



**OUR COMMITMENT TO
CREATING SHARED VALUE**

Sustainability Report 2022





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Our Path to Creating Shared Value

Key events in recent years in our journey towards creating shared value.





Assets under management
USD 453 MM
(12% Market Share)

Private Investments since
the beginning of the activities
40 Companies

Integration of ESG Factors
in the investment process
93% of AUM

Experience
15 years
In private debt

Revenues
as of Dec-2022
USD 4.1MM

Invested Capital
as of Dec-2022
USD 4.3MM

Development of the 2022 Sustainability Report

In the development of this report, we identify the most relevant points of our management during the year 2022 for our stakeholders, giving an account of the main achievements articulated to the strategy and the goals that still remain to be met.

Likewise, we give an account of the commitment we have with sustainability, evidencing the work done for the voluntary management of the 10 principles of the Global Compact, the contribution to the fulfillment of the SDGs – Sustainable Development Goals. On the other hand, Capital + SAFI for the first time adopts the TCFD disclosure recommendations found in section five of this document.

In the final segment, we present the GRI (*Global Reporting Initiative*) content index, as well as the SASB (*Sustainability Accounting Standards Board*) index of indicators.

The sustainability reports are issued annually and the last one was the 2021 Sustainability Report. The financial information of the company is published quarterly on the website of the Financial System Supervisory Authority (*ASFI*), also the Audited Financial Statements are reflected in the Capital + SAFI report, which is available to the public on our portal web.

This report was not verified by a third party. However, it has the approval of the Board of Directors of Capital + SAFI.

Our purpose is clear:
We invest to improve lives

Our Values

- Integrity**
We work with transparency, honesty, professionalism, and respect.
- Learning**
We share what we learn.
- Equity**
We drive equity in our investments and internal operations.
- Innovation**
We focus learning and innovation on our culture and activities to better serve our stakeholders.
- Collaboration**
We work in collaboration with different stakeholders.





**Our Commitment to
Creating Shared Value**

1.1. Message from our CEO

The beginning of the 2022 worldwide could not have been bleaker. The Russian invasion of Ukraine, unleashed at the end of February, not only brought with it a crisis and political and economic uncertainty at the global level, just as the world was beginning to recover from the health crisis, but also dealt a significant blow to the important advances in the development of renewable energies and the fight against climate change. Suddenly, the urgent matter put a stop to the important one: changes in energy matrices towards more sustainable sources became expensive. The agendas of various countries and international organizations prioritized the geopolitical crisis.

However, and happily, during the year, we were able to confirm that sustainability and the concepts around sustainable finance have become even more entrenched, despite the complex environment. Both policies and commitments on climate change were reinforced and improved, there were important advances in the development of technologies that will allow, in the future, to be more efficient in the use of resources and carbon-free for the benefit of the planet, policies and regulations began to be more inflexible with polluting industries, a more precise time has been established in which the hole in the planet's ozone layer is set to be completely healed, incentive policies for the electric car industry, among others, were increased.

And, for our country, the year could have closed with better news such as the publication of the regulations for thematic bonds. Although it is a first version with enough room for improvement, it is still a transcendent fact and full of optimism, because we hope that it will lead to the accelerated development of sustainable finance in Bolivia.

Our institution, with the firm conviction of being a force for good, has continued to contribute to the development of the local market and sustainability, as well as to the development of a strategy that will allow us to bring to our various stakeholders and our society a unique value proposition based on the creation of shared value.

We have evolved, from a traditional asset manager to an investor aware of its role in improving life and protecting the planet through the construction of long-term relationships with its stakeholders that allow us to propose investment solutions seeking to create shared value for the benefit of our investors, the companies in which we invest and our society.

Throughout 2022, we have been working together with the consulting firm FSG (founded and chaired by professors Michael Porter and Mark Kramer from Harvard University) in determining a business strategy ba-



Jorge Quintanilla Nielsen
CEO, Co-Founder of Capital+SAFI





sed on the concept of shared value. We are beginning to implement this strategy in Bolivia and throughout the Latin American region through an initial approach with some of the companies that are part of our investment portfolios. We are convinced that the impact we seek in genuine sustainable development and growth is not only a priority in our country, but in our region, as well as the rest of the planet.

The impact objectives of our strategy have been focused on developing sustainable and inclusive agriculture in the country and region, because within the analysis we carried out together with the FSG consultancy, we have come to determine a common area between the critical environmental / social needs identified, and our experience, which allows us to identify opportunities for value creation.

There are two critical pillars which we are upon: catalytic investments and the construction of ecosystems through collaboration with different allies in various areas related to our impact objectives. That is why, during 2022, we have not stopped weaving or strengthening important ties such as the Net Zero *Asset Managers* initiative within the *Race to Zero*, as well as the nascent “Mesa de Soya Sostenible” (Sustainable Soy Roundtable) in Bolivia together with representatives of the private and financial sector and main actors of soy in the country such as “Solidaridad” and WWF and thanks to the financial support of the British Embassy in Bolivia. With this, we reaffirm our commitment to the Sustainable Development Goals and the Paris Agreement.

Likewise, we actively participated in the successful second version of the International Forum on Sustainable Finance, organized by the Sustainable Finance Roundtable of the country. We also decided to sign the commitment to fight deforestation related to the commodity industry, at the initiative of the United Kingdom, considering that part of our portfolios is invested in the soy sector. And, finally, we got to sign the Public Commitment to Biodiversity at COP 15.

Given the above, same as every year, during 2022 we reinforced our internal policies and processes to identify the risks, opportunities, and impacts (positive and negative) in our operations and portfolios under management, in order to outline initiatives and annual action plans. Likewise, Capital + SAFI adopts a zero-tolerance attitude towards bribery, corruption, and other economic crimes.

Jorge Quintanilla
CEO, Co-Founder of Capital+SAFI

In short, for us, management during 2022 has been a period full of learning and implementation of various commitments, policies, methodologies and, mainly, ideas that allow us to outline a new way of seeing finance in our region and country through the creation of value not only economic for our *stakeholders*, but also of social value that glimpses the materialization of our purpose.



Who we are

2.1. Our Value Creation Model



We have 15 years of history. This allows us to place ourselves as an important asset manager in Bolivia with the experience to mobilize capital through investment opportunities.

Capital + SAFI was founded by Jorge Quintanilla in La Paz in 2007, with the vision of providing innovative and high-quality asset management services to support Bolivia's economic growth and development.

We are an investment manager with 15 years of experience, based in Bolivia and whose main axis is the administration of closed-end investment funds. Thus, over the last few years we have been part of a systemic change focused on the relationship between our investors, issuers, human capital and stakeholders, linking our purpose with the philosophy of Shared Value.

We are more than an asset manager, we are a generation that is conscious of the need to adapt to the surrounding challenges to generate a triple positive impact on the economy, the society, and the environment, with a long-term vision. Our five Core Values: collaboration, learning, equity, integrity, and innovation – are the guide to develop successful Investment Solutions that at the same time support the transition towards a sustainable financial industry.

2.2. Investment Strategy

In these years of activity, Capital + SAFI has supported more than 40 companies helping them to prosper and grow and thus build and develop balanced investment portfolios with a long-term vision.

At the end of the fiscal year 2022, we positioned ourselves in the market as one of the most important Investment Fund Administrators in Bolivia, managing four closed-end investment funds, reaching a level of assets under management of USD 453 MM (12% market share) and incorporating a vision of generation of shared value.

In addition, as of December 2022, we led the closed-end fund industry as the largest private debt manager, with USD 191 MM in assets under management invested in 31 issuers equivalent to 27% share in the alternative instruments market.

Each investment fund has specific mandates regarding the portion of private instruments aimed mainly at the productive sector (with specialization in agribusiness) and microfinance (mainly development finance institutions and cooperatives); which are economic sectors fundamental for the socio-economic progress of Bolivia.

Our Investment Alternatives



100% of the assets under management are in custody and registered as autonomous assets under the supervision of the Financial System Supervisory Authority (ASFI).

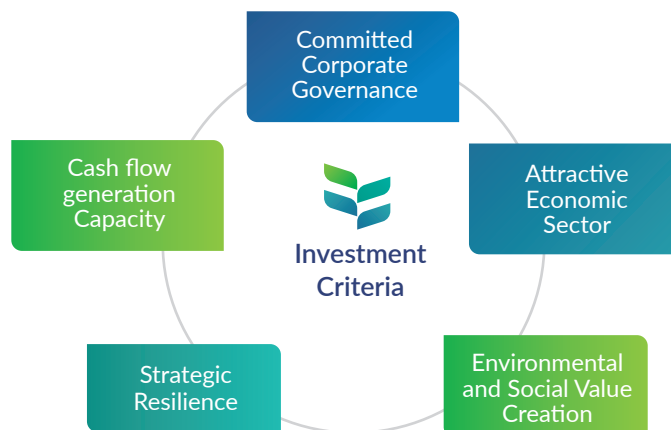


What do we look for in a company when investing?

As long-term investors, our investment analysis involves in-depth knowledge of the target companies, their economy, industry dynamics, competitive environment, resilience of their capital structure, strategic management, cash flow capacity, and long-term value creation.

Last but not least, we consider a broad range of risks and opportunities factors in our investment analysis, including environmental, climate, social and governance aspects that, under our vision, contribute to generate a solid conviction when making an investment decision.

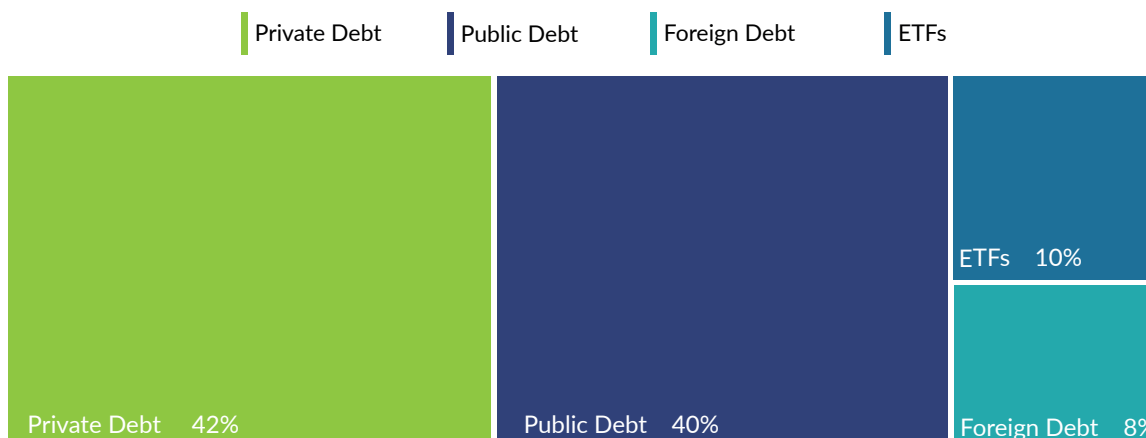
General investment criteria



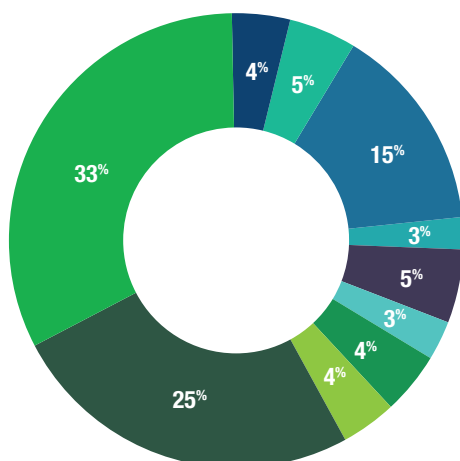
Our main clients are pension funds, followed by insurance companies and foundations. We owe it to them. For this reason, we commit to their trust, offering a diversified range of investment portfolios in four main pillars: local public debt, local private debt, foreign debt, and equities through ETFs (Exchange Traded Funds) abroad. Regarding total investments, 81% are concentrated in Bolivia, 18% in the United States and 1% in Europe.



Portfolio by Asset Type



Portfolio by Economic Sector Private Debt



- Food
- Brazilian Nut
- Sugar Cane
- Meat
- Cereals and Grains
- Distributor
- Agricultural Supplies
- Manufacture
- Microfinance
- Soy



2.3. Solid financial structure

A sound financial structure is essential to achieving our strategic objectives of generating shared value. It is thanks to our economic success that Capital + SAFI is able to invest in financial solutions that help address social and environmental challenges.



In the midst of a year characterized by the increase in global inflation as the result of a series of crises unleashed by the war in Ukraine, which has caused geopolitical tensions, lower global economic growth, lower availability of food and increases in the price of energy, among those with the highest incidence; economic sectors are exposed to various challenges, so innovation and the ability to face emerging risks is essential to survive in an increasingly complex environment.

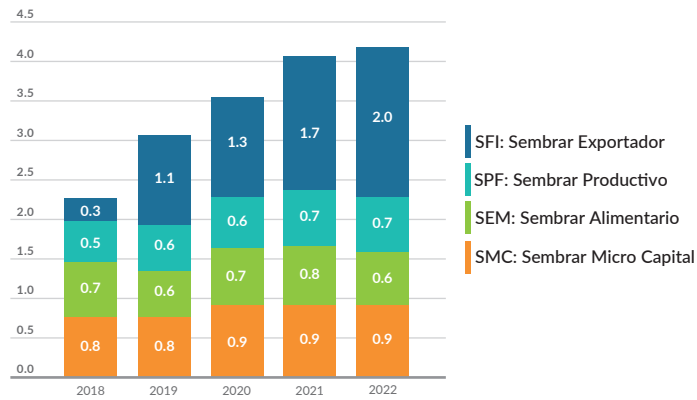
From Capital + SAFI we assist others through financing, as well as other active management initiatives that helped generate growth and development for the society. This hard work allowed us to grow and maintain our financial strength for the benefit of all our stakeholders.

Adequate diversification in asset classes as well as sound portfolio management resulted in competitive returns for our clients and, therefore, a strong and stable financial performance.

Thus, revenue growth was 2% between 2021 and 2022. On the other hand, the return on assets reached a level of 14% and operating profitability before taxes to 27% in 2022. Although profitability shows lower levels than in recent years, this is due to the fact that Capital + SAFI, with the mandate of becoming a shared value manager, has made significant investments in human capital, innovation, and strategy.



Revenue per Investment Fund (USD MM)



On the other hand, the capital invested (debt plus equity), is composed of 100% equity, which shows a robust position driven mainly by management results. Thus, as of December 2022 the equity level is USD 4.3 MM. This level fully complies with Bolivian regulatory requirements.

Summary of Main Figures

In USD MM / %	Average (3 years)	2022
Revenues	\$3.9	\$4.1
Administrative expenses	\$2.3	\$3.0
Operating profit	\$1.6	\$1.1
Equity	\$5.3	\$4.3
Operating margin	40%	27%
ROE	19%	14%
ROA	15%	11%



2.4. Relationship with Stakeholders and Materiality Matrix

Capital + SAFI has relationships with different stakeholders (employees, customers, shareholders, issuers, communities, regulators, and suppliers). Thus, we periodically interact, listen to, and learn from them in order to forge robust growth.

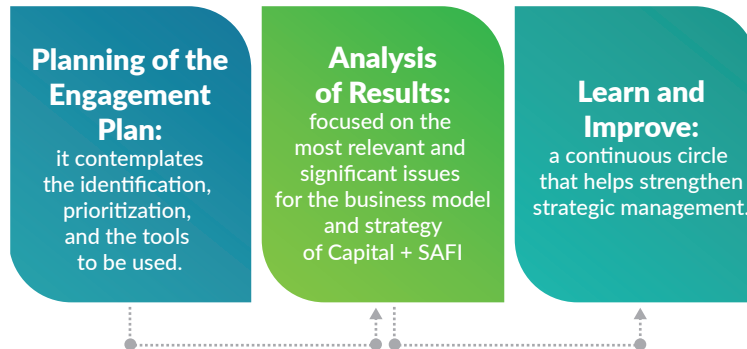


Prioritizing and engaging stakeholders

Stakeholders are a fundamental element in the relationship of companies with their business model and are closely linked to the ability of the company to generate shared value.

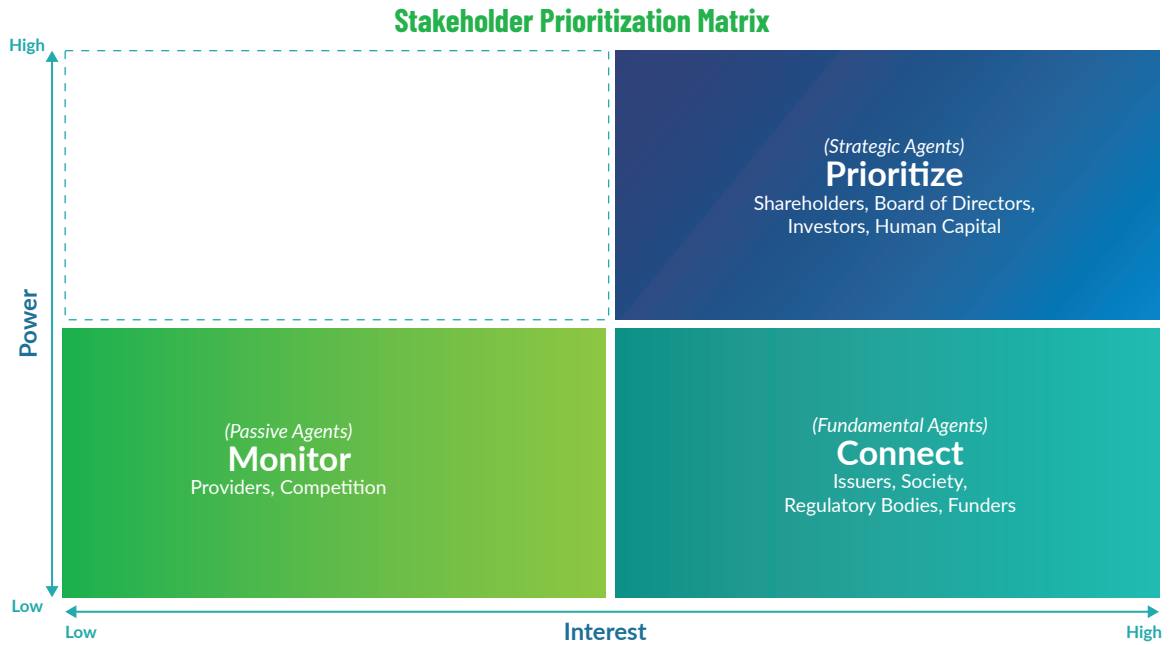
Thus, for us, the stakeholder engagement process aims to: (i) improve risk management; (ii) identify opportunities for innovation or improvement; (iii) measure and understand economic, social, and environmental impact; and (iv) build social capital.

Stages of the Process of Involvement



The prioritization of stakeholders is carried out based on the PUL matrix (power, urgency, and legitimacy), to later on, arrive at a matrix of influence where the prioritized groups are mapped for subsequent management. On the following page is the prioritization matrix of our stakeholders.





The following is a list of stakeholders and areas responsible for managing dialogue and engagement:

List of Stakeholders and Management Area

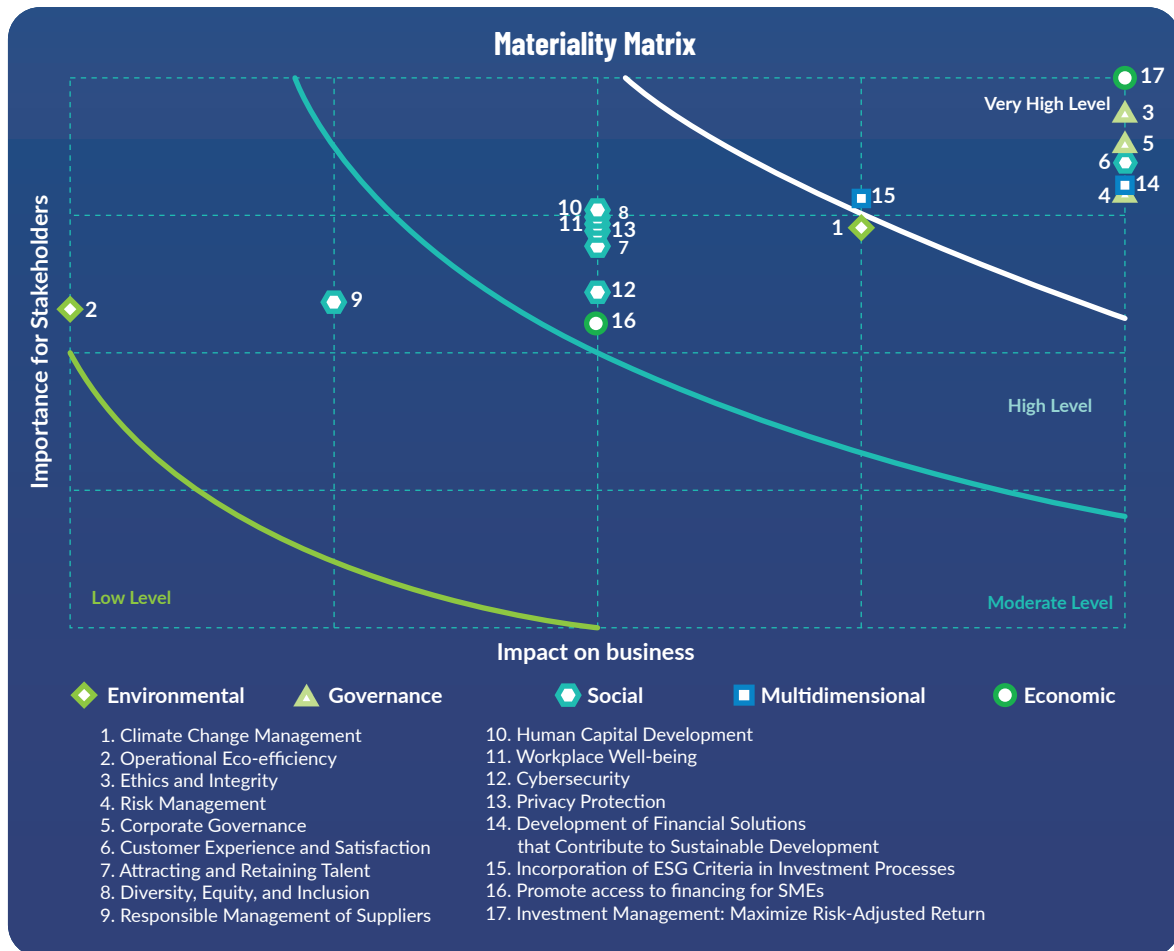
Stakeholders	Management Area
Shareholders	General Management
Board of Directors	General Management Senior Management
Investors	Vice Presidency of Alternative Investments Investment Management
Issuers	Vice Presidency of Alternative Investments Investment Management
Society / Planet	Legal Vice Presidency of Alternative Investments Investment Management
Human Capital	Administration and Financial Management
Providers	Administration and Financial Management
Funders	Administration and Financial Management Investment Management
Competition	Senior Management

Results of Materiality Matrix



Materiality corresponds to those social, environmental, corporate governance and economic aspects that are essential to give continuity to strategic objectives and that exert a substantial influence on the decisions of stakeholders.

For the materiality evaluation, a survey was carried out to the different stakeholders during the 2022 management in which they were asked to prioritize different topics according to their level of importance. The 17 themes considered (see table) were selected under a review of standards for the financial sector, the materiality evaluation carried out in 2020 and under the review of various reports of companies similar to Capital+SAFI. We received a total of 62 responses corresponding to various stakeholders: shareholders, board of directors, investors, issuers, human capital, suppliers, and strategic allies for sustainability. The results of this evaluation, as well as the internal evaluation of the level of impact on the business of each of the themes are in the following table.



Based on these results, this document considers the material aspects identified, giving priority to those of greatest importance to our stakeholders.

Regarding the materiality evaluation carried out during the 2020 management, modifications were made to the list of topics included; however, the essence of the prioritized themes is preserved. For example, “Regulatory Compliance and Management and Legal Regulation” is included in this assessment under the “Ethics and Integrity” theme.

These material issues are described in Annex 1 in greater detail around targets, indicators, and commitments made for impact management.



3

Key pillars of our business

3.1. Responsible corporate governance

At Capital + SAFI we understand the impact of our actions, the power of ethical and transparent behavior, the importance of having solid corporate governance and the need to consolidate financial soundness standards aligned to a strategy that transcends beyond profitability to focus on generating shared value in order to achieve the well-being of all.

Characteristics of Corporate Governance of Capital+SAFI that add value

- Demonstrate Internal Commitment
- Capitalize on current momentum
- Encourage engagement at all hierarchical levels
- Maintain the flexibility to adapt
- Promote cohesion strategically

The governance structure of Capital + SAFI is characterized by providing confidence to stakeholders, facilitating transparency and accountability, as well as reducing potential risks and negative impacts on the value chain and operations and outlining clear rules regarding responsibility, rights, and obligations.



Thus, one of the activities to reaffirm this commitment to continuous improvement, Capital + SAFI was invited to become a member of the Transformational Governance board of the Global Compact. For which a commitment was signed with the purpose of promoting companies in our country to adopt a philosophy of being more responsible, ethical, inclusive, and transparent.

In this way, the corporate governance structure is detailed below:



Shareholder Composition

The shareholders' board is the highest management and decision-making body in Capital + SAFI, its rights and obligations are outlined in the commercial code and company statutes. At the closure of 2022, we had a shareholding structure consisting of ordinary shares, as follows:



Shareholding Distribution December 2022

Shareholder	% of Social Capital
GesDK S.A.	99.99%
Juan Carlos Navarro Rossetti	0.01%
Eduardo Gabriel Arana Lema	0.01%
Total	100.00%

Among the main powers of the Shareholders' Meeting is the approval of audited financial statements, the appointment, ratification, and dismissal of Directors and Trustees.

It is important to note that although we do not have a Corporate Governance Code, as a legally constituted commercial company, we are obliged to comply with the provisions established in the Commercial Code regarding minority shareholder rights and other corporate governance policies.

Notwithstanding the previously mentioned points, during 2022, the Regulations of the General Shareholders' Board were developed and approved, which outlines the functions, rights, duties, guidelines for the appointment of the board of directors, conflict of interest among those of greatest importance.

Board of Directors

The Board of Directors is the main supervisory and decision-making body.

Our Board of Directors is composed of 5 members of which 4 are independent, the total number of members are Bolivian and there is a female director. They meet at least four times a year where they evaluate economic, social, environmental issues and their impacts, risks, and opportunities. A factor to highlight is the diversity in composition of ages and experience in different areas.

It also has 6 support committees, made up of members of the Board of Directors and Senior Management.

Board Composition and Participation in Board Committees December 2022

Director	Position	Participation in board committees
Jorge Quintanilla Nielsen	President and General Manager	Investment Committee Integral Risk Management Committee Governance Committee Information Technology Committee Human Talent Committee
Luis Fernando Neri Zalles	Vice president	Investment Committee Governance Committee
Javier Guardia Sánchez	Secretary Director	Internal Audit Committee
Kurt Jugersen Flores	Non-executive Director	Integral Risk Management Committee
Liza Mendoza Arancibia	Non-executive Director	Human Talent Committee



This body leads, supervises and approves the conditions on the regulatory framework, strategies, corporate culture, as well as the objectives related to economic, social, and environmental performance (including negative and positive impacts) to generate benefits and value to our stakeholders, while ensuring compliance and transparency.

It is also responsible for the supervision of the sustainable investments of the funds it manages, for the effectiveness of Integral Risk Management through its Committee, as well as for ensuring that an adequate system is maintained for the execution of responsible business practices. Senior management assumes operational authority under the mandate of the Board of Directors.

Currently the Chairman of the Board also takes on the position of General Manager of the company. However, the solidification of the company's Corporate Governance has come hand in hand with its economic growth. Therefore, in recent years, we have made substantial changes in the structure of Corporate Governance and, provided that we have expansion plans in the coming years, the position of General Manager has a succession plan approved by the Board of Directors. In this way, it is intended at all times to accompany the organizational structure to the size and growth projection of the company.

The Board of Directors is appointed annually at the Shareholders ' Meeting based on business strategy, level of experience and knowledge, evaluation of previous performance, among other aspects.

The last performance evaluation of the Board of Directors was carried out in July 2021 by an independent entity. This evaluation contemplated the definition of seven priority areas for improvement, as well as an action plan.



During 2022, an Internal Regulation of the Board of Directors was outlined, which reflects the mechanisms used to self-regulate its management, taking into account good corporate governance practices and the guidelines indicated by the applicable regulations and the company's social statuses.

The Board Committees are specialized internal bodies, with the responsibility of supporting, analyzing, and advising on the management of specific issues.

The Board Committees are:

- Internal Audit Committee
- Integral Risk Management Committee
- Investment Committee
- Governance Committee
- Information Technology Committee
- Human Talent Committee

The members of the above-mentioned Committees are appointed and selected by the Board of Directors. They do not yet have an annual performance evaluation. However, the Board takes into account the knowledge and experience of the members of the Committees for their appointment.

Top Executives

The operational structure of the asset manager is outlined under the leadership of the Board of Directors and is organized into six managements, whose functions are developed through policies, procedures, processes, controls, and innovation, which allow us to achieve our purpose.

Management Structure December 2022

Executive	Position
Jorge Quintanilla Nielsen	General Manager
Juan Carlos Navarro Rossetti	Vice president of Alternative Investments
Eduardo Gabriel Arana	Legal Adviser
Bismarck Pinto Mollinedo	Investment Manager
Javier Borda Román	Administrative and Financial Manager
Diego Ramirez Niño de Guzmán	Marketing Manager

All our senior executives are of Bolivian nationality. The management staff has the responsibility of directing and supporting middle and operational managers in achieving the priority pillars established in our business strategy.

3.2. Governance and Sustainability System



We employ a decentralized approach to operational management of sustainability issues, with strong oversight by the Board of Directors and executive team.

While the Board of Directors supervises and has an active participation in environmental, climate, social and corporate governance issues that affect the strategic business plan, as well as the main stakeholders, the Risk and Investment Committees are consolidated as the collegiate body that directly supervises material sustainability issues and then reports to the Board of Directors.

We also strive to ensure that our Board of Directors is continuously informed on sustainability issues by providing regular reports (at least two reports per year).

The governance structure includes four types of roles: (i) oversight, (ii) implementation, (iii) control, and (iv) transparency. This structure has helped to optimally carry out our strategic sustainability initiatives, always ensuring the active management of impacts on our operations, managed investment funds and stakeholders.



3.3. Internal Control System

The internal control system is made up of the areas of Internal Audit and the Risk Management area.

Control Environment

This system focuses mainly on: (i) ensuring that integral risk management considers all types of risk to which our business model is exposed, (ii) controlling full compliance with applicable legislation and regulations and (iii) verifying that all areas involved have correctly executed the strategies, policies, processes, and procedures approved by the Board.

The support of this control environment has control and monitoring activities based on three levels: (i) reviews of the Board of Directors and Audit Committee, (ii) managerial controls and (iii) operational controls.

Integral Risk Management aligned with the business strategy

Risk management is an integral part of our business model and culture. It is consolidated as a key element to face political, social, economic and market trends, allowing us to maintain a solid business model with a moderate risk appetite.

The risk management and control model is based on a set of principles and controls that allow it to preserve efficiency and effectiveness of its management and operational capacity, prevent, avoid or minimize the probability of occurrence of events that may affect the business model,





or the fulfillment of strategic objectives and / or the costs or damages caused associated with the materialization of these events.

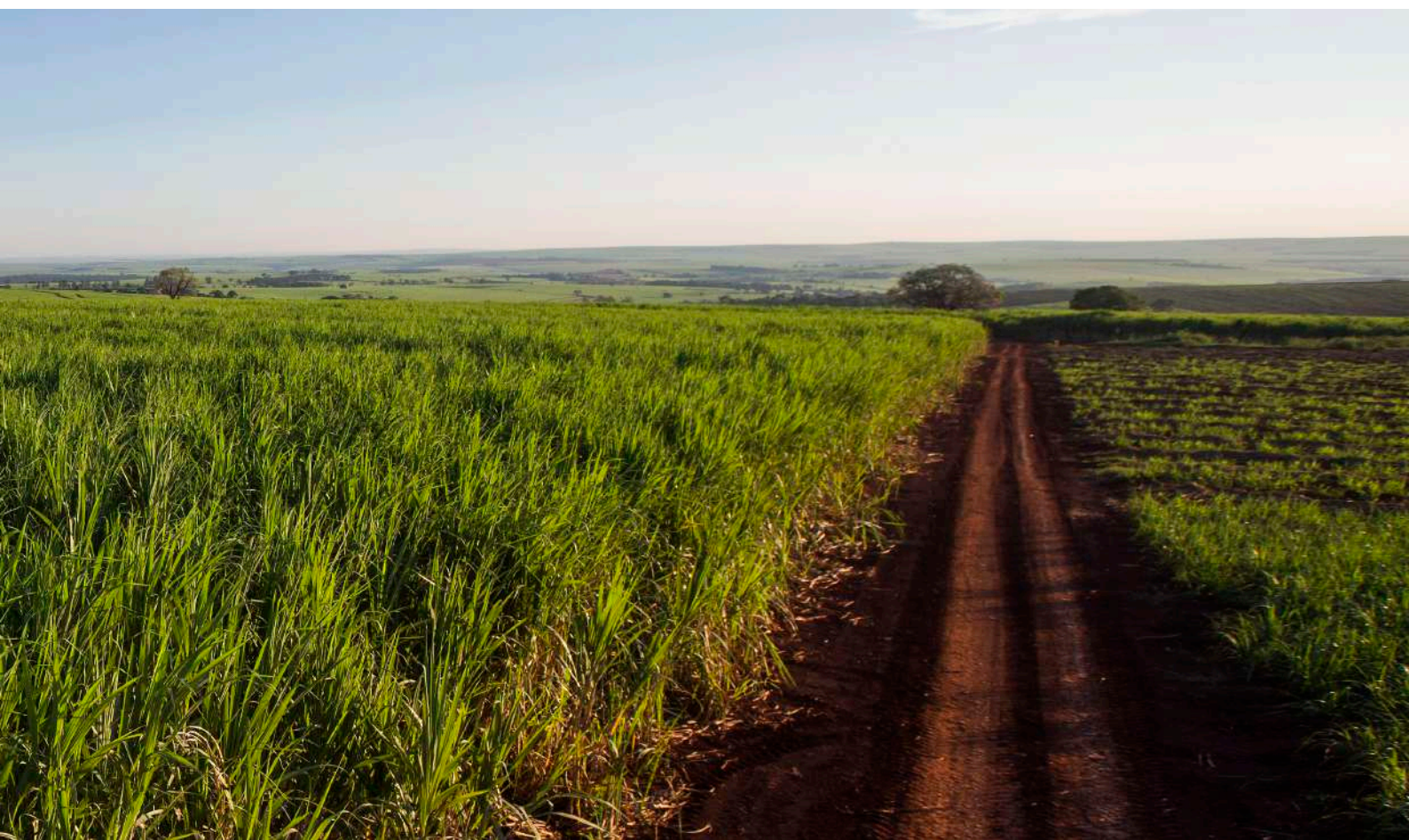
This management system allows Capital + SAFI to maintain a prudent risk profile in line with nature and the complexity of the business model. Preserving the objectives of solvency, efficiency, quality in asset management and environmental, climate and social sustainability in operations and investment funds.

During the year 2022, there were 54 action plans in place, aimed at improving the effectiveness of controls and bringing risks to levels acceptable to the organization. Some of these action plans were completed (29) and others are being implemented as planned. Likewise, the risk control system in the previous management assigned 290 controls that are periodically evaluated according to the criticality of the risk, showing a level of effectiveness of 91%.

Likewise, the risk management procedures were strengthened, with the elaboration of policies for the management of market, counterparty, operational, other non-quantifiable risks, as well as procedures and methodologies for a more efficient management of the different risks to which Capital + SAFI and the funds it manages are exposed.

On the other hand, the identification and management of possible conflicts of interest that may arise during the company's operations is carried out through the Integral Risk Management Committee.

We update our Business Continuity Plan, which includes various events, mitigating factors, and a hybrid work scheme with the aim of protecting the health of human capital.



3.4. Business Ethics and Compliance

We know that a balanced and inclusive culture helps shape ethical conduct.



Ethics is the essence of who we are, and integrity is one of our cultural values that defines us. For this reason, we promote an ethical culture within the organization and accompany the management of investment funds based on policies consistent with our principles. The intention is to fight financial crime, promoting responsibility and sustainability.

As part of this, there is a Code of Ethics that aims to establish the basic principles and values to which the behavior of all management professionals must adhere.

Likewise, there is an Internal Auditor who ensures compliance with internal and external regulations and in addition to this, an external audit of the company is carried out annually.

During 2022 there were no cases or monetary losses in relation to activities of corruption, fraud, malpractices, market manipulation, anticompetitive practices, improper behavior, or complaints related to non-compliance with laws and regulations in the social, environmental and economic spheres. Likewise, no employees were registered with investigations and litigation related to investments or other equivalents.

On the other hand, in relation to the regulatory compliance of the securities market in operational matters (ASFI, Bolivian Stock Exchange) 14 breaches equivalent to fines in the amount of USD 21,914 were incurred.

There is a mechanism for complaints and workplace harassment complaints or other critical events. This mechanism helps employees to report irregularities, complaints, or illegal acts anonymously. In the 2022 management, no complaints or workplace harassment complaints or other critical harassment incidents were registered.

In relation to the crimes of money laundering and illicit proceeds, we have a specific risk-based manual, which complies with the regulations in force in the country issued by the Financial Investigations Unit (UIF), thus contributing to the fight against the Legitimization of Illicit Profits, Financing of Terrorism and/or Previous Crimes. In the last two years there have been no events related to this risk.

3.5. Data security and privacy

As the scale of our organization grows and complexity increases, it is essential to continue to strengthen our defenses against potential data and privacy breaches.

Operational, cybersecurity, and data privacy resilience is a priority within our strategy. Capital + SAFI has a robust framework of policies and procedures in place to manage these risks effectively and ensure that our staff and systems are prepared to protect against potential threats.

Thus, during the 2022 management, guidelines were established for the monitoring of user activities, a detailed matrix of access levels per position was defined. An in-depth review of procedures was carried out and it was possible to make them more efficient, together with a more rigorous compliance with current regulations.

Likewise, the Business Impact Analysis was improved, having included regulatory requirements and optimizing technological resources and services when making a more objective evaluation in the preparation of business continuity plans and technological contingencies.

In 2022, there were no substantiated claims regarding customer privacy violations and/or loss of customer data.

The activities described throughout this section helped manage potential impacts on society, human rights, and the environment. That is why, in order to measure progress each year, an evaluation of the effectiveness of the corporate governance structure is carried out following best practices, the objective is to maintain our risk profile at a moderate level.





4

Strategic Approach to Shared Value

4.1. Value Proposition

Economic and social value creation must go hand in hand.



We are convinced that our purpose, investing to improve lives, can only be achieved by directing capital towards sustainable models with potential and also by working in collaboration with different sectors and interest groups. We also believe that our knowledge and experience, our team of professionals focused on the customer experience, and our unique combination of activities and initiatives, distinguishes us from our main competitors.

Thus, our value proposition is based on the following attributes:

- Purposeful and long-term financial returns.
- Innovative financial solutions to help companies increase their competitiveness, grow, and improve their social and environmental contribution.
- Intellectually empowered human capital committed to future generations.

4.2. Strategic pillars: Our Ambitions

Supported by our strong relationships with customers and issuers, we aim to be a leader in the local as well as international market. In this way, the business strategy focuses on two strategic pillars:

- Catalytic investments:** to support greater adoption of sustainable and inclusive agribusiness practices and innovations across the agricultural value chain.
- Collaboration:** to unlock opportunities for sustainable and inclusive growth in agricultural systems.

These pillars are based on four critical dimensions to achieve our shared value goals.

- **Accelerate organic and inorganic growth:** To remain relevant to our customers and accelerate our growth, we believe we need to truly understand them, anticipate their needs and help them meet their goals. Also, our medium-term goal is to increase our scale at the regional level.
- **Solid corporate governance and culture:** Consolidate a flexible and solid structure through unique leadership standards and levels.



- **Progress through innovation and continuous learning:** Changes in customer needs require us to react quickly. Thus, technology and digitalization allow us to improve our productivity, streamlining processes and reducing operational errors. It is also essential to continuously develop the skills and knowledge necessary to continue growing.
- **Attract, empower and retain human capital:** The knowledge, experience and professionalism of our people are essential to our business model and growth.

On the other hand, it is known that changes in economic, social and environmental, the growing customer and issuer demands, technological advances, the labor market and all regulatory changes impact our operating environment. Given this, Capital + SAFI attracts three types of capital: (i) financial capital, (ii) intellectual capital and (iii) social capital, becoming the means that impulse the generation of shared value with a long-term vision.



Key Enablers

Financial Capital

- Capital Structure (shareholders and creditors)
- AUM
- Fund management fees

Intellectual Capital

- Collaborators
- Constant Intellectual Development
- Experience and knowledge

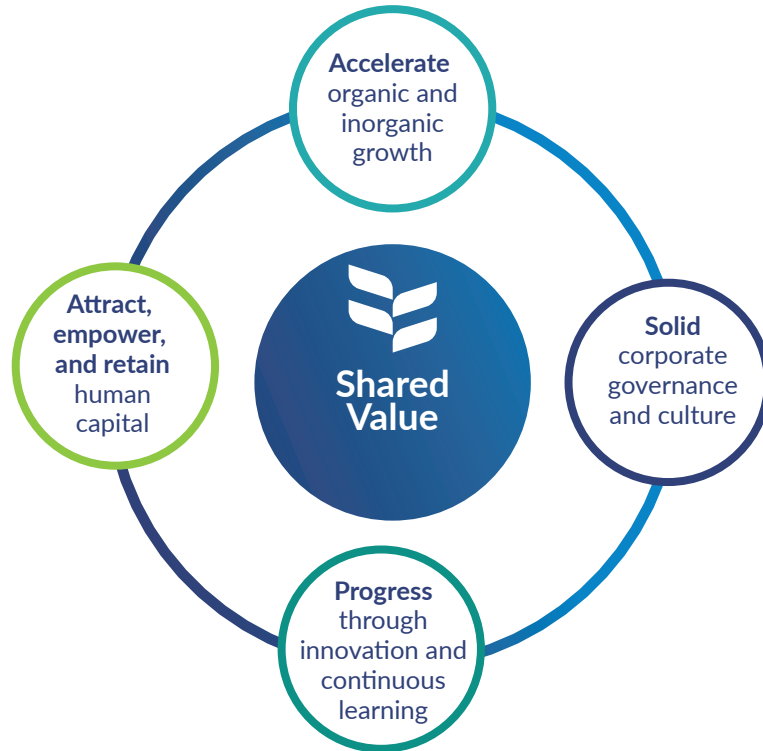
Social Capital

- Reputation and trust
- Stakeholder's expectations

Catalytic Investments to support greater adoption of sustainable and inclusive agribusiness practices and innovations

Collaboration to unlock opportunities for sustainable and inclusive growth in agricultural systems

Strategic Pillars of the Business Model



Purpose
We invest to improve lives

Products and Outcomes

Financial Capital

Revenue Growth (3y CAGR)
10.6%

Return on Invested Capital (3y avg)
18.5%

Num. of Private Investments
31

Private capital mobilized (USD)
\$190mm

Intellectual Capital

Committed staff (turnover)
14%

Intellectual Empowerment and Continuous Learning (Avg. Training Hours)
72

Job creation as social value

- Direct jobs
28
- Others (consultants and interns)
4

Social Capital

Good relationships with clients, issuers, and stakeholders (satisfaction index)
88%

Positive Contribution to society and the planet through sustainable investments (% of AUM that makes up ESG)
93%

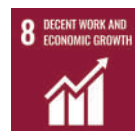
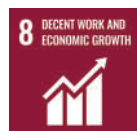
Reduction of negative impacts related to human rights and work practices through Stewardship activities.

Natural Capital

Contribution to and protection of the natural capital through sustainable investments.

Reduction of climate and environmental impacts through Stewardship and monitoring of risks and opportunities.

Our contribution to SDG



Product and results data as of December 31, 2022

4.3. Integration of Sustainable and Impact Investments



Environmental and social challenges are changing the perspective of investments and creating new responsibilities and commitments. In the medium term, significant financial resources, both public and private, will be needed to finance the transition to a sustainable future. So, as asset managers, we have a key role to play in supporting this change through our investment decisions.

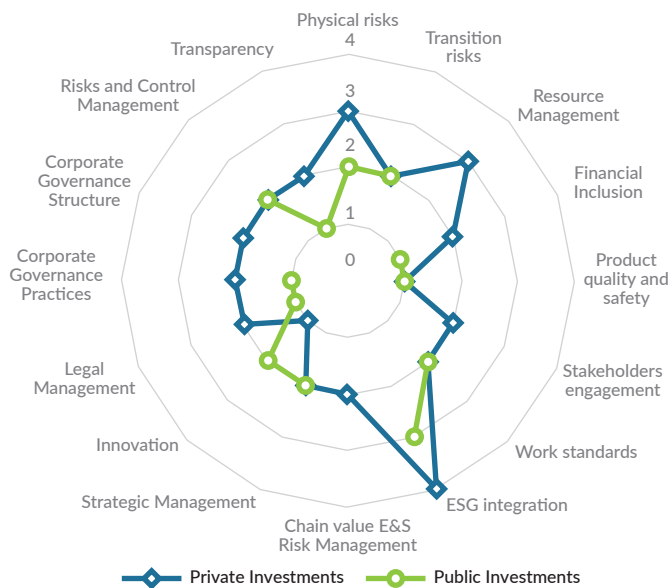
Investing for a better future

93%
of the Total AUM
has an **ESG assessment**
in place and integrated into
the investment process.

The aggregate level
of ESG risk for these
assets is equivalent to a
moderate risk

During the 2022 management, ESG and climate factors were integrated into the investment process in 93% of our portfolio in the four funds under management, contemplating local public, local private, and foreign public investments. The ESG risk level of the total assets under management assessed corresponds to a moderate risk level based on the ESG policy and methodology developed by Capital + SAFI and published on our website.

ESG evaluation, Public and Private Investments



*The score is between 1 (low) to 4 (extreme) according to the scoring methodology



Active Management Initiatives

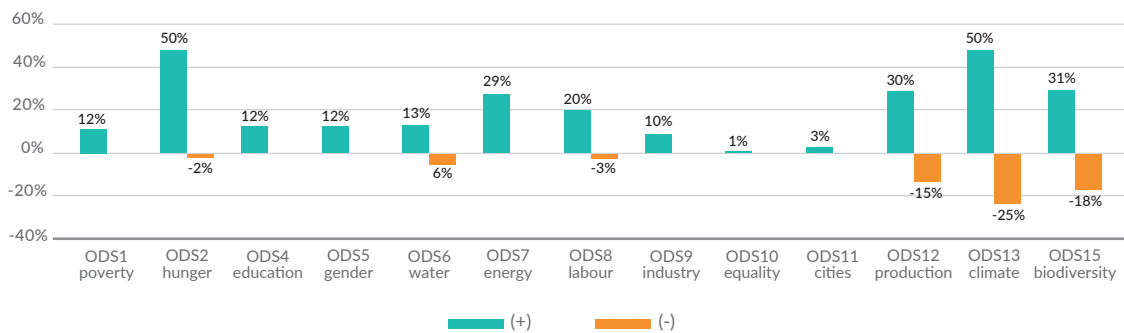
During the 2022 management we have carried out the following engagement activities with our issuers and investors:

- Shared Value Creation sessions led by the consultancy FSG for our portfolio issuers and investors.
- Presentations to various portfolio companies on ESG assessment results and potential action plans they might take.
- Sessions on Corporate Governance for family businesses with the consulting firm Avantage and the IFC for the companies in our portfolio.

Additionally, a campaign has been carried out around climate change by sharing relevant information with the issuers of the portfolio. On the other hand, we have made a mapping of actors and problems around deforestation in Bolivia for a better understanding of it by the team with the objective to provide solutions aligned to the problem.


Alignment with the Sustainable Development Goals in our investments

According to the evaluations carried out during the 2022 management, the private portfolio has positive and/or negative alignment with different Sustainable Development Goals:




*The percentage corresponds to the total private portfolio with positive or negative alignment to the SDG in question.

2 ZERO HUNGER




Exposure in agro-related companies that count with actions/initiatives surrounding sustainable agricultural practices through their supply chain. Exposure in the Microfinance sector with initiatives to small farming businesses.

13 CLIMATE ACTION



Exposure in companies within the sector that count with sustainable certifications that are aligned to mitigate or promote climate resilience in their value chain. Likewise, the portfolio is exposed to sectors with few actions around their impact on the climate and with the potential to become affected by the climate change in their value chain.

15 LIFE ON LAND



Exposure in sectors whose supply chain may have an impact on biodiversity.

Development of Impact Investment Funds

We know that the financial sector has a fundamental role to play in achieving the Sustainable Development Goals. For this reason, since the end of 2019 we have been working hard on the development of Impact Investment Funds, whose parameters are described in our Sustainable Investment Policy. These funds have not yet been approved by the regulatory body in the country due to the absence of local regulations for Sustainable, Green and Impact Investment Funds that are being developed.





Multi Impacto

Closed-End Investment Fund

Aimed at contributing to the SDGs:

2	4	5	6	7	8
9	10	11	12	13	15

Fund goal
It aims to contribute positively to the identified SDGs while generating competitive financial returns. It has the potential to invest in different sectors of the economy.

Underlying assets
Private placements for CAPEX, OPEX and/or specific projects to mitigate and/or strengthen social and/or environmental impacts of companies aligned with the SDGs indicated.

Term of life of the fund
15 years

Expected size of the fund
USD 200 MM



Cadenas Productivas

Closed-End Investment Fund

Aimed at contributing to the SDGs:

2	3	8
9	12	13

Fund goal
It aims to strengthen the value chains of the productive sector towards a green recovery, reducing common risks and catalyzing a movement towards sustainability.

Underlying assets
Private placements for CAPEX, OPEX and / or specific projects to mitigate and / or strengthen social and / or environmental impacts of companies aligned with the SDGs indicated.

Term of life of the fund
15 years

Expected size of the fund
USD 150 MM

Likewise, we are in a process of regional expansion from which, during the 2022, we have developed a fund with impact objectives on sustainable and inclusive agriculture, promoting sustainable value chains in agribusiness in the region.

LATAM Capital Fund

Aimed at contributing to the SDGs:

2	8	13	15
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Fund goal
It aims to invest to catalyze the agribusiness and forestry sector for the incorporation of sustainable practices and the creation of shared value.

Countries
Colombia, Ecuador, Paraguay, Uruguay, Bolivia, Peru

Term of life of the fund
10 years

Expected size of the fund
USD 150 MM

Fund currency
USD

*The information is preliminary and subject to change

If you are interested in learning more about the aforementioned funds, you can contact sostenibilidaddeimpacto@capitalsafi.com

4.4. Active management with customers, issuers and suppliers



Since 2021, customer and issuer satisfaction surveys have been carried out with the aim of understanding their perception and maintaining high levels of satisfaction at all times, continuously improving our relationship with these stakeholders. On the one hand, the investor satisfaction survey remains at a high level of satisfaction. It is also noteworthy that during the 2022 management, various actions were carried out to improve the investor experience around the communication and transparency of investment funds through the creation of automated dashboards. These allow our investors to access complete and personalized information about their investments and related relevant information in a timely manner.

Likewise, actions have been taken to reduce operational risks in favor of investors, including the automation of tasks of capturing information from operations in public markets, recording and updating risk ratings. Similarly, a methodology has been developed to search for opportunities to create shared value in current portfolios, which open a possibility of generating value to the very expectant investor, because, on the one hand, we align purposes, missions and visions; as well as enriching the quality of our portfolios through the generation of more robust flows with greater certainty, by incorporating non-financial risks in our decision-making, as well as in our stewardship activities.

Finally, we are undertaking various activities with various allies contributing to a market building collaboration to mitigate environmental and social risks, which do not only affect our portfolios but are systemic risks on the market and, therefore, our investors.

On the other hand, adequate portfolio management is maintained to cover greater demand for private investments, and we have a comprehensive risk management and information security framework with all the measures and controls required by the regulations. On the other





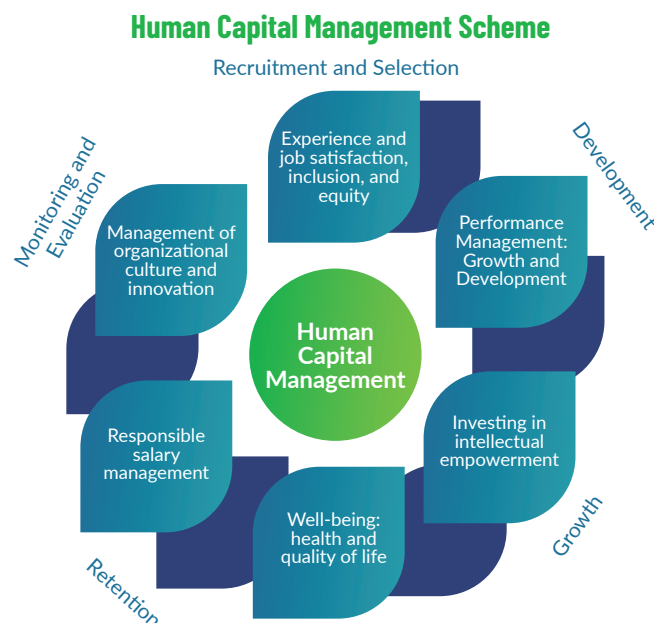
hand, the 2022 issuer satisfaction survey shows an improvement in the satisfaction index score from 3.17 to 3.35 compared to the previous year (2021), highlighting the value generated by continuous advice, prompt service and webinars held, qualifying the service as excellent. In addition, in order to raise awareness among issuers about sustainability issues, visits were made to some issuers to give feedback on the ESG evaluation, to explain about the ESG methodology and to raise awareness about the importance of these factors.

Likewise, every year we work diligently to ensure and improve the protection, privacy and integrity of the information that is entrusted by our clients and issuers. 2022 was no different, provided that we strengthened the area of information security to comply with current regulations, as well as maintained solid information protection. To this date, there have been no complaints on information security issues from our stakeholders or regulatory authorities.

Finally, during the 2022 administration, letters were sent to various SAFI suppliers with the aim of promoting the Global Compact Principles in our value chain through their application. Although, being a financial services company, we have few suppliers, we consider it essential that our ecosystem advances with us towards sustainability and creation of shared value.

4.5. Model to inspire our people

Human capital, a fundamental pillar of Capital+SAFI



Our human capital and culture

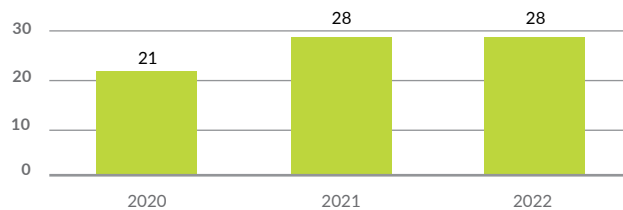


When human capital feels supported and valued, a high commitment and mutual benefit is generated.

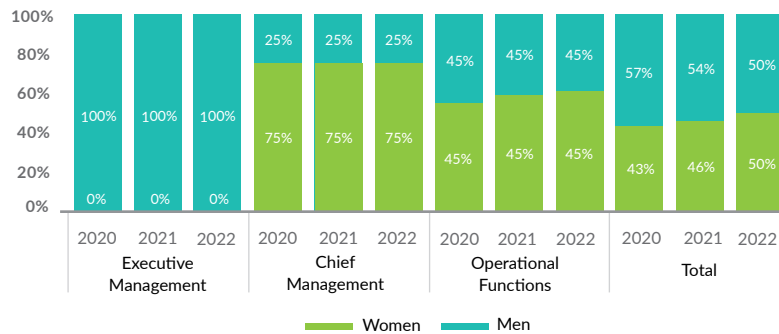
We understand that, in order to create innovative products for our clients, issuers and bring value to our stakeholders, we must attract, develop and retain diverse talent by promoting a culture based on our core values of integrity, innovation, collaboration, equity, and learning.

Thus, at the end of December 2022 we came to count with a team made up of 28 people, one of which is a foreigner, and the rest are from Bolivia. 27 people have an indefinite and full-time contract and there is one person with a fixed-term full-time contract. The total number of employees has an employment contract formally established within the framework of compliance with the country's labor regulations. The following graphs detail the composition of our employees.

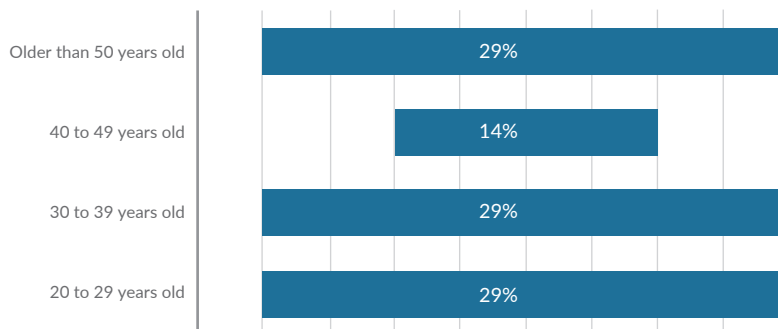
Number of Employees



Gender Participation



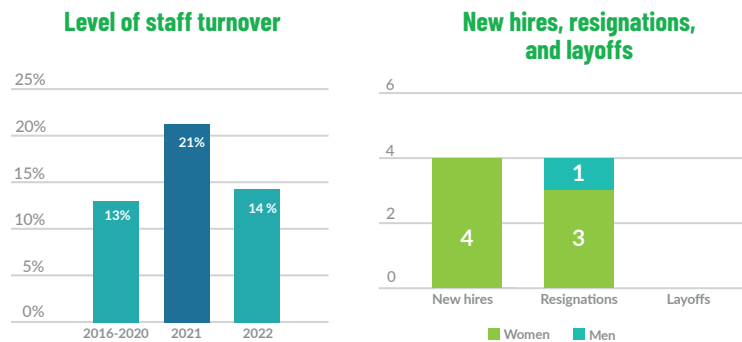
The average age of our employees is 39





Also, as of December 2022, there were two internships occupied by a woman and a man recently graduated from the university and 3 male consultants.

On the other hand, during 2022 the recruitment of four women took place, one of them corresponding to the creation of a new operational position. There was also the voluntary retirement of four people: three women and one man; generating a rotation of 14.3%.



During the 2022, the evaluation of the Work Environment was carried out with the company Human Value and this has reported a value of 81% being an optimal qualification, this evaluation helps us focus efforts on improving our culture and labor well-being in four areas: cooperation, communication, trust, and commitment. On the other hand, during the 2022 management, no performance evaluations have been carried out on the company's staff.

Finally, since mid-2021 and during the 2022 we have participated in the ELSA program of Gender Lab to have a space free of sexual harassment at work through a diagnosis and action plans executed.

Responsible salary management

The entry-level salary in the company compared to the national minimum wage is 1.89 times above. Within this category, there is only one person of the male gender. The average salary of our operational level employees and headquarters is 3.89 times.

We reward our people in a way that encourages them to act in the best interest of our clients. Our remuneration policy (established under the Human Talent Management Regulations and under national regulations) does not discriminate on the basis of gender or other. Differences in terms of salary range, in general, are determined by Management and are based on the function to the professional experience and education of the people. The salary is composed primarily in all cases of a fixed component.



Women earn 0.46 times what men make in the total payroll. However, this is mainly due to the fact that there are currently no women in executive positions. On the contrary, at the operational level and leadership (not managerial), women earn 0.88 times the salary of men.

Workplace well-being

We comply with all labor and social security regulations in relation to employees. Additionally, given our business model, employees who travel continuously for work matters have life insurance.

In line with our commitment to ensure the well-being of its workers, we maintained teleworking as a norm from mid-March 2020 to August 2022 due to the pandemic caused by COVID-19. As of September 2022, we started with a hybrid work modality as established in the Internal Hybrid Work Regulation.

In recent years and with the pandemic, the term 'healthy' is increasingly present in our lives. The concern towards everything that has to do with health, from a physical point of view to the emotional perspective is essential today. Aware of this, from 2021 and during 2022, the physical wellness program was implemented for all staff, in which employees have access to a gym or specialized trainer.



75%
of employees participated
in the program



On average, program
participants attended
46 days



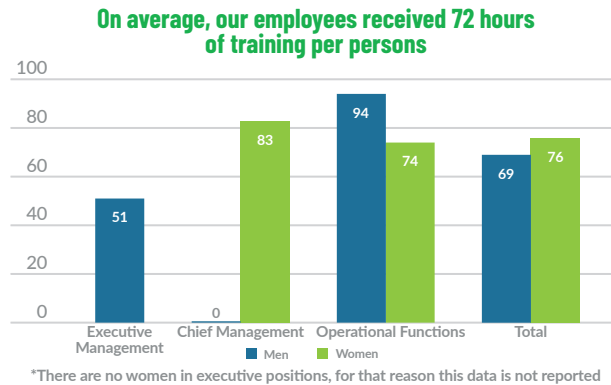
19%
of participants
reached their target

Intellectual empowerment

One of our core values is the pursuit of excellence, which is why we consider continuous learning to be a fundamental aspect for the achievement of our objectives.



For this reason, the Capital + SAFI team received an average of 72 hours of training per person in various topics aligned with the personal development of each individual and the strategic goals of the company. Approximately 50 thousand dollars were invested in training during the 2022. There are 3 males who did not receive any training during the 2022 (each at each hierarchical level).



Business Management in Human Rights

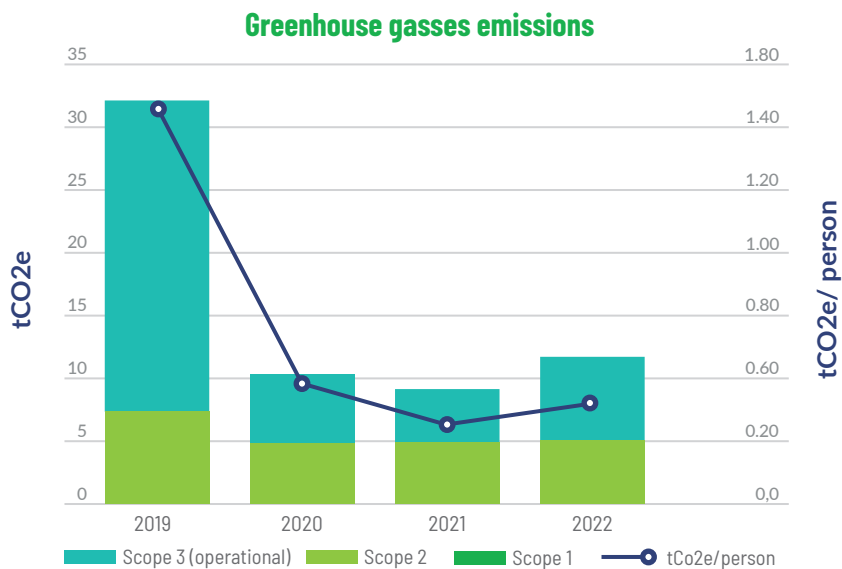
We are committed to supporting and respecting the protection of internationally recognized fundamental human rights. This implies a very good understanding of the context in which it operates, as well as the relationships that are part of the core of the business that may or may not affect Human Rights to proactively identify, prevent, or mitigate any effect on them. However, we believe that we still have many challenges in this area, especially in integrating this factor into the value chain of our business model.



4.6. Environmental Protection



Since 2019, we have started measuring the carbon footprint of our operations from our energy consumption and travels. The results show that scope 3 emissions from travels are the most material, accounting for 77% of total emissions by 2019 and 57% by 2022. As can be seen in the graph, since the pandemic, there has been a significant reduction in our carbon emissions (63% reduction by 2022 compared to 2019). This is due to the need to rethink our operations due to the COVID-19 pandemic, protecting our staff and maintaining the credit quality of our portfolios. It is important to mention that we do not have scope 1 emissions.



For scope 3 emissions from our portfolio, see section 5.4. Performance indicators and targets of this report. Also, refer to that section to learn about our emission reduction goals.



Our environmental data

	2019	2020	2021	2022	Unit of measurement
Electrical energy	16,963.91	11,175.32	11,295.37	11,749.81	Kwh
Wastewater	40.59	33.44	42.69	61.60	m3
Travels	179,162.46	36,669.59	29,314.00	44,073.00	Km
Paper waste			39.72	23.52	kg
Plastic waste			2.82	3.67	Kg
Other waste			214.86	224.64	Kg

*Wastewater is calculated based on the total bill of the building, divided by the number of offices times the total number of offices that Capital+ SAFI has, so the results may not be accurate.

**For the calculation of waste generated, a sample of 5 weeks throughout the year is used and the average data is extrapolated to an annual value. The results may not be accurate.

4.7. Innovation with “Sembrar Digital”

Capital + SAFI’s digital transformation program, with the purpose of increasing shared value in the current and future business model, obtained its first achievements.



To begin with, the Investment areas have been making extraordinary efforts in the development of a unique value proposition focused on shared value with the purpose of generating value for all stakeholders.

Secondly, the Technology area, among other achievements, accomplished the automation of the registration of public offering securities that come from brokerage agencies. It enabled a portal with relevant information of the funds for the exclusive use of investors, with 24/7 access from any device. Optimized the implementation of the digital signature, improving the customer experience in most of the internal processes. And it placed the Office 365 tool in the cloud, allowing better integrated workspaces, raising staff productivity.

Last but not least, the Marketing area launched the new corporate image of Capital + SAFI S.A. as well as its new website. The first digital marketing campaign was launched to position the new brand and the attributes of the value offering.

The objectives of the program are very ambitious, not only does it seek to exploit the current business model with greater efficiency and better customer experience, but also to explore new opportunities based on a disruptive business model with innovative value propositions.

4.8. Cooperation for the prosperity of future generations



Driving Collective Impact on Our Ecosystem

We know that, on our own, we will not be able to achieve our purpose; cooperation with different market players is necessary. It is for this reason that we call for collective impact and cooperation to drive sustainable development and thereby improve lives. In that sense, we are members of:



Sustainable Finance Roundtable in Bolivia

Within the framework of the working groups at the initiative of the representative of the Global Compact in Bolivia and with the support of Asoban and UNDP, a Sustainable Finance Roundtable has been developed as a platform to promote spaces for dialogue and collaboration in the financial sector towards its transition to sustainable finance. We are pleased to be leaders of the Awareness and Training Commission of this Working Group.



Roundtable of Sustainable Cities in Bolivia

under the umbrella of Global Compact in Bolivia, a working table has been formed to promote the participation of entrepreneurs, public sector and international organizations for the fulfillment of Sustainable Development Goal number 11: Sustainable Cities and Communities. We are pleased to be members of this roundtable to dialogue with various actors about our role as investors in promoting sustainable cities and communities.



Environment Roundtable

under the umbrella of the Global Compact in Bolivia. It is a working group where various Bolivian organizations participate with the aim of promoting good business practices around the environment including climate change and biodiversity.



Transformational Governance Roundtable

the Swedish embassy in Bolivia in coordination with the Confederation of Private Entrepreneurs of Bolivia as a representative of the United Nations Global Compact took on the challenge of promoting transformational governance as a principle-based philosophy that fosters a culture of integrity, equity, and inclusion in Bolivian companies.



Sustainable Soy Roundtable

it aims to move towards more sustainable soy with a particular focus on avoiding deforestation and conversion (DCF) in the country. Management began at the end of 2022, and we are participants in it with the aim of promoting from the financial sector through our role as investors a sustainable sector of high value for society.

Memberships

Our shared value approach is adhered to:



Pacto Global
Red Bolivia



We are also part of the community of:





TCFD Report



Over the past two years, Capital + SAFI has shown determination to address major climate issues. In 2022, it decided to support the Task Force on Climate-Related Final Disclosure (TCFD).

About this report

Capital + SAFI, as an investment fund manager, pays special attention to climate-related risks and opportunities, as through our investment portfolio there is exposure to these risks associated with different industries.

In this way, Capital + SAFI for the first time adopts TCFD's disclosure recommendations to report 2022, as follows:

5.1. Governance

The governance and sustainability system of Capital + SAFI allows us to establish the necessary structure to develop our Climate Change strategy through the assignment of roles and responsibilities in different instances of the company.

In this way, the corporate governance structure for climate risk management includes the following responsibilities and roles:

- **Board of Directors and Investment and Integral Risk Management Committees**, reviews and discusses with general management about SAFI's internal risk management process including its risk governance framework, risk management practices, and key risk factors. It facilitates the identification, measurement, mitigation and control of climate-related risks, the financial viability of the investment, the scope and impact of climate risks, and opportunities on the issuer's financial position, as well as the potential impact on SAFI's business model.

In addition, the Board monitors the strategy aimed at managing climate risks, as well as the objectives and metrics outlined with the support of the investment and comprehensive risk management committees.

Reports regarding risks, opportunities, metrics, and targets are reported periodically to the Committees and the Board of Directors (at least twice a year).

- **General Manager (CEO)**, member of the Board of Directors and responsible for informing and monitoring material climate risk issues as well as opportunities. It also delegates operational supervision to the Stock Exchange Investment Manager, the Vice-President of Alternative Investments, and the Administration and Finance Manager.



- **Area Managers: Vice-President of Alternative Investments, Investments Manager and Administration and Financial Manager**, supervises the operation and the quality of analysis and information to be developed for decision making and to report to General Management and / or Board of Directors and / or Committees. Thus, the management of risks and opportunities related to climate change in the portfolios under management falls mainly to the Vice-President of Alternative Investments and the Investment Manager. On the other hand, the risks and opportunities of business operations are under the leadership of the Administration and Financial Manager.



In this way, area managers are responsible for the implementation and monitoring of policies, processes, procedures and / or methodologies, as well as the metrics and objectives set, managing and reporting (senior management, committees and / Board as appropriate) possible deviations (positive and / or negative). It also ensures that the availability of resources is timely and adequate (including training, budget, personnel, systems or other) for the implementation of this framework.

- **Climate Task-Force Team Investments**, researches, evaluates, and analyzes material climate-related risks and opportunities in investments, as well as the data and tools necessary for decision making.
- **Climate Task-Force Team Business Operations**, investigates, assesses, and analyses material climate risks and opportunities that have an impact on the Fund Manager's operational activities.
- **Head of Integral Risk Management**, coordinates and supports the different areas in the evaluation and control of climate risks.
- **Internal Audit**, verifies that all areas involved have correctly executed the strategies, policies, processes and procedures approved by the Board of Directors. It also provides an independent and objective assessment of the design and effectiveness of the controls implemented for the mitigation of the identified risks.

5.2. Strategy



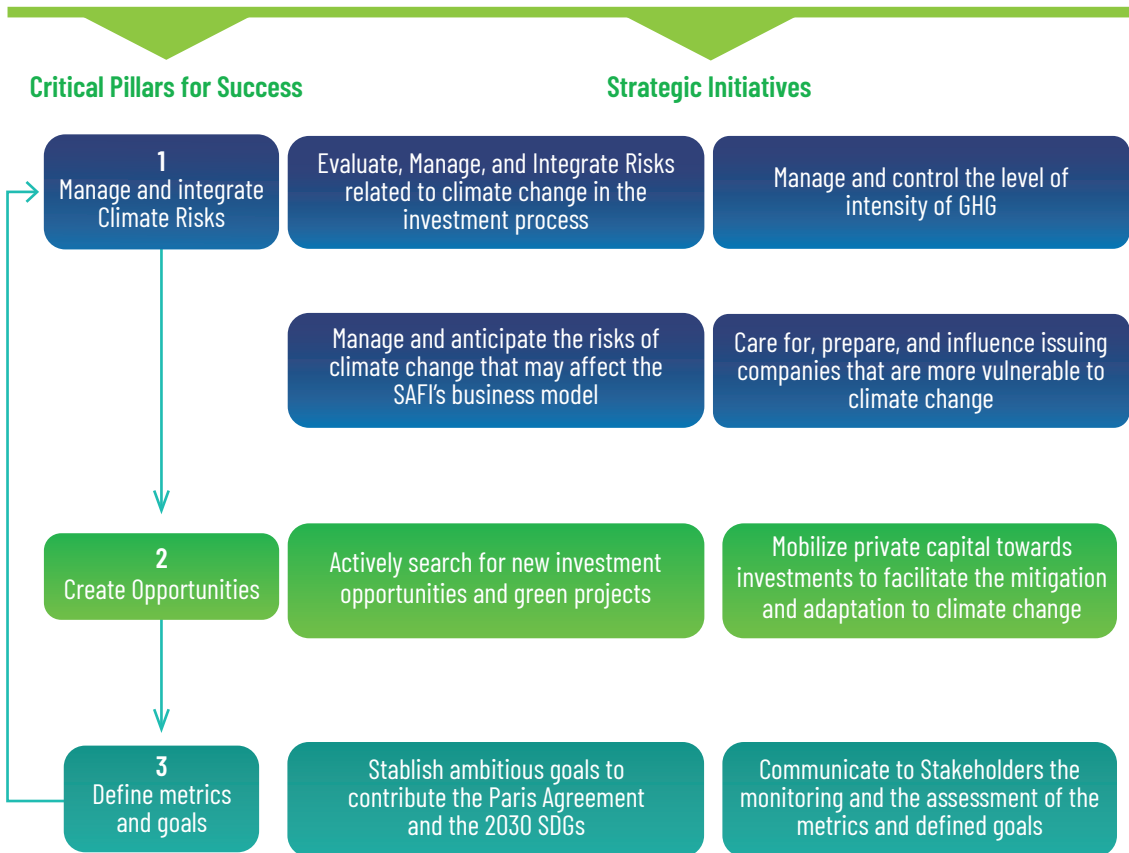
Our climate change strategy is based on the Climate Change Risk Management Framework. This framework establishes the Company's commitment to implement initiatives aimed at achieving the risk reduction objectives to transition to a low-carbon economy. Specifically, efforts are focused on the quantification of climate risks, as well as active and periodic dialogue with companies in sectors that represent a material investment in the portfolio.

In this sense, the strategic framework contemplates three critical pillars of success: (i) managing and integrating climate risks into the investment process, (ii) creating opportunities and (iii) defining metrics and objectives.

Below is the strategic outline and the main initiatives outlined to address climate issues.

Strategic Goals

- 1 Reduce exposure to climate-related risks (financial risk) and protect assets estimating the level of vulnerability.
- 2 Mitigate the risks of climate change and create resilience in the portfolios under management by incorporating these risks into the investment process.



5.3. Risk Management

Climate risks are integrated within the risk management framework of the company.



Both in the operations of the business and in the investment process, there are various support and control tools based on the risk management policy of the SAFI, which is based on three lines of defense: the first contemplates operational management, thus, operational managers own and manage risks, the second includes risk management and compliance functions and finally, the third is made up of Internal Audit, a unit that provides assurance on the effectiveness of governance, risk management and internal controls.

Risks	Category	Weighted risk level
SAFI's Operational Management		
Transition risks	Political and legal	Moderate
	Reputation	Moderate
	Market	Moderate
Physical risks	Acute	Moderate
Investing with Purpose		
Transition Risks	Political and legal	Moderate
	Reputation	Moderate
	Market	Moderate

The management of climate risks and opportunities is divided into two levels: (i) operational management and (ii) the administration of investment funds which we call "Investing with purpose" (See table with the main results of the evaluation). In the case of the first level, physical and transition risks are considered and for the second level only transition risks. Our assessment considers various time horizons to allow us to assess potential financial, legal/regulatory, and reputational impacts. The weighted risk level is a weighted average of different time horizons

The level of risk for the different categories was determined as low except for acute physical risks in the company's operations. While this category has low levels of probability in the different time horizons, the level of impact in a medium short or long term is extreme because of the financial losses that such events would imply.

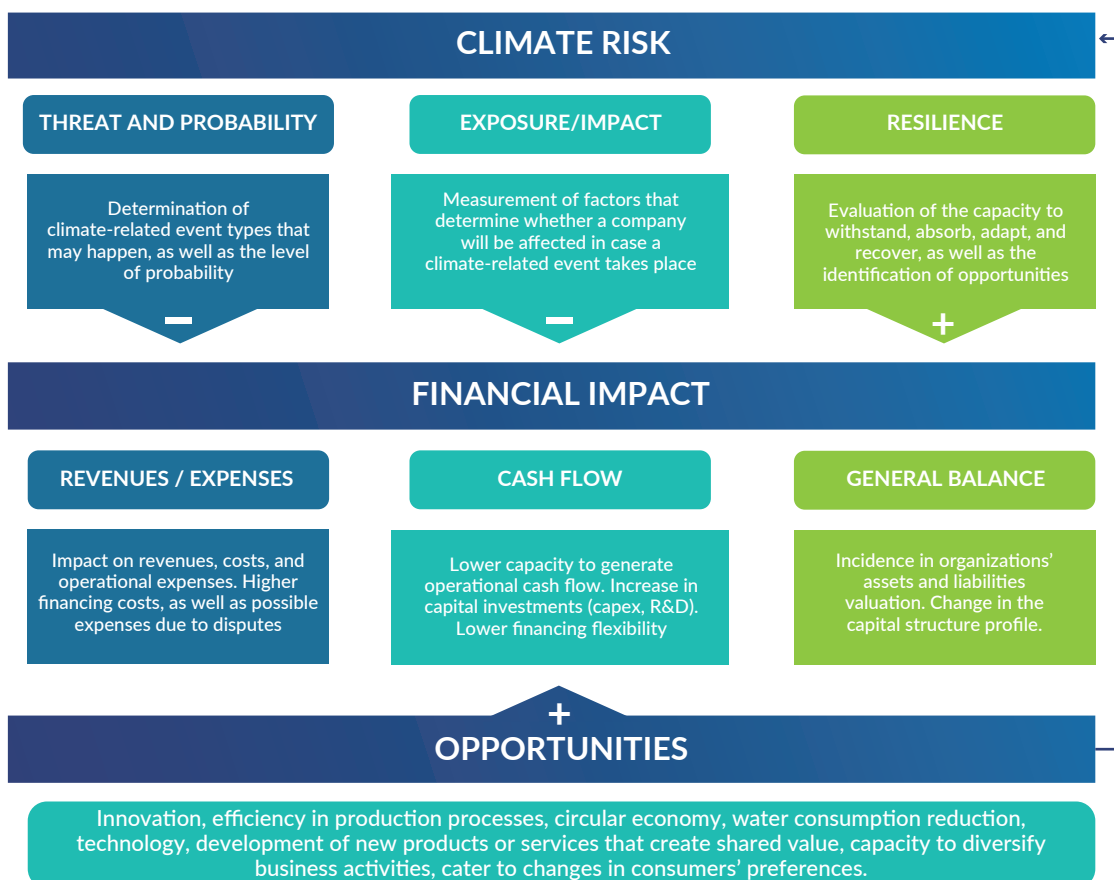


Based on the evaluation carried out, mitigation strategies and internal controls have been established that aim to keep the level of impact under control or minimize it, of which the most relevant are detailed:

- Active participation in the structuring of the regulatory framework through the Soy Roundtable.
- Constant verification of global and national trends in climate change, as well as perceptions of various stakeholders.
- Development of new funds with a sustainable and impact approach
- Climate Change Stewardship Plan
- Implementation of the net-zero emissions roadmap
- Strengthening business continuity plans

There are three levels from which investment funds' climate risks and opportunities are intended to be addressed: i) Specific assessment of the company/issuer ii) Portfolio-level assessment (iii) Macro-trend research around climate change.

That being said, during the 2022, a dashboard of macro trends around climate change was developed with relevant information for analysis and decision making. On the other hand, for the specific evaluations of the companies / issuers, 9 sectoral methodologies on climate change have been developed during the 2021, which are based on the framework described below:





These assessments have been applied to a total of 27 companies corresponding to \$177 million from the private portfolio and 11 companies in the financial sector corresponding to \$162 million. Therefore, 77% of the portfolio was assessed for climate risks and opportunities. Here are the main results until December 2022:



Portfolio of Private Investments

Physical Risks



Physical risks are more latent in the value chain of the issuers assessed. 62% of the issuers evaluated have a high-extreme level of risk to physical weather events in their suppliers, clients, or portfolios.



Physical risks to companies' operations and assets are also present; However, companies have resilience mechanisms such as insurance against climatic events. This decreases the level of perceived risk.

Likewise, transition risks are more latent in the value chain of the issuers assessed. 49% of the issuers evaluated have a high level of risk – extreme to a change in customer preference.

The level of risk from a possible carbon tax is considered lower due to the probability of occurrence of such an event in the country. However, if it were to occur, there is 19% of the evaluated portfolio that would be most impacted by such an event.



Transition Risks



Portfolio of Public Investments

Physical Risks



28% of the portfolio invested in the banking financial sector is at a high level of risk due to its participation in sectors with greater exposure to physical risks and few or no initiatives to mitigate these risks.

Likewise, 68% of the portfolio is not considered prepared to assume a change in the regulations that force financial institutions to incorporate climate change as a risk factor.



Transition Risks

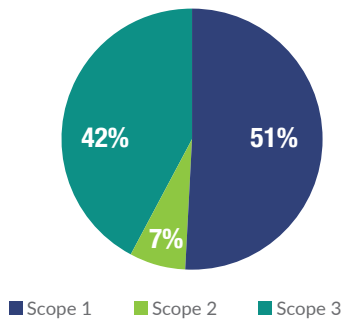
It is important to mention that the evaluation does not yet incorporate scenario analysis nor is integrated into the projections of the free cash flows of the invested companies. We hope to improve our analysis by incorporating these points in the coming years.

5.4. Performance Indicators and Goals

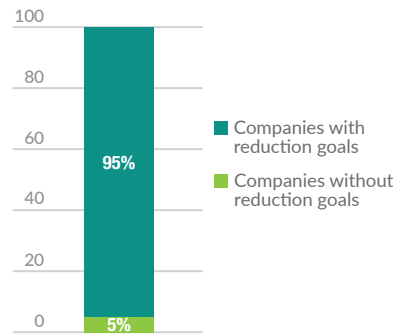
Our approach to the low-carbon transition will be driven by our commitment to setting science-based emission-reduction goals as well as achieving net zero emissions in our investment portfolio by 2050. To this end, we have set long-term targets and intermediate emission reduction targets for our operations as well as our investment portfolio.

For the calculation of the carbon emissions of our portfolio we have an financed emission inventory from the 2020 that follows the methodology of the *Partnership for Carbon Accounting Financials* (PCAF). The main results of the 2020 t are presented in the following graphs.

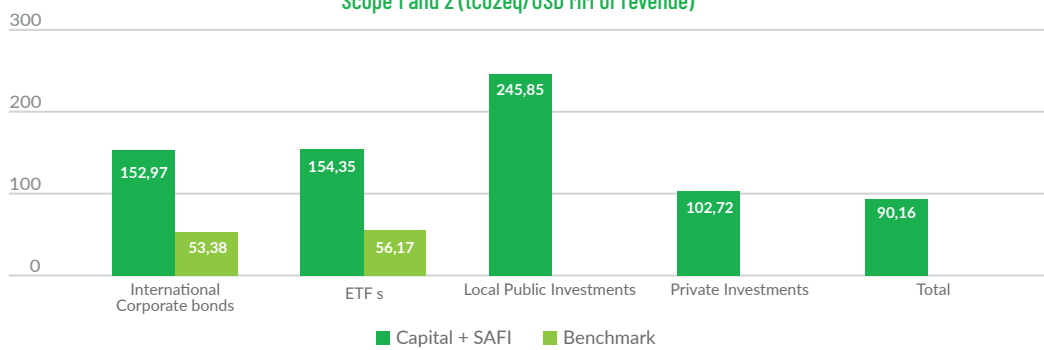
Emissions financed by scope



Portfolio with emission reduction goals



Weighted average carbon intensity
Scope 1 and 2 (tCo2eq/USD MM of revenue)



It is important to note that the data presented in the graphs correspond to the year of 2020 with data from the portfolio as of December 2020. We have used the year 2020 as a baseline for goal determination. We intend to update our inventory annually with a delay of maximum 2 years considering that the information on carbon emissions that companies report has a lag time frame. For those issuers that do not report their carbon emissions data, the PCAF emission factor base was used. It is worth mentioning that more than 50% of our portfolio does not have carbon emissions as it is not a usual practice in Bolivia.



Below, we present our indicators and goals of operations and portfolio.



Indicator	Baseline	Data 2022	Goal	Comments
Absolute GHG emissions from operations (Scope 2)	7.34 tCO ₂ eq (2019)	5.09 t CO ₂ eq	3.64 tCO ₂ eq by 2035 (50% reduction)	We have a reduction target only for Scope 2 emissions from Capital + SAFI's operations because we do not have Scope 1 emissions.
GHG emissions Scope 3 - Travel Category	24.78 tCO ₂ eq (2019)	5.09 t CO ₂ eq		We do not have a goal set for this category yet because effective reduction mechanisms that do not affect the company's activities are being evaluated. The objective of the travels are primarily for the Due Diligence process.
Weighted average carbon intensity (WACI) - Scope 1 and 2	90.16 tCO ₂ eq/ USD million revenue (2020- Scope 1 and 2)		View temperature indicator	Data related to emissions is provided by CDP and Bloomberg. It does not take into account Sovereigns and a percentage of ETFs that do not have reported or estimated emissions.
Financed Emissions	15,190.60 t CO ₂ eq (Scope 1 and 2) 10,887.89 t CO ₂ eq (Scope 3)		View temperature indicator	The calculation is carried out under the PCAF methodology. For scope 3, the reported data only considers the list of mandatory sectors to be reported by PCAF. It does not take into account sovereigns because until the time of calculation there was no methodology for this type of instruments and a percentage of ETFs that does not have reported or estimated.
Portfolio temperature °C (Scope 1,2 and 3)	3.12 °C (2020)		2°C (2040)	The calculation was based on the Science Based Target Emissions SBTi Temperature rating methodology. It only incorporates investments in Long-Term Bonds (BLP), Long-Term Bonds issued abroad (BLE) and the holdings of Exchange Traded Funds (ETFs). Corresponding to 22% of the portfolio as of November 2022. The goals were determined at the end of the 2022 and the action plan for the following years is in our document: "Our path to Net Zero emissions" published on our website.





Annexes



Sustainability Indicators aligned with the Sustainable Development Goals

SDGs	Objective	Material Theme	Performance Indicator	2022 Results	2023 Goal	2025 Goal	More Information
 Decent and quality work	Have a good labor at all times	Diversity, Equity and Inclusion	Percentage by gender in relation to: (i) Board of Directors, (ii) Executives and (iii) Operatives.	(i) 20% (ii) 0% (iii) 64%	(i) > 30% (ii) > 20% (iii) > 30%		Page 36 Page 36 Page 36
		Workplace well-being	(i) Average salary/NMW operating level. (ii) Working environment	i) 3.89x ii) 80.9%	i) > 3x annually ii) > 80%		Page 38
	Attract, develop and retain human talent.	Attracting and Retaining Talent	Staff Turnover	14.3%	> 20% per annum		Page 36
			Average employee tenure (Tenure)	5.54 years average	> 4 years average		Page 36
 Intellectual Empowerment	Invest in the intellectual development of our employees	Human Capital Development	Average (external) training hours per gender* *External training	72 h/ person, Man: 68 h/ person Female: 76 h/ person	Average hours per person by gender > 30		Page 40
	Maintain a culture of continuous learning		Investments in training programs	USD 50 thousand dollars	*No goal		Page 40
 Solid Institutions	To be a solid and integral institution	Corporate Governance, ethics and integrity, risk management, cybersecurity	Corporate governance risk rating* *Own methodology	Low	Less than equal to moderate		Page 19
			Fines for non-compliance in relation to providing adequate, clear, and transparent information about asset management and operations.	1.9% (fines/EBIT)	< 0.3% (fines/EBIT)	< 0.3% (fines/EBIT)	Page 19
		Incorporation of ESG Criteria in investment processes	PRI score - modules: i) FI, ii) SPI	(i) 3 (2020 management, 2021 report) (ii) 3 (2020 management, 2021 report)	(i) 4 (management 2023, report 2024) (ii) 4 (management 2023, report 2024)	(i) 4 (management 2024, report 2025) (ii) 4 (management 2024, report 2025)	
	Customer Experience and Satisfaction, Privacy Protection	(i) investor satisfaction index. ii) EOLs satisfaction index	i) Very suitable (4) ii) Adequate (3)	i) >= Adequate (3) ii) >= Adequate (3)		Page 35	
 Partnerships for the Goals	Support the promotion of the sustainable finance ecosystem in Bolivia		Active participation at the sustainable finance round table	Actively participated	*In development with the leaders of the Roundtable		Page 43
 Cambio Climático		Climate change management	Temperature portfolio	*We do not have this data yet; however, the baseline is 3.12°C (Scope 1,2,3 - 2020)		2.78°C (Scope 1,2,3)	Page 44

Reached

In process according to the established goal

Not Reached

GRI Table of Contents



Declaration of use

Capital+ SAFI has presented the information cited in this GRI content index for the period between 01/01/2022 and 12/31/2022 using the GRI Standards as a reference.

GRI 1 used GRI 1:

Fundamentals 2021



GRI Standard	Content	Location (page)	Omission
GRI 2: General contents 2021	2-1 Organizational details	Page 9	
	Content 2-2 Entities included in sustainability reporting	Page 9	
	Content 2-3 Reporting period, frequency and point of contact	Page 5	
	Content 2-4 Updating Information	Page 5	
	Content 2-5 External verification	Page 5	
	Content 2-6 Activities, value chain and other business relationships	Page 10	
	Content 2-7 Employees	Page 36	
	Content 2-8 Non-employed workers	Page 36	
	Content 2-9 Governance structure and composition	Page 19	
	Content 2-10 Appointment and selection of the highest governing body	Page 19	
	Content 2-11 Chairman of the highest governing body	Page 19	
	Content 2-12 Role of the highest governance body in overseeing impact management	Page 18	
	Content 2-13 Delegation of responsibility for managing impacts	Page 23	
	Content 2-14 Role of the highest governance body in sustainability reporting	19 and 23	
	Content 2-15 Conflicts of interest	19 and 24	
	Content 2-16 Communication of critical concerns	Page 26	
	Content 2-17 Collective knowledge of the highest governing body	Page 19	
	Content 2-18 Performance evaluation of the highest governance body	Page 38	
	Content 2-19 Remuneration Policies	Page 39	
	Content 2-20 Process for determining remuneration	Page 38	
	Content 2-21 Total annual compensation ratio		Confidential Information

GRI Standard	Content	Location (page)	Omission
	Content 2-22 Declaration on the sustainable development strategy	Page 28	
	Content 2-23 Commitments and policies	5, 32, 36 and 44	
	Content 2-24 Mainstreaming commitments and policies	Page 18	
	Content 2-25 Processes for remedying negative impacts		There is no formal process.
	Content 2-26 Mechanisms for seeking advice and raising concerns		Not applicable
	Content 2-27 Compliance with laws and regulations	Page 26	
	Content 2-28 Association membership	Page 43	
	Content 2-29 Approach to stakeholder engagement	15 and 35	
	Content 2-30 Collective bargaining agreements		Not applicable
GRI 3: Material Themes 2021	Content 3-1 Process of determining material issues	Page 15	
	Content 3-2 List of material topics	Page 15	
	Content of Contents 3-3 Management of material issues	Page 15	
GRI 202: Market presence	Content 202-1 Ratios between standard entry-level salary by gender and local minimum wage	Page 38	
	Content 202-2 Proportion of senior executives hired in the local community	Page 38	
GRI 305: Emissions 2016	Content 305-1 Direct GHG emissions (scope1)		SAFI has no scope I emissions.
	Content 305-2 Indirect energy related GHG emissions (scope 2)	41 and 51	
	Content 305-3 Other indirect GHG emissions (scope 3)	41 and 51	
	Content 305-4 GHG emission intensity	41 and 51	
	Content 305-5 Reduction of GHG emissions	41 and 51	
	Content 305-6 Emissions of ozone-depleting substances (ODS)		Not applicable.
	Content 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions		Not applicable.
GRI 401: Employment 2016	Content 401-1 Hiring New Employees and Staff Turnover	Page 36	
	Content 401-2 Benefits for full-time employees not given to part-time or temporary employees		All employees are full-time, so this point is not reported.
	Content 401-3 Parental Leave		There were no cases of parental leave during the 2021 management. However, SAFI complies with the law.

GRI Standard	Content	Location (page)	Omission
GRI 404: Training and teaching 2016	Content 404-1 Average training hours per year per employee	Page 40	
	Content 404-2 Employee Competency Development Programs and Transition Assistance Programs	Page 40	
	Content 404-3 Percentage of employees who receive periodic evaluations of their performance and career development	Page 37	
GRI 405: Diversity and equal opportunities 2016	Content 405-1 Diversity of governing bodies and employees	19 and 37	
	Content 405-2 Ratio between basic salary and remuneration of women and men	Page 38	
GRI 418; Customer Privacy 2016	Content 418-1 Substantiated Claims Regarding Customer Privacy Breaches and Loss of Customer Data	Page 27	

SASB Indicator Index



Industry	Asset management and custody activities
Version	2021-12



Topic	Metric	Code	Location (page)	Omission
Transparency and fair advice for clients	(1) Number and (2) percentage of employees covered with a history of investigations related to investment practices, client-initiated complaints, civil litigation, or other legal process	FN-AC-270a.1	Page 26	
	Total amount of monetary losses as a result of legal proceedings associated with the marketing and communication of information related to financial products to new and returning customers.	FN-AC-270a.2	Page 26	
	Description of the approach to informing customers about products and services.	FN-AC-270a.3	Page 35	
Employee Diversity and Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	FN-AC-330a.1	Page 36	
Incorporation of environmental, social and governance (ESG) factors into Fund Management and Advisory activities	Number of assets under management, by asset class, employing (1) environmental, social and governance (ESG) integration, (2) sustainability-themed investments, and (3) exclusion.	FN-AC-410a.1	Page 32	
	Description of the approach to incorporating environmental, social and governance (ESG) factors into fund management activities and strategies.	FN-AC-410a.2	Page 32	
	Description of proxy voting and active participation/ management policies and procedures	FN-AC-410a.3	Page 32	Proxy voting does not apply

Topic	Metric	Code	Location (page)	Omission
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust behavior, anti-competitive, market manipulation, negligence, or other laws or regulations related to the financial industry.	FN-AC-510a.1	Page 26	
	Description of whistleblowing policies and procedures	FN-AC-510a.2	Page 26	
Activity Indicators	(1) Total assets recorded and (2) total assets under unregistered management	FN-AC-000. A	Page 10	
	Total assets in custody and supervision	FN-AC-000. B	Page 10	

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