ESG POLICY

PERFIN
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UPDATED IN APRIL/2024

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1. Goal

This ESG Policy ("Policy") covers (i) Perfin Infra Administração de Recursos Ltda. ("Perfin Infra"); (ii) Perfin *Equities* Administração de Recursos Ltda. ("Perfin Equities"); (iii) Perfin *Wealth Management* Ltda. ("Perfin Wealth Management") (jointly, "Managers"); and (iv) companies that are wholly owned by investment funds managed by the Managers ("Company Investees"); and aims to establish the Environmental, Social and Governance ("ESG") guidelines that must govern the institutional decisions of the Managers and the Company Investees, including in the scope of the evaluation and maintenance of the investments made by the investment funds under their management.

2. Enforceability

The provisions contained herein are applicable to the Managers and the Company Investees, and they must be observed by all those acting on behalf of or in the interest of the Managers or the Company Investees, including their partners, managers, officers, employees, interns and consultants ("Associates"). Likewise, all the principles and values set forth herein will apply to suppliers, service providers, business partners, among others, acting on behalf of or in the interest of the Managers and the Company Investees ("Third Parties").

3. Positioning

Since 2018, the Managers and the Company Investees recognize the importance and hereby commit themselves to adopt the following principles for their business:

1. Incorporate ESG matters into investment analysis and decision-making processes;

2. Incorporate ESG matters into the policies and practices concerning their assets, as applicable;

3. Seek to ensure the investees of the investment funds under the management of the Managers, not fully owned by such funds, disclose their actions with respect to ESG issues;

4. Promote the acceptance and implementation of such principles in its business;

5. Encourage joint effort to reinforce efficiency in the implementation in their business of the principles mentioned herein; and

6. Disclose reports on activities and progress in relation to the implementation of such principles in their business in a timely manner.

The performance of the Managers and the Company Investees is also guided by the principles mentioned in their Code of Ethics and Conduct (i.e., honesty, trust, loyalty and diversity), and all Associates and Third Parties are advised to read such document together with this Policy.

4. ESG Commitment

Considering the principles adopted by the Managers while performing their activities and business, the Managers and the Company Investees undertake to promote actions to integrate ESG matters into their operations, investment and decision-making processes. The foregoing reinforces the Managers' and the Company Investees' conviction that a responsible corporate behavior from an ESG perspective can lead to a positive influence on their long-term financial performance.

In this sense, the commitment of the Managers and Company Investees to the ESG matter involves the following aspects:

- **Environmental aspect**. Commitment of all Associates and Third Parties, as applicable, to apply the contribution of the Managers and the Company Investees through practices that result in positive impacts on environmental initiatives aiming to (i) preserving and recovering the ecosystem; (ii) reducing the environmental impact; (iii) complying with applicable environmental laws; and (iv) minimizing adverse effects arising from operations by fostering efficiency in the use of resources.

- **Social aspect**. Respect and preserve fundamental rights and guarantees, as well as collective interests, as well as reprimand for resorting to child labor and forced labor. In addition, Managers and Company Investees will continue to fight discrimination, with a special focus on promoting human rights and valuing social diversity. This commitment is directly aligned with the preservation of the health and safety of individuals, not only their Associates.

- **Governance**. Corporate governance in accordance with market practices and monitoring by a structure dedicated to the subject in the figure of the ESG Committee. In addition, the Managers and the Company Investees follow the practices recommended by the Brazilian Institute of Corporate Governance (IBGC), as exemplified below:

- Transparency in the disclosure of annual reports;

- Prohibition of use of inside information;

- Adoption and maintenance of a Code of Ethics of Conduct, applicable to all Associates of the Managers; and

- Retaining independent audits for investment funds and their investees.

5. Governance

The governance structure of the Managers and Company Investees considers the key actors detailed below, which have specific responsibilities and attributions, namely:

a. Top Leadership

Top leadership is responsible for providing instruments to enforce this Policy and for committing to any goals set in the sustainability report published from time to time on the Managers' website.

Top leadership is also responsible for ensuring the independence of the ESG Work Group's efforts towards the responsibilities mentioned herein.

b. Investment Committee

The Investment Committee shall be responsible for receiving the evaluation of the ESG Work Group regarding the ESG aspects of new investments, when applicable, which shall be considered together with the other issues.

c. Compliance Team

The compliance team is responsible for (i) confirming the risk rating assigned by the Investment Committee, (ii) monitoring the investment risk rating throughout the project; (iii) preparation and periodic update of the sustainability report together with the other applicable areas; and (iv) performance in the monitoring demands of the responsible investments.

The compliance team is also responsible for disseminating the guidelines provided for herein by the Managers and Company Investees, through internal communications or training on the subject, and it is also responsible for supporting the Associates in case of doubts related to the provisions of this Policy.

In addition, the compliance team may suggest updating this Policy in accordance with the best market practices in ESG.

d. ESG Work Group

The ESG Work Group is part of the Managers' Risk Committee and is responsible for, among other topics, (i) the implementation of institutional ESG practices; (ii) the assessment and risk rating of the investment based on a due diligence; (iii) the approval of the sustainability report and update of this Policy; and (iv) the monitoring of responsible investments by the compliance team.

e. Investment Team

It is the responsibility of the investment team to identify the best responsible investment opportunities, in addition to assessing and assigning the level of investment risk based on a due diligence, as well as communicating to the compliance team the potential risks related to ESG matters within the scope of its activities, as detailed below.

f. Communication Team

It is the responsibility of the Managers' communication team to disclose accurate and true information about the ESG practices that the Managers and Company Investees currently adopt for the market and other stakeholders.

Also, it is part of the communication team's role to periodically disclose, together with the compliance team, content and training on the ESG initiatives of the Managers and Company Investees, as well as the best practices to be adopted within the scope of the activities conducted by the Associates.

6. Sustainability Report

The Managers and the Company Investees will periodically disclose their sustainability report, which will be prepared based on the GRI Standards. Also, the sustainability report will be available for consultation on the Managers' website https://perfin.com.br/ to give greater transparency to the principles and processes adopted by the Managers and the Company Investees.

7. Institutional Practices

After analyzing priorities and surveying the main guidelines adopted in the sector, the Managers' Executive Board, together with the compliance team, approved, in a meeting called for this purpose, the adoption of the following measures to strengthen internal ESG practices for a sustainable environment for its Associates and other stakeholders, also including the establishment of goals that will be disclosed through the sustainability report.

To this end, the ESG Work Group will create an implementation plan for ESG institutional practices that will address the following matters:

a. Environmental aspects

- Measurement of greenhouse gas emissions to assess offsetting through carbon credits;

- Mapping of equipment and materials used in the office to identify proposed reduction in consumption and sustainable alternatives;

- Program to encourage virtual meetings to avoid displacement and consequently the emission of greenhouse gases;

- Evaluation process of suppliers in order to confirm the applicable environmental regularity.

b. Social aspects

- Guarantee of equal pay throughout equal positions and roles for all Associates;

- Implementation of inclusive selection processes in all senior levels through affirmative vacancies;

- Budget allocation for the qualification of the hired Associates;

- Implementation of a mentoring program dedicated to Associates;

- Conducting training on related topics, including literacy, harassment in the workplace, mental health, among others;

- Implementation of a wellness and volunteering program;

- Supplier evaluation process in order to confirm the applicable labor regularity.

c. Governance

- Training plan dedicated to Top Leadership to raise awareness of ESG topics;

- Determination of the level of transparency regarding short, medium and long-term metrics related to ESG topics;

- Evaluation of candidates for Top Leadership from an ESG perspective.

8. Responsible Investments

8.1. Integration Conducted by Managers of ESG Aspects in Investments

The Managers manage securities and bond portfolios in the fund manager category, in accordance with the regulations of the Securities and Exchange Commission. The Managers currently adopt three types of investments: (i) those fully managed by the Managers; (ii) those managed by the Managers with the cooperation of third parties; and (iii) those managed by third parties with the cooperation of the Managers.

For all these types of investments - that is, both for the investments managed in whole or in part by the Managers - it is necessary that the Associates follow all the measures provided for below, according to the investment category (i.e., Wealth, Equities and Infrastructure).

For those companies within the scope of the Managers not yet operational, the Risk Committee, together with the compliance team, will be responsible for assessing the need for ESG due diligence depending on the level of risk involved.

7.2. Restrictions

Managers understand that ethical and responsible behavior can and should be transmitted through investments, and engaging with companies from different industries is considered a more effective approach to achieve long-term positive impacts. Thus, there is currently no exhaustive list of restrictions on investments in certain activities and this assessment will be carried out based on a due diligence on the asset investee.

7.3. Wealth Management

The implementation of due diligence in the context of investments related to Wealth Management is important to ensure the sustainability of assets. The details regarding ESG analysis (including monitoring) will be determined jointly with the client and its investment profile, and may include ESG questionnaires, background checks, among other aspects.

7.4. Equity

Equity investments may or may not present the possibility of direct involvement of the Managers in conducting a due diligence. The investment team will be responsible for an initial assessment of any ESG risks based on public information. If a relevant risk is identified, the issue must be submitted to the Risk Committee and the compliance area for detailed verification and evaluation of possible risk mitigation.

7.5. Infrastructure

In the case of brownfield assets, one of the steps for analyzing investments in infrastructure assets is to ask the potential investee's point of contact questions focused on understanding the investment's ESG initiatives/risks and subsequently conduct a due diligence. The questionnaire must be duly answered and accompanied by documents proving the statements provided, and the documentation in question must be duly verified by the compliance team.

If it is a greenfield asset, the Investment Committee, together with the compliance area and the legal team, if applicable, will assess the risks involved in the business, also after conducting due diligence, so that a plan is prepared for the implementation of ESG initiatives when investing.

7.5.1. Due diligence

In addition to obtaining the answers to the questionnaire, for brownfield investments, the legal department, together with the compliance team, must conduct a due diligence process, which may be supported by external consultants depending on the investment. The due diligence process will include requesting more information and/or additional documents that it deems pertinent for analysis, in addition to issuing certificates and conducting independent research that are pertinent to the subject. The due diligence will include, for example, the following topics:

d. Environmental aspects

- Assessment of the environmental impact of the company's operations;
- Verification of compliance with applicable environmental regulations;
- Verification and analysis of all applicable licenses and authorizations;
- Evaluation of the measures currently adopted aiming at the efficient use of natural resources.

e. Social aspects

• Analysis of the human resources management practices currently adopted, including aspects of diversity, equity and inclusion;

• Verification of working conditions and workers' rights;

• Evaluation of local community relations guidelines and corporate social responsibility programs.

f. Governance:

• Thorough analysis of the organizational structure, especially the leadership structure;

• Assessment of the level of transparency in financial and operational information disclosures;

• Media research regarding the organization and members of the executive board;

• Verification of internal controls and accounting practices currently adopted;

• Examination of anti-corruption policies and business ethics.

g. Supply Chain:

• Examination of the due diligence process currently adopted by the organization in the process of hiring third parties;

• Relevant contracts entered into with suppliers.

h. Organizational strategy:

• Verification of short, medium and long-term sustainability strategies and goals;

• Analysis of investments in innovation and sustainable technologies made by the organization;

• Analysis of the strategies adopted to reduce carbon emissions and adapt to the effects of climate change.

i. ESG Crisis Management:

• Assessment of the company's ability to manage crises related to ESG issues;

• Study of relevant contingencies from the point of view of compliance and ESG;

• If applicable, study the organization's risk factors in the reference form, in the case of publicly traded companies;

- Analysis of administrative and judicial proceedings involving the company and its partners and administrators;

- Examination of the company's ESG incident and problem response history.

j. ESG Metrics and Reporting:

- Evaluation of the quality of the company's ESG reports;

- Verification of the use of standardized metrics and indicators to evaluate the company's performance.

After the completion of the due diligence procedure, the Investment Committee, together with the Risk Committee and the compliance team, shall assign the level of risk of the investment, considering the compliance aspect, in accordance with the criteria established below and their respective examples.

a. High Risk (represents material risk)

<u>Environmental Aspects</u>

- Performance in a sector that involves greater ESG risks due to the significant polluting potential, such as mining, oil and gas industries;

- History of serious environmental accidents in the last five (5) years;

- Absence of environmental licenses required for the development of the company's main activities;

- Businesses impacted or at high risk of being impacted by climate events;

- Environmental impacts caused by the investee, the remediation of which is irreversible;

- Existence of judicial or administrative sanctioning proceedings involving requests for stoppage of the operation and/or nullity of environmental licensing processes and lawsuits dealing with environmental crimes with loss provisions indicated as "probable";

<u>Social Aspects</u>

- Investments involving locations rated as high risk by authorities such as the Financial Action Task Force against Money Laundering and Terrorism Financing and Transparency International;

- Serious accidents and/or deaths of associates during the performance of their work activities;

- Serious violations of labor rights that have resulted in the execution or negotiation of a conduct adjustment agreement with the Labor Prosecution Office;

- Activities that involve forced labor or child labor;

- Activities considered illegal, as established by current Brazilian law;

- High volume of lawsuits dealing with (moral and sexual) harassment conduct;

- Existence of discriminatory practices or harassment pointed out in lawsuits, which can create a hostile work environment and harm the morale and well-being of associates;

- No policies that deal with the health and safety practices of associates and/or third parties;

- Existence of lawsuits or administrative sanctioning proceedings dealing with labor infractions with loss provisions indicated as "probable".

- Negative impacts on local communities due to company operations.

Governance

- Serious notes regarding the business and its partners (e.g., conviction for (i) corruption in a final and unappealable sentence; (ii) activities related to slavery; (iii) child labor; (iv) money laundering; (v) environmental crimes of great impact to society);

- Lawsuits that may have a relevant financial impact taking into account the company and the industry in which it does business;

- Accusation of greenwashing by media outlets with national coverage;

- Undefined governance structure;

- Reputational search that identifies serious notes in relation to the business (e.g., conviction for corrupt crime in an ongoing proceeding);

- Company registered in the last five (5) years in restrictive lists;

- High volume of agreements entered into with the public authorities.

b. Medium Risk (may pose material risk)

Environmental Aspects

- Accusation of greenwashing by media outlets with regional coverage;

- Doing business in an industry highly dependent on contracting third parties to perform activities, without implementing internal controls to assess the environmental regularity of supply chains;

- Businesses that may be impacted due to climate events;

- Relevant environmental impacts caused by the investee, the remediation of which is reversible;

- Existence of areas embargoed by environmental agencies;

- Existence of judicial and administrative sanctioning proceedings involving requests for stoppage of the operation and/or nullity of environmental licensing processes and lawsuits dealing with environmental crimes with loss provisions indicated as “possible”;

- Existence of materialized environmental liabilities related to the activities and properties occupied by the company that may have a material impact from a financial, operational or reputational point of view.

<u>Social Aspects</u>

- Development programs that are not accessible or adapted to meet the needs of associates;

- Recruitment and promotion practices that may exclude certain groups resulting in a lack of diversity among the associates;

- Doing business in an industry highly dependent on contracting third parties to perform activities, without implementing internal controls to assess the regularity of the labor aspects in the supply chains;

- Existence of a high volume of labor contingent liabilities still in progress or already final and considered valid;

- Existence of insufficient policies that deal with the health and safety practices of associates and/or third parties;

- High turnover of employees;

- Existence of lawsuits or administrative sanctioning proceedings dealing with labor infractions with loss provisions indicated as “possible”.

<u>Governance</u>

- Lack of transparency in financial and operational disclosures to stakeholders;

- Moderate failures in risk governance mechanisms and internal controls, which may compromise the effectiveness of risk management practices;

- No targets regarding ESG or compliance indicators*;*

- Leadership members who have already held public positions;

- Governance structure that can be improved.

c. Low Risk (does not pose material risk)

Environmental Aspects

- Actions dealing with environmental crimes in sentences that have already become final and unappealable;

- Existence of judicial and administrative sanctioning proceedings involving requests for stoppage of the operation and/or nullity of environmental licensing processes and lawsuits dealing with environmental crimes with loss provisions indicated as "remote";

- Businesses whose probability of impact due to climate events is remote;

- Relevant environmental impacts caused by the investee whose remediation measures have already been taken or are in progress.

Social Aspects

- Labor lawsuits that have already become final and unappealable;

- Existence of lawsuits or administrative sanctioning proceedings dealing with labor infractions with loss provisions indicated as "remote";

- Ineffective communication on diversity and inclusion initiatives, which can lead to lack of understanding and buy-in from associates;

- Ordinary health and safety practices that can be improved;

- Absence of a structured communication plan on ESG issues with stakeholders.

Governance

- Specific negative exposure with some stakeholder and without repercussion in press outlets;

- Challenges related to the shareholders' governance structure that do not have a substantial impact on decision-making or control of the company.

After identifying the risks, the compliance team, together with the legal department, must analyze and indicate the possible mitigation measures related to the risks pointed out in a due diligence.

With the identification of mitigating measures to be adopted by the Managers within the scope of infrastructure investments, the result determined by the compliance team must be presented in a detailed report to the ESG Work Group for evaluation and subsequent deliberation by the Investment Committee.

The Managers shall keep in files all the evidence collected in a due diligence process, as well as the approvals provided by the Investment Committee.

7.5.2. Mitigating measures

As mentioned above, the compliance team shall, together with the legal department, identify mitigating measures to be adopted in view of the identified risks, including any measures in relation to the partners and managers of the company investees, as the case may be. The list below includes, in a non-exhaustive manner, the measures that can be applied within the scope of such investments:

High risk

- Statements in contract with the commitment to improve ESG indicators within six months;

- Inclusion of indemnity clauses and penalties in the event of non-compliance with ESG obligations;

- Periodic on-site visits to monitor assets;

- Interviews with employees or third parties responsible for the implementation/development of ESG practices;

- Sending notification with request for clarification in case any point of attention related directly or indirectly to ESG and compliance arises.

- Implementation of ESG policies within six months;

- Negotiation, via shareholders' agreement, of minimum information rights;

- Contractual determination that establishes the allocation of resources in significant value in favor of the ESG and compliance agenda, with periodic proofs thereof;

- Requirement of compliance with an action plan for improvements in the compliance program and other ESG issues, which may be required as a condition for future disbursements.

Medium risk

- Statements in contract with the commitment to improve ESG indicators within one year;

- Inclusion of indemnity clauses and penalties in the event of non-compliance with ESG obligations;

- Sending notification with request for clarification in case any point of attention related directly or indirectly to ESG and compliance arises.

- Interviews with employees or third parties responsible for the development of ESG practices;

• Implementation of ESG policies within one year;

• Contractual determination that establishes the allocation of resources in favor of the ESG and compliance agenda, with periodic proofs thereof;

Low risk

• Statements in contract with the commitment to improve ESG indicators within two years, including the preparation/updating of ESG risk assessment;

• Inclusion of indemnity clauses and penalties in the event of non-compliance with ESG obligations;

• Proof of the use of an adequate budget for the area responsible for ESG and compliance;

• Review of ESG policies within two years according to best market practices;

• Improvements in the company's communication plan in favor of ESG practices to stakeholders.

7.5.3. Monitoring

The monitoring procedure is mandatory for all investments and must progress according to the risk assigned to it, and high risk determines semiannual monitoring actions; medium risk determines annual monitoring actions; and low risk determines biannual monitoring actions.

In addition, if an Associate finds in a monitoring any of the situations described below[i], they must immediately report the situation to the Investment Committee and the compliance team:

- Any refusal or hesitation on the part of the company to disclose data or information about its business requested by the Managers;
- If the company is investigated or charged for any environmental crime or violation of relevant environmental rules;
- If the company is investigated or accused of worsening work conditions to forced labor;
- If the company is the subject of a scandal involving sexual and moral harassment against Associates;
- If the company is accused of greenwashing or any similar conduct;
- If the company's partners are investigated for allegations of violations of anti-corruption, corruption, fraud, money laundering legislation or legislation on other crimes against the public authorities.

If the compliance team, together with the legal department, understands that the risk rating must be changed to a higher level, the Investment Committee must be informed of the situation, and may decide whether or not to proceed with a certain investment.

9. Engagement

The Managers and their Company Investees are committed to identifying improvements in their ESG policies and practices, always aiming to consider new ideas and incorporate innovations for the analysis of their investments.

10. Reporting Channel

All suspicions or violations of the provisions set forth in this Policy must be reported to the Managers' and Perfin Group Company Investees' Reporting Channel, which can be accessed through the website https://denuncia.perfin.com.br/, by calling + 55 (11) 2526-2427 or by email compliance@perfin.com.br. The Managers and the Company Investees ensure the confidentiality of the reports received and reinforce that retaliation against whistleblowers who act in good faith will not be allowed.

[i] This is an exemplary list, which does not exhaust other alarming and atypical situations to be identified by Associates. The compliance team should always be consulted to answer any doubts.