



DISCLOSURE STATEMENT OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

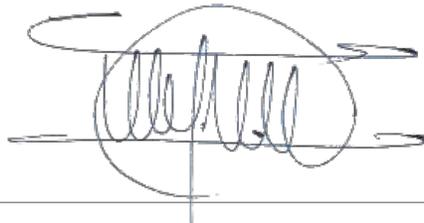
MOUNTAIN NAZCA CBIV 2017, LLC
JANUARY, 2021

DISCLOSURE

MOUNTAIN NAZCA CBIV 2017, LLC (THE “SIGNATORY” OR “MOUNTAIN NAZCA”) HEREBY AFFIRMS ITS STATUS AS A SIGNATORY TO THE OPERATING PRINCIPLES FOR IMPACT MANAGEMENT (THE “PRINCIPLES”).”

THIS DISCLOSURE STATEMENT APPLIES TO THE FOLLOWING COVERED ASSETS THAT ALIGN WITH THE PRINCIPLES: MOUNTAIN NAZCA CROSS BORDER IV, LP (THE “FUND”).

THE TOTAL VALUE OF THE COVERED ASSETS IN ALIGNMENT WITH THE PRINCIPLES IS USD \$39,243,574.18 AS OF JANUARY 24TH, 2021.

A handwritten signature in blue ink, consisting of a large, stylized 'H' followed by several loops and a vertical line extending downwards. The signature is positioned above a horizontal line.

Hector F. Sepulveda Reyes Retana
Managing Partner
Mountain Nazca

PRINCIPLE 1

DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Based in Mexico City, Mountain Nazca is an early-stage venture capital firm focused on providing revolutionary empowerment for founders in Latin America.

Mountain Nazca's objective is to support entrepreneurs who are building transformational business models and core technologies. These business models and technologies are focused on creating products and services that build a better future for society.

Environmental and Social Policy Statement

Mountain Nazca (the Fund) is committed to promoting sustainable development through environmental and social responsibility of its operations; therefore, the Fund strives to ensure that its investments generate positive impacts on society while being consistent and respectful of the environmental and social standards of the countries where it operates. In this sense, the Fund strives to:

- Guarantee the management of environmental and social risks in all its investment operations, transferring said management to the companies where the investments are made.
- Incorporate and comply with the E&S standards of the host countries (their laws) supplemented by the IFC Environmental and Social Performance Standards and the World Bank Guidelines on Environment, Health and Safety.
- Avoid investments that have potential negative impacts on the environment, natural resources or society that are irreversible, non-mitigable or accumulative.
- Respect the human rights of stakeholders that may be affected by the investment activities of the Fund.
- Strictly comply with the exclusion list of projects which are not the object of investment by the Fund.

- Maintain a commitment to ensuring the payment of competitive wages and employee benefits, gender equity/diversity, and providing a safe and healthy workplace.
- Foster a culture that combats corruption and business malpractices.

Environmental and Social Policy Objectives

Mountain Nazca's E&S Policy has the following objectives:

- Align the Fund's actions with the Sustainable Development Goals and the 2030 Agenda of the countries where it makes investments.
- Guarantee a permanent commitment of all its employees to improve, maintain and operate the SARAS in a responsible and expeditious manner.
- Align the Fund's E&S actions with recognized benchmark practices, such as the IFC's E&S Sustainability Performance Standards and the World Bank's Guidelines on Environment, Health and Safety.
- Replicate good E&S practices through the organizations/companies where investments are made.
- Measure the positive E&S impact made through the Fund's operations.
- Make this Policy available to its stakeholders and disseminate it through established corporate means.

PRINCIPLE 2

MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

ESG management and measurement protocols are nested in the operations of the Fund, from sourcing to divestment.

ESG management and measurement protocols are included in the Fund's investment agreements and portfolio management policies.

Impact objectives are included in the Fund's manifesto, operational manuals, cultural framework, and key performance indicators. Specifically, ESG compliance objectives are a relevant part of the Fund's internal compensation strategy. Mountain Nazca allocates the necessary resources to guarantee the implementation and maintenance of its SARAS. The Roles and Responsibilities of the Mountain Nazca team are designed to i) Ensure compliance with procedures and ensuring that E&S elements are incorporated into the decision-making process regarding the Fund's investments and ii) Follow up and monitor E&S matters associated with the service portfolio and guarantee the conditions for the adequate reporting of the Founders and the Fund to their shareholders.

PRINCIPLE 3

ESTABLISH THE MANAGER'S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

The Managers' contribution to the achievement of impact are set in two areas:

By Design

Mountain Nazca's management implements a business-fundamental-based investment strategy that matches with high-impact potential investees by design. Our market size objectives and value/price break thresholds (of the ultimate product or service offered) result in exorbitant value propositions capable of reaching a massive beneficiary base. The outcome is the drastic improvement of peoples lives via one or several impact dimensions (ESG).

By Execution

Mountain Nazca management ensures our organization's contribution to the achievement of impact as follows:

- **Managing Partners:** Responsible for the annual review of the E&S Policy, he or she also represents senior management and is the one who approves any substantial changes to the SARAS. He or she is responsible for:
 - Providing the human, technological and financial resources for the system's implementation and maintenance, as well as following up on preventive and/or corrective actions on its performance.
- **Firm Management:** This position supports business closing activities, where E&S conditions that imply having the Fund as a shareholder are established, among others.
- **Portfolio Management Officer/s:** Responsible for supporting E&S monitoring and following-up of investments in coordination with the E&S Officer, and collecting data, channeling communications and/or reports to and from the Founders.
- **E&S Advisor:** This position is responsible for deepening the technical matters associated with the SARAS procedures in the Fund, providing support and recommendations to and other members of the team to address the E&S issues specific to each project. The E&S Advisor, in

coordination with him or her, shall lead the training, education and awareness processes for both the Fund's employees and the representatives of the potential investment projects that are consolidated.

- **Head of Compliance and Controller:** Controls and monitors the financial resources associated with the implementation and maintenance of the SARAS and provides support to size the financial implications of E&S matters of potential investments.
- **Asset Management Team (Associates):** This team is responsible for directly informing the owner of the potential investment about the Fund's E&S considerations and requirements, as well as requiring the necessary information to apply the procedures for identifying and evaluating potential E&S risks. In coordination with the E&S Officer, this team accompanies the project in the different approval stages and SARAS cycle.
- **Head of Legal:** Supports any E&S matter related to legal requirements, guarantees that the Action Plans and the responsibilities of the recipient of the resources are recorded in the investment agreement/contract and/or shareholders' agreement. The Head of Legal shall support the implementation of the procedure to identify legal requirements and other applicable requirements.
- **CTO:** Provides technical support in data collection and storage efforts as well as the implementation of the SARAS, to identify the project's potential impacts/E&S risks during the investment cycle.
- **Independent E&S Consultant:** It equals a legal entity or individual, specialized in E&S issues, who is hired by the Fund to support the DDAS (E&S Due Diligence), evaluation and monitoring processes or any other support required to guarantee the execution of the procedures defined in the Mountain Nazca's SARAS (if necessary).

PRINCIPLE 4

ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment’s expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager’s strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, align with industry standards and follow best practice.

Mountain Nazca assesses the impact of each investment by implementing an impact matrix, tailor-made for each investee to maximize obtainable impact, that monitors the following aspects:

1. Metric Type
2. Core Dilemma
3. Theory of Change
4. Sector of Influence
5. Achieved Benefit
6. Target Benefit

Illustrative example of a Transformational Business Model: Edtech Company

Metric Type	Social
Core Dilemma	<ul style="list-style-type: none"> ▪ Professional advancement and income increase are below average worker expectations and aspirations, creating a large and collective uncertainty. ▪ High quality skill-based education overlaps with much needed professional activities necessary to sustain economically.
Theory of Change	<ul style="list-style-type: none"> ▪ By providing a high quality, accessible, proprietary, prestigious and time efficient education platform, individual workers may achieve advancement and income aspirations.

Sector of Influence	<ul style="list-style-type: none"> ▪ Creative, business & technical freelance and dependent workers in Spanish-speaking LATAM and Spain Ages 18-40, D+, C & B
Achieved Benefit	<ul style="list-style-type: none"> ▪ 45% of graduates reported a growth in their careers ▪ 57% of people that earned \$300USD or less per month reported an increase in income ▪ 36% of total graduates reported an increase in income
Target Benefit	<ul style="list-style-type: none"> ▪ 75% of graduates report a growth in their careers ▪ 75% of total graduates report an increase in income

Illustrative example of a Core Technology: Foodtech Company

Metric Type	Environmental
Core Dilemma	<ul style="list-style-type: none"> ▪ 4M acres of land deforestation per year due to soy-based protein production ▪ Fish-meal alternative is devastating ocean life ▪ 33% increase in protein consumption per-capita expected by 2030 ▪ Population increases to 9B by 2030
Theory of Change	<ul style="list-style-type: none"> ▪ By fully automating insect-based protein production. Entocyle can achieve comparable outputs in 9,000x less space while improving amino acid content and quality.
Sector of Influence	<ul style="list-style-type: none"> ▪ Countries with low-to-none protein production capabilities having to import heavily from other regions ▪ Countries with mid-to-high level of protein production and therefore high deforestation rates
Achieved Benefit	<ul style="list-style-type: none"> ▪ Technology that supports the Theory of Change has been fully developed and currently undergoing a limited release
Target Benefit	<ul style="list-style-type: none"> ▪ Individually replace global soy-based protein production by 1%, saving 40k acres from deforestation per year ▪ Individually replace global fish-meal protein production by 2%

Other target benefits systematically assessed by Mountain Nazca for all investees, and that must comply with 75% tile benchmarks (in applicable geography) include, but are not limited to:

- Employment generation
- Employee compensation
- Gender equality

PRINCIPLE 5

ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Mountain Nazca implements a detailed and systematic process with the objective of identifying and evaluating the environmental and social risks/impacts associated with the project that is the object of potential investment, in order to provide sufficient information to make a decision regarding the viability of the operation, in compliance with the Fund's Exclusion List, the national legislation, local regulations, IFC performance standards and applicable international standards. The item list is as follows:

ITEM	DESCRIPTION
Fund's Exclusion List Application	In the Opportunity Received stage, once the proposal is received, it shall be checked that the activities comprised in the potential investment are not included in the non-bankable activities list, which are recorded in Annex 1. Fund's Exclusion List.
Project Classification and Categorization	For projects that are admitted for evaluation by the Fund and pass the Pitch and Dealflow Meeting stages, a Soft Analysis shall be carried out by the Investor & Industry Relations (IIR) with the support of the E&S Advisor (if required). The E&S categorization of the projects shall be carried out as established in Annex 2. Investment Project Categorization Guide . NOTE: According to the categorization determined by one of the shareholders (IFC) for the Fund (FI-2), it may not make investments in projects classified in Category 1 .
Initial E&S Assessment	As part of the Soft Analysis , an Initial E&S Evaluation shall be carried out which shall include the consultation about the project and/or its representative of available secondary information, which may include: <ul style="list-style-type: none">• Environmental offender registry review (If it exists in the country where the project will be carried out).• Direct consultations with the corresponding Environmental Authority.

ITEM	DESCRIPTION
	<ul style="list-style-type: none"> • Database Records of the European Commission's Environmental Justice Map. • News and publication databases, evaluating compliance with legal regulations and other resolutions. <p>Likewise, for the Initial E&S Evaluation, the Asset Management Team shall request from the Founders the Information described in Annex 3 Information for Initial E&S Evaluation (The Founders shall provide the information applicable to the current status of their project).</p>
<p>Evaluation of Information Provided by the Founders</p>	<p>The IIR-Principal/E&S Officer, with the participation of the E&S Advisor if necessary, shall evaluate the information provided by the Founder, and shall consult other information sources that they consider pertinent.</p> <p>If the participation of the E&S Advisor is required, the IIR-Principal/E&S Officer shall supervise the digital report prepared by the E&S Advisor that shall have to be written based on this document and the E&S Summary information.</p> <p>Asset Management Team, Head of Legal and IC to be addressed in the Opportunity Snapshot.</p> <p>The report shall include the following information:</p> <ul style="list-style-type: none"> • Client/project information • Project categorization • Evaluated Information • Main findings and E&S risks identified • Conclusions and recommendations <p>The report must be included in the Opportunity Snapshot Review/meeting to decide the continuity of the project to the next stage.</p>
<p>Development of the Environmental and Social Due Diligence (DDAS in Spanish)</p>	<p>Environmental and Social Due Diligence Procedure (DDAS) for medium risk projects (Category 2):</p> <p>For projects that pass the Soft Analysis/Opportunity Snapshot review stage, the DDAS shall be mandatory, the scope of which is defined in Annex 4. "DDAS Scopes". Depending on the Fund's internal capacity at the DDAS process' start time, the participation of the E&S Advisor or Independent Consultant may be considered to develop it under the supervision of the IIR - Principal/E&S Officer. It shall be the responsibility of the IIR to coordinate the activities for the process' development. The Fund may adjust the scope of the DDAS depending on the project's complexity level.</p> <p>Environmental and Social Due Diligence Procedure (DDAS) for low risk projects (Category 3):</p> <p>The Initial Environmental Assessment shall replace the DDAS that must be complemented with a visit/s to the site where the project, work or activity is developed, which shall complement the environmental and social due diligence report based on this document.</p>

ITEM	DESCRIPTION
Independent Consultant Selection	For projects that require the support of an Independent (External) Consultant, the IIR shall manage the hiring thereof, taking into consideration the elements described in Annex 5. "Independent Consultant Selection Considerations" .
Execution of the DDAS by the Independent Consultant	Based on the defined scopes, the Independent Consultant shall develop the DDAS, the IIR or the E&S Advisor shall have the task of monitoring the Independent Consultant.
DDAS Evaluation when the Participation of an Independent Consultant is required	The IIR/E&S Advisor shall verify the DDAS report and provide feedback to the Independent Consultant if necessary. Once the final report has been accepted, the E&S Officer shall prepare a report for the other Staff members who participate in the operation and who participate in the preparation of the Investment Memorandum for the IC (from the Hard Analysis). The DDAS Results must be attached to the Investment Memorandum by means of the Format established in Annex 6 "DDAS Report Format" which shall be provided by the Independent Consultant . Annex 8 "IFC Performance Standards Checklist" provides additional support for the capture of information from the DDAS process.
Presentation of the DDAS Results to the IC	The IC shall be responsible for evaluating, among other matters, the DDAS report and the public information reviewed, making the decision to approve the operation or not. If approved, the action plans derived from the DDAS must be included as conditions to be met by the Founders in the investment agreements/contracts. The Head of Legal shall be responsible for ensuring the incorporation of said elements. Note: Projects that are rejected or temporarily not approved by the IC for E&S issues shall also be returned to the Founders , depending on the reason for the decision, clarifications shall be requested or shall be definitively rejected.
Closing of the Investment Cycle	The Head of Legal shall be responsible for ensuring that all E&S commitments, considerations and other elements determined by the IC are included into the legal documents.
Follow-up and Monitoring of Investment Operations (Portfolio)	Once the legal documents have been signed, the E&S Officer in coordination with Portfolio Management shall verify compliance with the Action Plans, the applicable national E&S standards and regulations, and the IFC E&S Sustainability Performance Standards. In coordination with the Founders , and depending on the level of complexity of the investment, the periodicity of the review shall be defined, which in any case shall be carried out at least annually. Annex 7 "Monitoring and Follow-up Scopes" describes the reports' scope for the monitoring and follow-up phase (these may be adjusted depending on the investment type) which must be completed by the Founders .

PRINCIPLE 6

MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

- Portfolio Management Team is responsible for setting data collection schedules with each portfolio company.
- Data collection occurs during various formal and informal interactions, including scheduled monthly KPI self-reporting formats (for generic data sets), unscheduled calls/chats/meetings, quarterly board meetings, and annual ESG reviews (for more specific data sets).
- CTO is in charge of providing data collection, sorting tools – such as specialized software and storage solutions - and (in some cases) data enrichment tools to improve the impact assessment and benchmarking efforts.
- Portfolio Management Team is responsible for assessing progress against the desired impact outcomes and works with portfolio companies to take action in case said outcomes are at risk.
- Actions to address underperforming portfolio companies may include i) coaching and/or consulting services to help portfolio companies get back on track, accompanied with an increased frequency of reporting to ensure the outcomes are on a clear recovery path. In some cases, Mountain Nazca may recommend outsourcing such efforts to specialized firms covered by predetermined contingency budgets (if applicable). All actions will also depend on the portfolio company's actual performance, relevance in the overall portfolio (exposure), and/or stage of the investment.

PRINCIPLE 7

CONDUCT EXITS CONSIDERING THE EFFECT ON SUSTAINED IMPACT

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Once the Fund has decided to sell its participation in some of its investments, the **IIR, the Head of Legal and the Portfolio Management** in coordination with the **E&S Advisor**, if necessary, shall carry out a **Closing E&S Evaluation** in order to guarantee:

- That all E&S legal requirements are in compliance.
- That there are no lawsuits, embargoes, requirements or sanctions in progress linked to E&S matters against the company.
- That the project/company has not generated E&S liabilities associated with its operations.
- That the company is in compliance with its obligations to its employees.
- That all contractual obligations on the part of the Founders have been fulfilled.

In the event of non-compliance with any of its E&S commitments, the Fund shall request to meet the commitments contracted before the divestment or sale.

It shall be the task of the **Head of Legal** to close the commitments, obligations and other E&S matters associated with the divestment process.

If necessary, the IIR shall hire an **Independent Consultant** to support or develop the **Closing E&S Evaluation**.

As of the date of this disclosure, the Fund has not yet materialized an exit.

PRINCIPLE 8

REVIEW, DOCUMENT, AND IMPROVE DECISIONS AND PROCESSES BASED ON THE ACHIEVEMENT OF IMPACT AND LESSONS LEARNED

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- Mountain Nazca will review the impact performance of each investment to compare the desired and actual results on an annual basis.
- An annual Scorecard, based on the impact matrix format mentioned in P4 of this document, will be produced and reported.
- During the annual ESG review, Mountain Nazca will assess any shortcomings, determine its causes, document learnings, and implement measures to improve.

PRINCIPLE 9

PUBLICLY DISCLOSE ALIGNMENT WITH THE PRINCIPLES AND PROVIDE REGULAR INDEPENDENT VERIFICATION OF THE ALIGNMENT

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for an independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This Disclosure Statement re-affirms the alignment of Mountain Nazca procedures with the Principles and will be updated annually.

To this end, Mountain Nazca is currently assessing different options to carry out the independent review. The confirmation of the alignment will be disclosed publicly before the end of 2021.

Mountain Nazca will obtain independent verification of claims made in this Disclosure Statement every two years.