cities. Over 27,000 of these students attend Universidad Santo Tomás ("UST", which grants 5-year university degrees) and nearly 65,000 attend Centro de Formación Técnica Santo Tomás ("CFT") or Instituto Profesional Santo Tomás ("IP"), which grant 2-, 3- and 4-year technical school degrees. CST provides accessible and affordable educational opportunities, particularly to students from underserved backgrounds. By 2023, 98% of students come from municipal or private-subsidized schools, and 76% enroll from regions outside the capital. This commitment to regional accessibility is further supported by substantial financial aid, including scholarships for over 5,000 students and free tuition benefits provided by the Chilean government for more than 15,000 students.

During our holding period, CST significantly expanded its campus infrastructure improved its academic offering and accreditation and grew its student body. The institution effectively implemented measures that, combined with its core business model, fostered a positive societal impact aligned with SDG 4 on quality education. ESG initiatives undertaken during Linzor's involvement included:

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Transitioned to LED lighting across all facilities.
- Implemented advanced recycling programs, boosting waste diversion and enhancing sustainability practices.

Social

- Developed comprehensive training initiatives to enhance staff skills and professional development.
- Regularly participated in a variety of community outreach programs related to education.
- Gave eligible students access to the governmental free tuition subsidy by reconfiguring the group's corporate structure and accreditations to meet new regulatory requirements

Governance

- Established and enforced key policies, including a code of ethics, diversity, equity, and inclusion (DEI), crime prevention, and occupational health and safety.
- Established dedicated HR and audit committees.
- Set up a risk matrix.
- Introduced a dedicated complaints channel to ensure transparency and accountability in addressing concerns and feedback.
- Recruited 3 experienced professionals to join as independent directors

These advancements positioned the university as a highly attractive partner, culminating in a strategic alliance with the International Finance Corporation (IFC) for a transformative institutional development project from 2023 to 2032 after Linzor's exit. This partnership will spearhead a series of groundbreaking initiatives, including introducing a robust Environmental and Social Management System (ESMS), upgrading campus infrastructure and existing facilities, expanding student amenities, and significantly improving technological and bibliographic resources across diverse programs.

Komax

LINZOR INVESTMENT DATE August 2009
EXIT DATE March 2023
COUNTRY OF OPERATIONS Chile, Peru, Uruguay
HEADQUARTERS Chile
INDUSTRY Apparel Retail
FOUNDATION 1989

Komax is a leading apparel industry player, specializing in importing, distributing, and retailing branded apparel and footwear across Chile, Peru, and Uruguay. The Company holds exclusive rights to represent a diverse portfolio of 14 renowned international brands. Komax's licensors include prominent global apparel names known for their impactful ESG initiatives, complementing the company's robust sustainability efforts.

MAIN ESG ACTIONS UNDERTAKEN

Environmental

- Energy Efficiency Initiatives: Implemented energy efficiency measures on its premises to contribute to SDG #7 (Clean Affordable Energy).
- Efficient Resource Use: Improved the efficiency of its products and operations, promoting sustainable lifestyles, in line with SDG #12 (Responsible Consumption & Production).
- Sustainable Materials: Transitioned towards recycled, renewable, innovative, or responsibly sourced product materials.
- Circular Economy Models: Adopted practices such as in-store recycling programs and reuse of returned or second-hand items.
- Packaging Reduction: Eliminated single-use packaging in favor of recycled, reused, or sustainably sourced alternatives.
- Community engagement: Engaged in beach cleaning activities as part of community involvement.

Social

- Gender Diversity: Promoted gender diversity within its employee base to support SDG #5 (Gender Equality).
- High-Quality Employment: Offered high-quality employment and development opportunities, exceeding legal minimum requirements, supporting SDG #8 (Decent Work & Economic Growth).
- Educational Initiatives: Supported educational programs like Gap Inc.'s PACE, which helps women develop skills and confidence.
- Local Community Support: Kivul donated fleece fabric to an indigenous community in Chile, and Stoked collected and repaired used surfing suits for donation to surf schools.
- Recycling and Donation Programs: Brooks Brothers' "#NoLaBotes" campaign supports fabric recycling, donations to female artisans, and repurposing for insulation.

Governance

- Sustainability Assessment: Conducted a sustainability assessment based on GRI standards to identify opportunities for contributing to various SDGs.
- Partnerships for Impact: Created alliances with organizations to enhance social, environmental, and economic impact, supporting SDG #17 (Partnerships for the Goals).

The company was sold to Grupo Axo, who also demonstrates firm social and environmental commitments, including promoting equal opportunity and fashion recirculation. We anticipate that these values will continue to advance under the new ownership, further amplifying Komax's impact in the industry.

07 CONCLUSIONS

Conclusions

Over the past decade, Linzor has made significant strides in sustainable and impact practices, with 2023-2024 marking a particularly noteworthy period. By refining our ESG strategy with a robust Environmental and Social Management System and forming strategic partnerships, Linzor drives sustainable progress in Latin America and aligns with SDGs 5, 8, and 13.

This dedication is evidenced by the remarkable ESG achievements of our portfolio companies. Universidad Insurgentes secured first sustainability-linked loan in Mexico's education sector, setting a new benchmark in the financial sector. Uno Salud is leading the way in clean energy by signing an agreement with Big Sur Energy to build a photovoltaic plant, while Engen-TIP has significantly enhanced its green credentials by expanding its hybrid and electric fleet. Sies Salud has received the 2024 Gender & Diversity LAVCA Award for exceptionally supporting women and vulnerable populations. Additionally, inConcert and Convertia have made substantial strides in governance by formalizing policies. These outstanding accomplishments have collectively contributed to our recognition as the ESG Investing Award 2023's Best ESG Investment Fund in Emerging Markets.

Our track record demonstrates the lasting impact of our approach. Linzor's commitment to institutionalizing ESG and impact focus within each portfolio company is evident from our recent exits: Santo Tomas' partnership with the IFC for a long-term transformative development project, Komax's new shareholder commitment to equal opportunity and fashion recirculation, and Mundo's continued focus on social impact and sustainability under new ownership and management.

Additionally, our annual assessment has identified areas for improvement. In the upcoming period, we are committed to reinforcing the following goals:

- Strengthen Diversity: Build a more inclusive investment team and foster a diverse environment.
- Enhance Climate Action: Improve data preparation and carbon footprint calculations to better measure and reduce environmental impact.
- Leverage Impact Analysis: Conduct thorough analyses to refine strategies and enhance both environmental and social outcomes.

Our goals for the next period include continuing to make a greater impact through Fund IV, reflecting our dedication to ongoing improvement and sustainable progress. We invite you to join us on this journey towards a more sustainable future, as we remain committed to enhancing our ESG performance and contributing positively to society.

08 SASB INDEX

SASB Index

CODE	METRIC	LINZOR RESPONSE
Transparent Information & Fair Advice for Customers		
FN-AC-270a.1	1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.	(1) 0 (2) 0%
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers.	None, USD 0
FN-AC-270a.3	Description of approach to informing customers about products and services.	Section "Sustainability at Linzor, Governance: Transparency and disclosure" (pg. 36)
Employee Diversity & Inclusion		
FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-excutive management, (c) professionals, and (d) all other employees.	Section "Sustainability at Linzor, Social: Metrics" (pg. 29)
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	(1) USD 499 million (2)0 (3) USD 499 million
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment Management processes and strategies	Section "Our comprehensive approach: Methodology and Strategy" (pg. 13-21)
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Section "Our comprehensive approach: Methodology and Strategy" (pg. 13-21)
Financed Emissions		
FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Section "Sustainability at Linzor, Environmental: Metrics and targets" (pg. 28)
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	USD 326 million
FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	65%
FN-AC-410b.4	Description of the methodology used to calculate financed emissions	Section "Sustainability at Linzor, Environmental: Metrics and targets" (pg. 28)
Business Ethics		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	None, USD 0
FN-AC-510a.2	Description of whistleblower policies and procedures	Section "Sustainability at Linzor, Governance: Business integrity" (pg. 37)

SASB Index

Activity Metrics

CODE	METRIC	LINZOR RESPONSE
FN-AC-000.A	Total assets under management (AUM)	USD 499 million
FN-AC-000.B	Total assets under custody and supervision	None, USD 0

farmacia
DIU
Droguería
Industrial
Uruguaya
farmashop
te cuida

09 GRI INDEX

GRI Index
Statement of use

STATEMENT OF USE	Linzor Capital Partners has reported the information cited in this GRI content index for the period 2023-2024 with reference to the GRI Standards [38].
GRI 1 used:	Foundation 2021

GRI Index
GRI 2: Disclosures about the reporting organization

GRI STANDARD	DISCLOSURE	LINZOR RESPONSE: LOCATION
1. The organization and its reporting practices		
2-1	Organizational details	
	a. report its legal name;	Section "Sustainability at Linzor, Governance: Business integrity" (pg. 37)
	b. report its nature of ownership and legal form;	Section "Sustainability at Linzor, Governance: Governance structure and effectiveness" (pg. 36)
	c. report the location of its headquarters;	Section "Sustainability at Linzor, Social: Metrics" (pg. 29)
	d. report its countries of operation.	Section: "Portfolio overview" (pg. 39)
2-2	Entities included in the organization's sustainability reporting	
	a. list all its entities included in its sustainability reporting;	Section: "Introduction" (pg. 6-7) & "Portfolio overview" (pg. 39)
2-3	Reporting period, frequency and contact point	
	c. report the publication date of the report or reported information;	Section: "Introduction" (pg. 6-7)
	d. specify the contact point for questions about the report or reported information.	María del Carmen Vergara (maria.vergara@linzorcapital.com)

Notes:
(38) As part of our commitment to transparency and alignment with global reporting standards, we recognize the importance of conducting a materiality analysis to identify and prioritize the economic, environmental, and social topics most relevant to our stakeholders and operations.
At this stage, we have not conducted a full materiality analysis due to our organization's transitioning reporting processes. However, we are actively working towards building the internal frameworks and stakeholder engagement mechanisms necessary to complete a comprehensive materiality assessment.
We are committed to conducting and presenting a detailed materiality analysis in future reporting cycles to enhance the relevance and impact of our disclosures. In the interim, we have referenced industry best practices and internal evaluations to guide the topics included in this report.

GRI 2: Disclosures about the reporting organization

2. Activities and workers		
2-7	Employees	
	a. report the total number of employees, and a breakdown of this total by gender and by region;	Section "Sustainability at Linzor, Social: Metrics" (pg. 29)
	b. report the total number of:	
	iv. full-time employees, and a breakdown by gender and by region;	Section "Sustainability at Linzor, Social: Metrics" (pg. 29)
	c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported:	
	i. in head count, full-time equivalent (FTE), or using another methodology;	Section "Sustainability at Linzor, Social: Metrics" (pg. 29): FTE at the end of the reporting period (July 2024 for this metrics)
	ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;	
3. Governance		
2-9	Governance structure and composition	
	a. describe its governance structure, including committees of the highest governance body;	Section "Sustainability at Linzor, Governance: Governance structure and effectiveness" (pg. 36)
	b. list the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people;	
	c. describe the composition of the highest governance body and its committees by:	
	i. executive and non-executive members;	Section "Sustainability at Linzor, Social: Metrics" (pg. 29)
	ii. independence;	Section "Sustainability at Linzor, Governance: Governance structure and effectiveness" (pg. 36)
	iv. number of other significant positions and commitments held by each member, and the nature of the commitments;	Section " Our Comprehensive Approach: team organization" (pg. 16-18)
	v. gender;	Section "Sustainability at Linzor, Social: Metrics & Internal Factors: Diversity and non-discrimination" (pg. 29 & 31)
	vi. under-represented social groups;	
	vii. competencies relevant to the impacts of the organization;	Section "Sustainability at Linzor, Governance: Governance structure and effectiveness" (pg. 36)
2-12	Role of the highest governance body in overseeing the management of impacts	

GRI 2: Disclosures about the reporting organization

	a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;	Section " Our Comprehensive Approach: team organization" (pg. 16-18)
	b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:	
	i. whether and how the highest governance body engages with stakeholders to support these processes;	
	ii. how the highest governance body considers the outcomes of these processes;	
	c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	
2-13	Delegation of responsibility for managing impacts	
	a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:	Section " Our Comprehensive Approach: team organization" (pg. 16-18)
	i. whether it has appointed any senior executives with responsibility for the management of impacts;	
	ii. whether it has delegated responsibility for the management of impacts to other employees;	
	b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	
2-14	Role of the highest governance body in sustainability reporting	
	a. report whether the highest governance body is responsible for reviewing and approving 'the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;	Section " Our Comprehensive Approach: team organization" (pg. 16-18)

GRI 2: Disclosures about the reporting organization

2-15	Conflicts of interest	
	a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;	Section "Sustainability at Linzor, Governance: Business integrity" (pg. 37)
2-16	Communication of critical concerns	
	a. describe whether and how critical concerns are communicated to the highest governance body;	Section "Sustainability at Linzor, Governance: Governance structure and effectiveness & Business integrity" (pg. 36-37)
2-17	Collective knowledge of the highest governance body	
	a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Section "Sustainability at Linzor, Social: Internal Factors, Human capital development" (pg. 32)
4. Strategy, policies and practices		
2-23	Policy commitments	
	a. describe its policy commitments for responsible business conduct, including:	
	ii. whether the commitments stipulate conducting due diligence;	Section "Our Commitment" (pg. 9) and "Our Comprehensive Approach" (pg. 13-21)
	iv. whether the commitments stipulate respecting human rights;	
	b. describe its specific policy commitment to respect human rights, including:	
	i. the internationally recognized human rights that the commitment covers;	Section "Sustainability at Linzor, Social: Internal factors, Working conditions, health and safety" (pg. 31)
	ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment;	Section "Sustainability at Linzor, Social: Internal factors, Diversity and non-discrimination" (pg. 31)
	c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;	Section "Our Commitment" (pg. 8) and "Our Comprehensive Approach" (pg. 13-21)
	d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level;	Section "Our Comprehensive Approach: team organization" (pg. 16-18)
	e. report the extent to which the policy commitments apply to the organization's activities and to its business relationships;	Section "Our Commitment" (pg. 9) and "Our Comprehensive Approach: team organization" (pg. 16-18)

GRI 2: Disclosures about the reporting organization

	f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	Section "Our Comprehensive Approach: Team organization" (pg. 16-18)
2-24	Embedding policy commitments	
	a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:	Section "Our Comprehensive Approach" (pg. 13-21)
	i. how it allocates responsibility to implement the commitments across different levels within the organization;	
	ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures;	
	iii. how it implements its commitments with and through its business relationships;	
	iv. training that the organization provides on implementing the commitments.	
2-26	Mechanisms for seeking advice and raising concerns	
	a. describe the mechanisms for individuals to:	Section "Sustainability at Linzor, Governance: Business integrity" (pg. 37)
	i. seek advice on implementing the organization's policies and practices for responsible business conduct;	
	ii. raise concerns about the organization's business conduct	
2-28	Membership associations	
	a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role	Section "Our Comprehensive Approach: Partnerships and collaboration" (pg. 19)
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	
	a. describe its approach to engaging with stakeholders, including:	Section "Our Comprehensive Approach: Team organization" (pg. 16-18)
	i. the categories of stakeholders it engages with, and how they are identified;	
	ii. the purpose of the stakeholder engagement;	
	iii. how the organization seeks to ensure meaningful engagement with stakeholders.	

GRI Index

GRI 200: Economic Disclosures

GRI STANDARD	DISCLOSURE	LINZOR RESPONSE: LOCATION
205	Anti-corruption 2016	
	205-2 Communication and training about anti-corruption policies and procedures	Section "Sustainability at Linzor, Governance: Business integrity" (pg. 37)

GRI 300: Environmental Disclosures

GRI STANDARD	DISCLOSURE	LINZOR RESPONSE: LOCATION
302	Energy 2016	
	302-1 Energy consumption within the organization	2023: 70,140.6 KWh 2022: 79,038.0 KWh
	302-3 Energy intensity	KWh/Av.Employees 2023: 2,262.6 KWh 2022: 2,258.2 KWh
	302-4 Reduction of energy consumption	-11.3% (Δ% 2023 vs. 2022)
305	Emissions 2016	
	305-1 Direct (Scope 1) GHG emissions	"Section "Sustainability at Linzor, Environmental: Metrics and targets" (pg. 27)"
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	

GRI Index
GRI 400: Social Disclosures

GRI STANDARD	DISCLOSURE	LINZOR RESPONSE: LOCATION
404	Training and Education 2016	
	404-2 Programs for upgrading employee skills and transition assistance programs	Section "Sustainability at Linzor, Social: Internal factors" (pg. 32)
	404-3 Percentage of employees receiving regular performance and career development reviews	
405	Diversity and Equal Opportunity 2016	
	405-1 Diversity of governance bodies and employees	Section "Sustainability at Linzor, Social: Metrics" (pg. 29, 31)
413	Local Communities 2016	
	413-1 Operations with local community engagement, impact assessments, and development programs	Section "Sustainability at Linzor, Social: External factors" (pg. 33-34)

10 APPENDIX

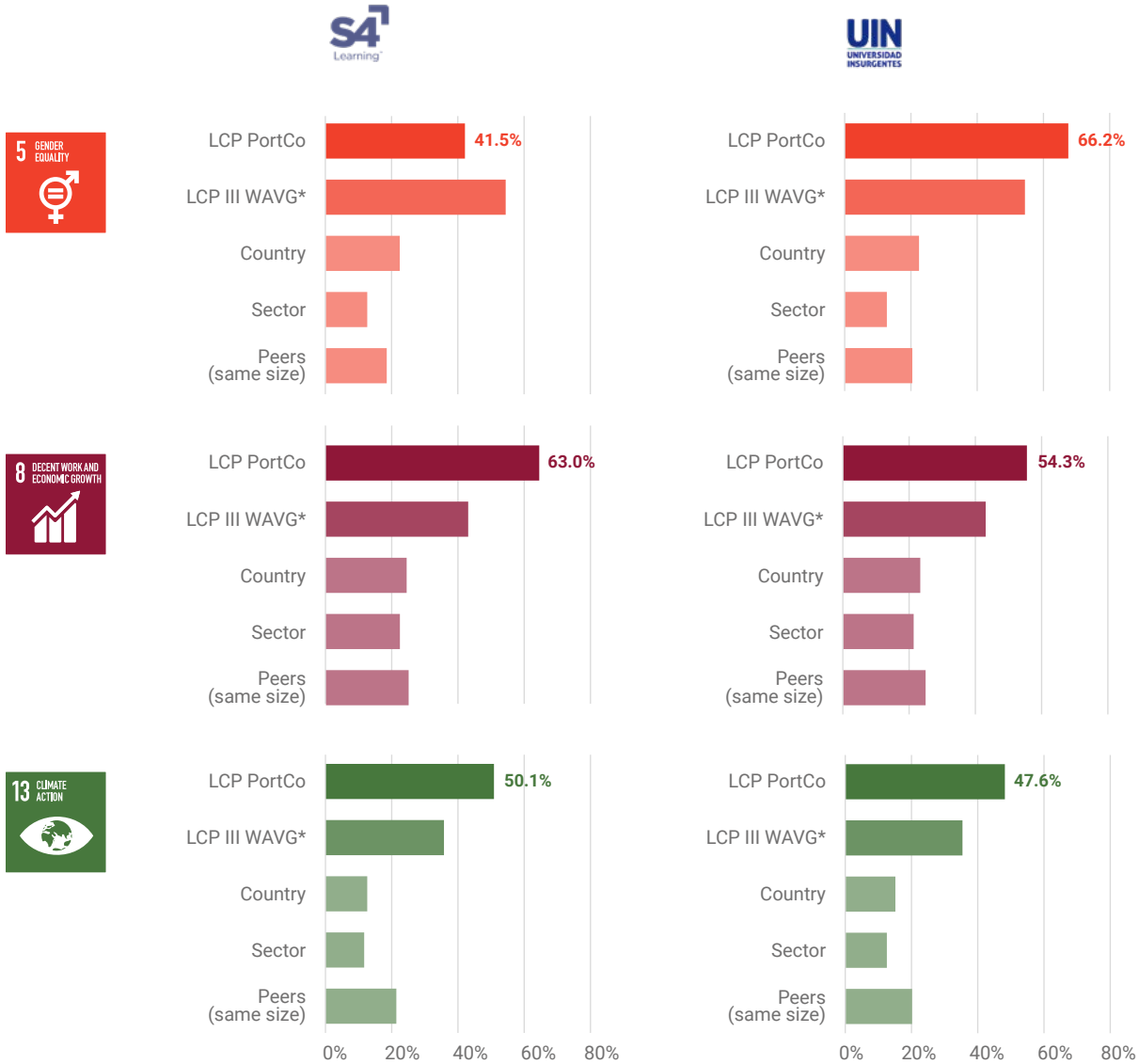
Appendix 1
ESG Data Convergence Initiative

	Year ended December 31, 2023							
	Engen[39]	UIN	S4L	Uno Salud	Sies Salud	inConcert	Convertia	LCP III Total[40]
GHG Emissions (tCO_2e)	71,470	17,001	7,543	1,970	6,379	193	498	97,777
Scope 1	941	47	30	19	452	-	40	1,374
Scope 2	332	569	364	1,078	120	125	67	2,308
Scope 3[41]	70,196	16,385	7,149	873	5,807	68	390	94,095
Renewable energy consumption (kWh)[42]	183,385	349,564	181,095	2,818,268	875,310	124,125	103,533	4,635,279
Total energy consumption (kWh)	758,949	1,446,690	807,772	4,454,055	1,074,572	362,314	223,423	9,127,775
% Renewable	24%	24%	22%	63%	81%	34%	46%	51%
Female board members[43]	2	1	-	1	-	-	-	4
Total board members	9	4	6	5	6	7	7	37
% Female	22%	25%	0%	20%	0%	0%	0%	11%
Employees last year	826	883	4,100	1,389	1,281	269	535	9,283
Employees current year	878	824	3,961	1,384	1,317	234	570	9,168
Average employees during year	852	854	4,031	1,387	1,299	252	553	9,226
Number of work-related injuries	-	4	3	83	33	-	4	127
Injuries % of Average Employees	-	0.5%	0.1%	6.0%	2.5%	-	0.7%	1.4%
Number of work-related fatalities	-	-	-	-	-	-	-	-
Days lost due to injury	-	117	49	193	193	-	-	552
Net new hires	52	(59)	(139)	(5)	36	(35)	35	(115)
Annual percent attrition	10%	42%	101%	54%	4%	14%	125%	65%
Employee engagement survey (Y/N)	Y	Y	Y	Y	N	Y	Y	-
% Employees responding	94%	84%	65%	89%	-	82%	75%	81%

Notes:
(39) Engen Capital data includes TIP, except attrition and the employee engagement survey.
(40) Reflects the simple sum of each company's metrics, except for: a) emissions, which are calculated using the Financed Emissions methodology as outlined by PCAF (excluding LCP emissions: 323.6 tCO_2e), and b) attrition, which is reported as a simple average.
(41) Includes material variables for Scope 3 emissions, except for Engen, which is still finalizing the calculation of its portfolio loan emissions.
(42) Calculated based on the percentage of renewable energy in each country's electric grid, using data from the following sources: CEN (Chile), XM (Colombia), REE (Spain), CENACE (Mexico and Ecuador), COES (Peru), and the EIA (USA). Sies Salud includes the energy generated by its solar panels.
(43) In the case of Engen, includes one female board observer.

Appendix 2

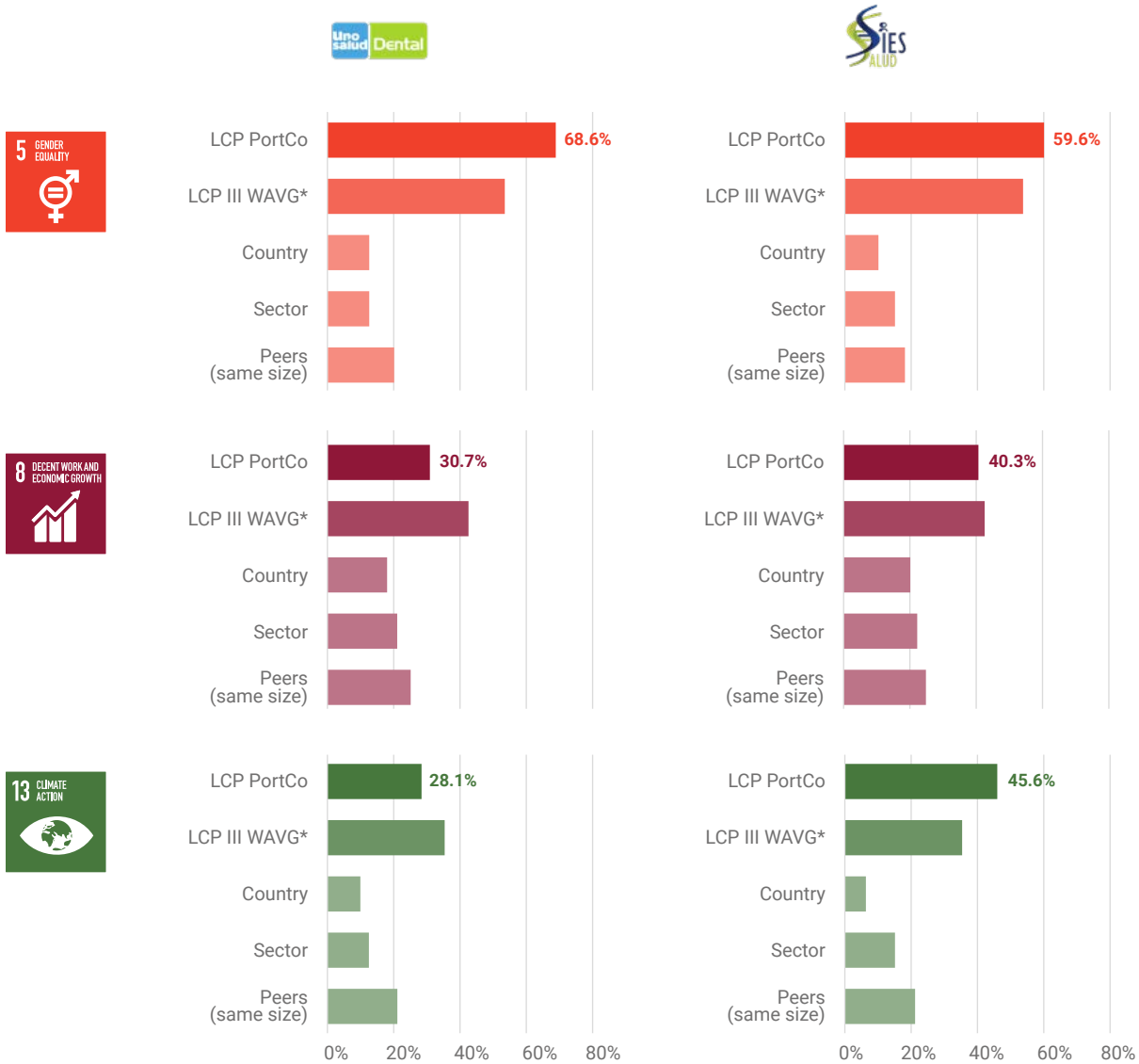
Key SDG metrics for LCP III



Standout performance in key SDGs aligned with our core goals

Appendix 2

Key SDG metrics for LCP III



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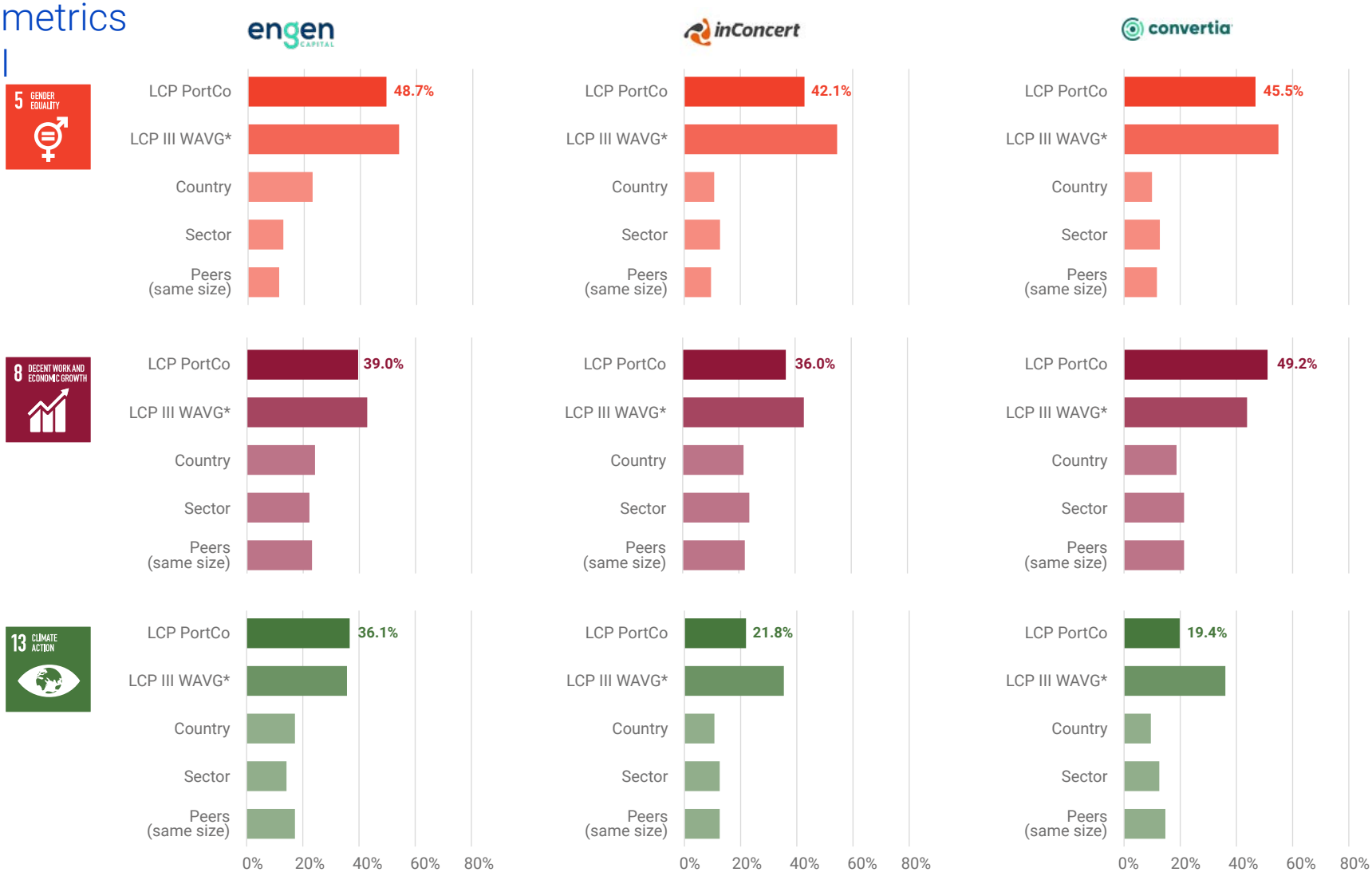
Key SDG metrics for LCP III



Chile | México | wwww.linzorcapital.com | esgcoordinator@linzorcapital.com