

INTRODUCTION

About this policy

Given our commitment to sustainability and the well-being of all our stakeholders, O'Donnell decided to become a signatory of the UN Principles for Responsible Investment as of the second half of 2020. As part of this commitment, we have developed this responsible investment policy to guide and explain our behavior as an investor in the industrial real estate sector in Mexico. We firmly believe that integrating environmental, social, and corporate governance factors into our investment process generates benefits in both financial returns and improved risk management. We also believe it is important to explain our approach to these factors so that all of our stakeholders know what drives our strategy.

To develop this policy, we have considered all the environmental, social and corporate governance initiatives in which we actively participate, in which we are committed to participate, and in those we would like to participate in in the future.

This policy is related to our platform's investment guidelines as well.

This policy should be known, understood and followed by all our employees, suppliers, and other organizations with which we interact commercially. While there is no control over the policies, operation and activities undertaken by each of our portfolio's tenants, the group will make best efforts to inform and encourage adherence to the responsible investment policy. Compliance will be monitored by the Investment Committee.

This policy was approved by the Investment Committee on December 15th, 2020, and the policy will be reviewed on an annual basis and/or when there is a reason to incorporate new factors into the policy. The review process will also be coordinated by the Investment Committee.

DEFINITIONS

Responsible Investment

For O'Donnell, responsible investment is one that integrates environmental, social, and corporate governance (ESG) factors into investment decisions, as well as during active ownership, with the belief that these factors can have an impact on the performance of the investment portfolio, creating value throughout the real estate management chain and operating efficiency.

Mission

O'Donnell's mission is to enhance its clients' competitiveness by providing exceptional customer service, strategic locations, quality buildings and industrial developments, offering reliable and experienced management.

Vision

To create superior value and evolve faster than the competition. The added value we offer is based on:

- Our competitive advantage
- Innovation
- Excellence is freedom

Our Advantages (Competitive +)

- Exceptional customer service.
- Strategic locations.
- Quality industrial developments.
- Experienced and reliable management.

Our Values

I SUCCEED

- Innovation
- Simplicity
- Union
- Conscientiousness
- Competitiveness
- Ethics
- Entrepreneurship
- Discipline

The 6 UN Principles for Responsible Investment to which we are a signatory

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership practices and policies.
3. We will seek appropriate disclosure of ESG issues by the entities in which we invest.
4. We will promote the acceptance and implementation of the Principles in the sector of our investments.
5. We will work collaboratively to increase our effectiveness in applying the Principles.
6. We will each report on our activities and progress in implementing the Principles.

Our ESG Integration Objectives

1. Integrate ESG factors into our investment process.
2. Have appropriate management of ESG factors throughout our holding of an asset.
3. To have adequate disclosure of our ESG performance through annual reporting.

OUR INVESTMENT PROCESS

1. Market intelligence

- Market information, prices, construction costs, rents, etc.
- Continuous monitoring of regional markets.
- 50% of the projects originated out of market because of our exclusive database, relationships, and market know-how.

2. Preliminary analysis and origination

- Identify opportunities through direct contacts or brokers.
- Pre-structuring: design, costs, rents, financing.
- Prepare a financial model.
- Structure financing options.

3. Pre-approval from the Investment Committee

- Document with the property's characteristics.
- First filter by the Investment Committee.
- Investor prequalification (debt and equity).
- Approval of auditor expenses.

4. Intention letter: land, warehouse or portfolio

- Dialogue with suppliers on equity and debt.
- Asset insurance through non-binding offers.
- Hire approved auditing services.

5. Purchase audit and commercial validation.

- Title insurance.
- Specialized studies (topographic, hydraulic, environmental, etc.)
- Permit costs.
- Close design and specifications for construction contest.
- Tenant credit analysis.
- Final structuring.

6. Investment Committee's final decision

- Conclusion revision.
- Decision to invest or not invest and the approval of a final budget.
- Project timeline.
- Investment Committees minutes.

- Approval from the Investment Committee and Technical Committee.

7. Closing process

- Construction contract closing.
- Tenant's audit results.
- Permits, construction, improvements.
- Acquisition of property title insurance.
- Property registry in the RPP.
- Closing documents.

8. Portfolio Management

- Asset management services.
- Contracted insurances: civil responsibility, property and terrorism.
- Direct and constant relationship with clients.
- Maximization of portfolio value and risk mitigation.
- Monthly reports.
- CAPEX investment.

9. Asset Management (properties)

- Property administration contract.
- Maintenance planning and execution.
- Specialized maintenance to maximize portfolio life.
- Increase client satisfaction.

10. Exit and monetization

- Relationships with main buyers: FIBRAS, family offices and international investors.
- Constant evaluation of macro factors that affect the value.
- Market information: sales and comparative leasing fees (brokers).

Investment Policies

Eligibility Criteria

All investments must be carried out in Mexican territory and any investment must be subject to the following criteria:

1. Be real estate intended for lease already developed or with the objective of carrying out the development or substantial development of real estate in various subsectors.
2. Be located within the national territory.
3. Be real estate in the logistics and/or manufacturing industrial subsectors as well as opportunistic projects such as: back-office; in the understanding that investments in real estate destined to manufacturing may not exceed 50% of the maximum amount of the issuance.

4. To have a ruling by specialists on the topics that are required according to the property's characteristics.
5. To have an appraisal performed by an independent third party that supports that the proposed acquisition price is fair.
6. That the leverage of the Investment Vehicles does not exceed, as a whole, 65% of the initial estimated cost of the respective project.

Desired segments

- Build to Suit industrial developments that meet tenant specifications.
- Acquisition of industrial properties with tenants interested in signing long-term leases.
- Value-add acquisitions; defined as the acquisition of individual properties or property portfolios with value upside potential through leasing or significant improvements.
- Speculative developments; defined as the acquisition of industrial buildings with flexible specifications in markets with strong leasing fundamentals.

	Spec Buildings	Value-Add Acquisitions	Build-to-Suits	Long term leases
IRR Target (USD)	18.50%	20%	16%	16%
Stabilized YoC (USD)	9.50%	9.80%	9%	9%
Equity multiple	2.0x	2.2x	1.8x	1.8x
Stabilization period	6 months construction	6 months vacancy	6 months construction	N/A
	3-6 months leasing period	3 months free rent		
	0-3 months free rent			
Initial availability	100%	100% individual properties 30-50% portfolios	0%	0%

Note: Estimates merely indicative.

¹Leverage.

The investments may be financed by financial institutions, with or without real or personal guarantees, in accordance with the following leverage limits (the "Leverage Limits"): (a) with respect to financings contracted at the project level, may not exceed 65% (sixty-five percent) of the value of the respective project, on the date on which such loans are obtained; (b) with respect to financings contracted at the level of the issuing trust, may not exceed 20% (twenty percent) of the Maximum Amount of the Series A Issue, on the date on which such loans are obtained; (c) must be valued in Pesos or in Investment Units; (d) must have a minimum term of 2 (two) years; (e) the coverage ratio may not be less than 1.20% (one

¹ "Coverage ratio" at any date of determination shall mean a fraction (a) the numerator of which is the sum of all Net Operating Income at such date; and (b) the denominator of which is debt service, including interest, principal and lease payments, if any, at such date

point twenty percent); (f) may (i) encumber or constitute a guarantee on the assets corresponding to the respective project, to obtain financing up to an amount equivalent to the aforementioned amounts; in the understanding that, for any debt contracted to refinance existing debts, may be encumbered or constitute a guarantee on the assets of the project to obtain financing up to an amount equivalent to 65% of the market value of such project, and such debt will not be considered for the calculation of the Leverage Limit; and (ii) provide all types of guarantees (including without limitation up to an amount equal to the amounts set forth above and, each in respect of the others, to be joint and several obligors or guarantors and to guarantee their respective obligations; (g) may enter into underwriting facilities.

RESPONSIBLE INVESTMENT GUIDE

Our priority within responsible investment is summarized in the following factors:

E (Environmental)

- Sustainable design and construction.
- Waste management.
- Water and effluents management.
- Energy management.

S (Social)

- Building quality.
- Health and safety of our employees, tenants, and investors.
- Commitment to our employees, tenants, and investors.
- Satisfaction of our employees, tenants, and investors.
- Building safety.
- Business model resilience.
- Relationship with the industry.

G (Corporate Governance)

- Business ethics.
- Corporate governance.
- Risk management.

To define these priorities, we conducted an analysis of the issues that we believe have the greatest impact on the industrial real estate business and our stakeholders. It is our intention to carry out a materiality analysis in the following months consulting all our stakeholders to eventually reflect these priorities in this investment policy.

INCORPORATION OF RESPONSIBLE INVESTMENT

Exclusions

O'Donnell is committed to not investing in projects related to the following industries and organizations: tobacco, alcoholic beverages, “dark” businesses, short-stay motels, life-threatening pharmaceuticals, armaments, narcotics, companies whose owners or subsidiaries have defaulted on public obligations or are involved in any commercial, criminal, civil litigation (other than litigation in the ordinary course of

business or that has a material adverse effect on the Investment Vehicle in question) or any other that would call into question their good name as well as any link or tie with criminal organizations, drug trafficking or money laundering.

For the following sectors, we undertake that we may only make investments in the energy, defense equipment, freshwater infrastructure, mining and metals, chemicals, forestry and forestry products, tourism developments and resorts, infrastructure works, and ports and port developments sectors, when none of the following characteristics are met:

- That the activity involves the manufacture and marketing of armaments.
- Dams that do not comply with the World Commission on Dams (WCD Framework).
- Extraction, processing and/or sale of uranium for armaments.
- Mining or trade of rough diamonds not certified by the Kimberley Process.
- Artisanal mining: mining using rustic tools, usually unregulated.
- Production of chemical weapons.
- Manufacture, storage and transportation of persistent organic pollutants (as identified by the Stockholm Convention), and of certain pesticides and hazardous industrial chemicals (as defined by the Rotterdam Convention).
- Nuclear-related activities that do not meet the standards outlined by the International Atomic Energy Agency.
- Illegal logging and subsequent marketing of timber and related forest products.
- Activities or projects located in or that substantially impact:
 - Primary tropical rainforests with high conservation value.
 - Critical natural habitats, including areas with species protected by CITES.
 - Ramsar-listed wetlands.
 - UNESCO World Heritage Sites.
 - Core zones of natural protected areas.
- Energy sector activities or projects within or adjacent to UNESCO World Heritage Sites.

We are also committing to the potential investment in the energy sectors, defense equipment, freshwater infrastructure, mining and metals, chemicals, forestry and forest products, tourism developments and resorts, infrastructure works, and ports and port developments sectors, provided that the projects comply with the following:

- Comply or be in the process of complying with applicable International Finance Corporation performance standards and environmental, health and safety guidelines.
- All activities and projects in areas adjacent to and/or significantly impacting UNESCO World Heritage Sites must have adequate measures in place to mitigate impacts.
- All activities and operations in the buffer zones of protected natural areas must be authorized by the National Commission of Protected Natural Areas (CONANP).

Additionally, we commit to observe the following restrictions:

1. In the Chemical Industry: Must comply or be in the process of complying with the following international treaties and standards:
 - Stockholm Convention.
 - Rotterdam Convention.
 - Montreal Protocol.
 - World Health Organization (WHO) - Recommended classification of pesticides by hazard (WHO Red List).

2. In the Energy industry: Must comply with the following international treaties and standards:
 - Kyoto Protocol when applicable.
 - European Union Emissions Trading Scheme when applicable.
 - Activities related to nuclear energy require GMO GSD authorization.

3. In the forestry and forest products industry: it is mandatory that any investment in this industry is certified and demonstrates that its timber-related operations and/or its supplies of forest products are legal and sustainable. Approved schemes in the required certification are those that have standards consistent with the principles and criteria established by the FSC (Forest Stewardship Council). It is also restricted:
 - The manufacture of pulp, paper and board where the raw material does not have certification (FSC Certification or equivalent).
 - When there are environmental and/or social risks manifested through credible allegations of human rights violations or adverse impacts on biodiversity.
 - Operations in countries defined as having a high incidence of illegal logging, biodiversity or social conflict: require independent confirmation that non-certified operations do not adversely impact High Conservation Value Forests (HCVF).
 - Soybean, rubber, timber or palm oil plantations on land converted from natural forests after May 31, 2004; must provide evidence through independent certification that they have not impacted high conservation value forests (HCVF).

4. In the mining and metals industry: Must comply with the following international treaties and standards.
 - International Cyanide Management Code or equivalent.
 - Nuclear Non-Proliferation Treaty (NPT).
 - European Union Emissions Trading Scheme where applicable.
 - Health and Safety.
 - Kimberly Process Certification Scheme.
 - Sector activities must not include the following:
 - Tailings deposited in a river or sea, unless there are no feasible alternatives and the benefits of the mine to local communities are highly significant.
 - Waste rock tailings storage facilities and waste rock dumps that pose a hazard to human life and/or aquifers.
 - Mines that are located in areas of high seismic activity or in areas of intense rainfall and do not have contingency or accident plans.
 - Mines without a credible closure plan.
 - Mining or metals operations in areas where there are credible allegations of human rights violations.
 - Extraction, processing and/or sale of uranium for the energy sector, when the buyer is outside the standards of the International Atomic Energy Agency (IAEA).

5. In the freshwater infrastructure industry: (applies to projects only) Must comply with the following international treaties and standards:
 - Integrated Basin Management (IRBM) or integrated water resources management (IWRM).
 - World Commission on Dams Framework (WDC Framework)
 - Freshwater treatment plants must comply with ISO 14001, along with the other standards mentioned above and World Health Organization (WHO) standards.

ESG integration

In the investment process, we integrate the following ESG factors into the analysis and due diligence process.

E (Environmental)

- **Environmental impact.**
 - We conduct a Phase I environmental study prior to the acquisition of land to confirm that the land has no signs of environmental contamination.
 - We conduct an impact study to assess the environmental impacts at the site preparation, development, operation, and maintenance stages of the project and define the necessary prevention, mitigation or compensation measures.

S (Social)

- **Quality of our buildings and infrastructure.**
 - We analyze the possibility of complying with our quality criteria in all the projects we approve within the pipeline.
 - Through the reinforcement and/or improvement of infrastructure we seek to improve the communities in which we invest.
- **Health and safety of our employees.**
 - We ensure that our employees do not face unnecessary hazards arising from the location, project design, or construction conditions.
- **Health and safety of our tenants.**
 - We analyze the locations where we develop in order to meet our health and safety criteria for tenants.
- **Building safety.**
 - We analyze the locations where we develop in order to meet our standards for building safety.

G (Corporate Governance)

- **Business ethics.**
 - We ensure that we comply with the highest standards of business ethics throughout the process of land acquisition, project development, licensing and permitting, and construction execution. We have a Code of Ethics and Conduct whose objective is to regulate the performance among our partners, employees, contractor and clients to do business in an ethical, honest and correct manner with high standards of integrity, honesty and fairness.

"We want honest, trustworthy and competent employees" - David O'Donnell.

- Also, should we consider an acquisition, we would look for investment platforms or vehicles where we invest to have a similar philosophy and commitment to our standards.
- **Corporate governance.**
 - Our corporate governance bodies ensure that our investment process flows transparently and in accordance with the guidelines agreed in our investment mandate.
 - Also, if we were considering an acquisition, we would seek to ensure that the investment platforms or vehicles in which we invest have appropriate corporate governance standards.
- **Risk management.**
 - We use the risk mapping by investment stage that we have in place to appropriately manage risks.

ESG MANAGEMENT

During the tenure of the properties in our portfolio, we are committed to following the following ESG criteria in our operation:

E (Environmental)

- **Waste management.**
 - Waste produced in our parks is sent to landfills certified by the Secretary of the Environment.
 - In addition, we separate hazardous waste.
- **Water and water waste management.**
 - We have water treatment plants at most of our parks. The goal is always to have "zero" discharges and to reuse the processed water in toilets and irrigation. At these plants, we perform the following processes to ensure their effectiveness:
 - Monthly water quality analysis.
 - Frequent maintenance of the treatment plant.
 - Feeding of bacteria.
 - Reactor cleaning.
 - Disposal of treated water.
 - Recycling of irrigation and sanitary water.
- **Energy management.**
 - We do electrical planning of the buildings to optimize the use of energy.
 - We make sure that the operation of different equipment is efficient.
 - We optimize the switching on and off of energy in the buildings.
 - We have energy saving awareness programs for our tenant-collaborators.

S (Social)

- **Building Quality.**
 - We have quality control of the main construction materials such as concrete, steel reinforcements, earthworks, and welding through certified laboratories.

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- **Employee Health and Safety.**
 - We have implemented a process to supervise the health and hygiene of our workers as a result of the COVID-19 contingency, and we have provided protective equipment to all the people who need it in our operation.
 - All of our tenants have committed to act under health and safety standards that minimize the risk to all those who work in our properties.
 - Insurance
 - In addition to social security, our employees have a major medical insurance policy.
 - Additionally, we have a series of initiatives to promote the well-being of our employees:
 - Be Wellness communications.
 - Information bulletins on the major medical expenses insurance policy.
 - Discount coupons in laboratories.
 - Healthy living communications.
 - Stress Management Program.
- **Tenant Health and Safety.**
 - We have implemented a process for supervising the hygiene and health of our workers as a result of the COVID-19 contingency.
 - All of our tenants have committed to act under health and safety standards that minimize risk to all those who work in our properties.
 - Liability and all-risk insurance on the properties.
 - The properties have their documents in order with the competent authorities.
 - In addition, we have a series of protocols in place to improve health and safety at our properties:
 - Fire protection systems
 - Access security
 - No smoking on site
 - Electrical safety and installations
 - Electrical equipment with national and international standards
 - Gas safety in case of installations
 - Maintenance and repairs
 - MSDSs of all chemicals or products used for maintenance
 - Environmental phase one at the beginning and end of each lease contract.
- **Commitment to our collaborators.**
 - Recognition of human rights, equality and sound labor practices, eliminating forced and child labor, abolishing discriminatory practices and corruption.
 - We have a series of initiatives to maintain the commitment of our employees and generate a positive team dynamic:
 - Monthly dinners
 - Integration activities
 - Family events
 - Holiday celebrations
 - Monthly group call to identify progress on goals, where we are and where we want to go.

- **Employee Satisfaction.**
 - We have a 360° program where we identify the areas of opportunity of each of our employees and suggest a training plan according to their needs.
 - We also have a series of employee benefits since we want to be a first-class employer:
 - Personal loans.
 - Discount agreements for employees in restaurants, schools, recreational centers.
 - Dress-down Fridays.
 - Year-end party and raffle.
 - Birthday celebrations.
 - More vacation days than those granted by law.
 - Celebration of special days.

- **Tenant Satisfaction.**
 - We promote constant communication with our tenants.
 - We conduct biannual satisfaction surveys where we measure different KPIs such as satisfaction with cleanliness, security, facilities, among others.
 - We have a very robust maintenance and repair program to ensure that our properties are always up to the standards our tenants expect.
 - We have liability and all-risk insurance policies in place to ensure that our properties are always up to the standards our tenants expect.

- **Building safety.**
 - We have security processes in place that include:
 - Daily briefings to new personnel.
 - Guidelines that guarantee rigorous compliance with the use of safety equipment (helmet, boots, vest, and harnesses when necessary).
 - 100% compliance with regulations with specialized and certified personnel.

- **Business model resilience.**
 - We have developed business continuity plans in the event of contingencies (such as security, natural events, among others).

- **Relationship with the industry.**
 - We maintain various institutional relationships through associations such as ULI, AMCHAM, AMPIP, AMVO, among others.
 - We also foster direct relationships with clients, brokers, bankers, financial institutions, lawyers, government entities and other participants in the entire real estate value chain.

G (Corporate Governance)

- **Business ethics.**
 - We have a code of ethics and conduct. (See Annex 1)
 - Training is given to all employees who join the team, as well as periodic training to the entire team in order to be aligned with the mission, vision and goals of the organization.

- **Corporate governance.**
 - There is a mechanism for making investment decisions based on the amount to be invested vs the total fund's size.
 - For investments between 0-5% of the fund's size, the decision is made by the Investment Committee.
 - For investments of 5% to 20% of the fund's size, the decision is made by the Technical Committee.
 - For investments of more than 20% of the fund's size, the decision is made by the investors.
 - The Technical Committee is composed of three members of the Investment Committee and four independent members.
 - In addition, there are oversight and supervisory bodies, such as the Surveillance Committee.

- **Risk management.**
 - We have an investment process mapped to each of the investment risks.

ESG REPORTING

Aligned with the UN's sixth principle of responsible investment, starting in 2021, O'Donnell will engage with its stakeholders to disclose its progress on its ESG strategy directly-publicly. Disclosure will be made in accordance with existing regulations and the highest industry standards. Additionally, our alignment and transparency report for UN PRI will be available on our website.