

# PATRIA

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## **RESPONSIBLE INVESTMENT POLICY**

### **ESG**

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## Data Sheet

Title:	Responsible Investment Policy
Responsible Area:	Institutional Committee
Description:	The purpose of this Policy is to be the general guideline on Responsible Investment at Patria by indicating the criteria for ESG risk management and also to encourage sustainability actions with Investees, Assets and investments.
Intended for:	All Patria Associates, as defined below.
Approval Date:	October/2019
Prepared by:	ESG Forum
Approved by:	Institutional Committee
Publication Date:	October/2019
Available from:	Intranet
Last Revision:	April/2020

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## 1. DEFINITIONS

For the purposes of this document, the following definitions will apply:

**Business Area(s):** Patria's asset management areas, called as Private Equity (includes PIPE/Constructivist Fund), Infrastructure, Real Estate (includes Agribusiness) and Private Credit.

**Blackstone:** The Blackstone Group Inc., a foreign fund management company with minority interest in Patria.

**Customers or Investors:** Individuals or public or private legal entities that are investors or potential investors of funds managed by Patria.

**Associate(s):** All those who are employed with, occupy a position (statutory or otherwise) or contractual relationship with Patria, including the partners.

**Investment Committee:** Patria internal committee responsible for analyzing and making investment and divestment decisions for managed funds.

**Management Team:** team or committee, as structured in each of the Business Areas, made up of professionals appointed by Patria to assess projects and investment performance, whose objective, among others, is to analyze and apply the guidelines described in this Policy.

**Compliance Committee:** committee made up of Patria professionals and members of the board of executive officers for the purpose of assessing and deciding on Patria compliance matters.

**Executive Committee:** committee made up of executive officers of Patria, responsible for debating and deciding on Patria strategic matters.

**Institutional Committee:** committee responsible for identifying ESG risks, defining guidelines for protection and management of financial and reputational risks, as well as supervising and ensuring compliance with the ESG Policy.

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**ESG:** Environmental, Social and Governance.

**ESG Forum:** Working Group for implementing the ESG strategy defined by the Institutional Committee and following-up ESG risks and initiatives in the management company, investee companies and other investments.

**Fund(s):** investment funds and vehicles managed by Patria.

**IFC:** International Finance Corporation, part of the World Bank.

**Investment:** investments made by the Funds managed by Patria.

**Patria:** Patria Investimentos Ltda., Patria Infraestrutura Gestão de Recursos Ltda., Brazilian asset managers, and their affiliates and allied companies.

**Policy:** The Responsible Investment Policy, this document in full.

**UNPRI:** the Principles for Responsible Investment, principles for investment proposed by *Principles for Responsible Investment*, an independent international entity dealing with responsible investment practices.

This Policy should be read in conjunction with other Patria Policies, especially the Code of Ethics and Rules of Conduct.

## 2. POLICY APPROVAL, PUBLICATION AND REVIEW

This Policy was prepared by the ESG Forum and approved by the Institutional Committee. Members of the ESG Forum and other Patria professionals may propose changes to the Policy at any time, which shall be submitted to the Institutional Committee for approval.

At least once every two years, the ESG Forum will review the content of this Policy.

## 3. APPLICATION

This Policy must be followed by all Patria Business Areas, invested companies and other Assets/Investments according to the specific features of each action field, the strategies of the Funds and each Investment made, and the Associates must comply with the guidelines set forth herein upon fulfilling their duties and make their best efforts to promote the Policy and its objectives.

## 4. RESPONSIBLE INVESTMENT/ESG

We have developed an investment strategy that consistently and robustly combines financial commitments and returns undertaken with our clients to all dimensions of responsible investment (ESG).

Sustainable value creation is an integral part of our long-term investment strategy. We want to ensure that our investments are perennial and bring good results during and beyond the entire life of the investment, at the time of their divestiture. Environmental, social and governance (ESG) risk management practices are a key basis for our values and essential for **sustainable value generation**.

**Focusing on results is important, but achieving results only is not enough. We also care about how we reach it.** We are aware of the material impact our operations have on the Brazilian and Latin American markets considering the volume of investments we make and the sensitivity of the industries in which we operate. **Behind each of our investments there is a greater purpose: to build good enterprises that bring actual benefits to people, communities, the market, and the Countries where we operate**

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Our ESG practice is based on three pillars:



Patria believes that the possible socio-environmental and governance impacts of the assets managed in the Fund’s portfolio are part of its responsibility to society.

This document identifies **how ESG-related elements are considered in investment decisions, as well as investment and asset management, until the time of divestment.** It is also the purpose of this Policy to create guidelines for **the implementation of ESG initiatives.**

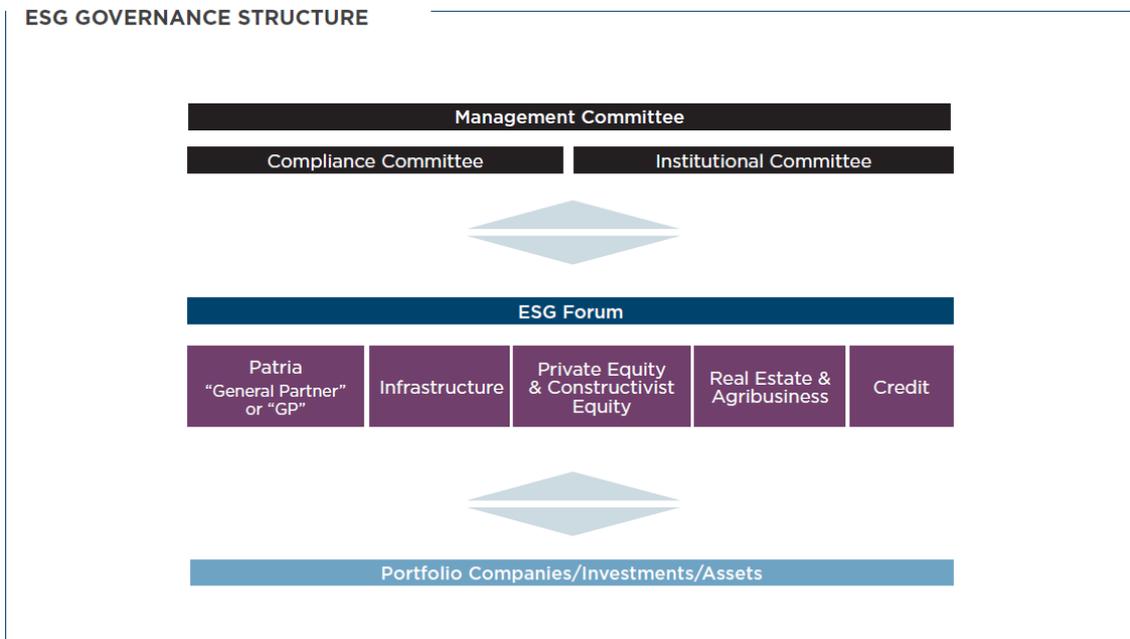
Patria’s main focus is placed on the compliance with the **commitments and obligations undertaken with investors.** In fulfilling its fiduciary obligations, Patria strives to achieve Investors’ best long-term interests **while managing ESG risks.** This Policy is based on **UNPRI’s Six Principles for Responsible Investment**, the IFC performance standards and the GRI standards (<https://www.globalreporting.org>).

## 5. GOVERNANCE

In order to ensure that ESG aspects are considered, incorporated and disseminated throughout all of Patria’s activities and investments, we have an ESG corporate and governance structure, which sets out the roles and responsibilities of each instance dealing with ESG issues.

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## 5.1 Institutional Committee

The Institutional Committee is the body responsible for leading operational activities under the supervision of the Executive Committee, directing the Business Areas and engaging the team around day-to-day activities and organizational development.

As the highest body dealing with ESG issues, it is also responsible for ESG's strategic approach to business, the social, environmental and governance initiatives that will be implemented and measures, where possible, in the portfolio indicating (with support from suggestions made by the ESG Forum) how Patria should address these issues in order to achieve and ensure the application of a strategy of long-term financial returns coupled with sustainable management practices.

## 5.2 ESG Forum

The ESG Forum is a working group made up of representatives of various business areas of Patria and of its the corporate team (Human Resources; Marketing and Compliance) and is responsible, together with the Institutional Committee and the Business Units, for the management and operation of ESG-related issues.

ESG Forum activities include, without limitation, developing specific policies, procedures and tools for implementing ESG initiatives, in order to ensure that all necessary actions are taken to prevent and mitigate ESG risk exposure.

The Forum will hold monthly meetings, regardless of minimum quorum, to address the following issues:

- 1) Assessment of ESG-related data and metrics;
- 2) Monitoring of ESG initiatives in the manager and the investees;
- 3) Management on matters to be communicated;
- 4) Monitoring of the annual report;
- 5) Direct the strategic matters to the Institutional Committee
- 6) Other matters defined as material.

ESG Forum meetings will have a participant acting as secretary, as defined at the beginning of the meeting. All meetings will have a prior agenda and will be registered internally, only for purposes of monitoring the discussed matters. In Appendix I, there are guidelines for recording matters discussed at the meeting.

### 5.3 Business Areas

Patria Business Areas are responsible for disclosing, implementing the ESG Policy in the portfolio and collecting information. Each Business Area has its own ESG Procedure, defining the ESG risk analysis methodology in connection with the portfolio, implementing initiatives (where applicable) and collecting data.

Each Area will define the ESG integration management professional or team responsible for conducting commitments with the investees to drive implementation and oversight of sustainability best practices to support long-term financial performance.



## 6. GENERAL GUIDELINES FOR INTEGRATION OF RESPONSIBLE INVESTMENT PRACTICES

In order to maximize investor returns and make responsible investments, the Business Areas have adopted ESG practices throughout the life of the investment.

Over the useful life of an Investment, the above mentioned issues are assessed, as part of the investment analysis methodology adopted by Patria. This methodology covers the investment, development/management and divestment phases, applied in accordance with the parameters and guidelines established by each of the Business Areas.



### 6.1 Investment Decision - Investment Committee

The guidelines set forth herein aim at enabling the Investment Committee to make decisions based on ESG factors as well. The team responsible for submitting the thesis to Investment Committee for approval should prepare a summary containing the following analysis of the proposed investment:

1. Materiality of the main environmental, social and governance risks and business integrity and gaps in relation to applicable requirements/standards (eg., IFC Performance Standards);
2. Compliance with applicable environmental, social, health and safety laws, regulations and standards.

**Annex II** contains a list of due diligence actions on ESG issues. The document was prepared considering **IFC's socio-environmental performance standards**, designed to support private enterprise in improving and equalizing sustainable investment practices. Patria believes that taking the IFC standards for basis allows mitigating ESG risks that could negatively affect the investment performance of the Funds and of Patria itself.

## **6.2 Monitoring**

### **6.2.a Risk Management**

The main focus is to meet the commitments and obligations undertaken with investors, the society and regulatory bodies. By fulfilling its fiduciary duties, Patria acts in the best interest of investors, always striving to identify, manage and address the risks in their investments and comply with current regulations.

Specifically with respect to ESG risk assessment, Patria considers, as applicable to the Business Areas and to the investee companies, the following guidelines regarding the identification, monitoring and processes for mitigation and/or elimination of identified risks:

1. Compliance with all applicable environmental and social laws and regulations, endeavoring to enforce compliance also by related parties;
2. Implementing corporate governance rules that, as a minimum, comply with applicable mandatory standards (and, if possible and practicable, exceed the standard, seeking the best corporate governance practices in the market) in relation to environmental and social issues, to the extent appropriate to the structure, size, nature and other objectives of the Investment;

3. Identification and management of socio-environmental and governance that are specific to the business of the investee companies, including issues relevant to all stakeholders.
4. Reports on socio-environmental and governance issues, as well as any material adverse Investment-related issues that may directly affect Patria and, where necessary, the implementation of an action plan to remedy the issue;
5. Compliance with specific conditions and commitments, if any, regarding responsible investment issues that may be material or prioritized for the Investment.

Identified risks and impacts, whether legal, image-related or other, potential or realized, that could affect the fund's performance or bring financial or reputational damage to Patria ("**Material ESG Risks**") should be immediately reported to the Compliance Committee for previous analysis and further forwarding to the spheres responsible for the issue. **Annex III** provides examples of ESG Material Risks that should be reported. This list, however, is not exhaustive.

It is the responsibility of the Business Areas, and especially of the BPs, to monitor the activities of the investees in order to identify and monitor ESG Material Risks. To this end, the Compliance Committee undertakes to monthly and, whenever deemed necessary, question the Compliance BPs of each business area regarding the existence of Material ESG Risks and to share this information, where necessary, with the representative of the ESG Forum.

Patria requests that information related to ESG Material Risks be reported to the Compliance Committees in a timely manner and prior to taking risk mitigating actions, so that there is adequate alignment between the respective Committee and the Institutional and Executive Committees, if required.

## **6.2.b Influence of Patria - Voting Policy**

Patria shall exercise the **right to vote at general meetings**, as representative of the Funds under its management, in the best interests of its investors and in accordance with its fiduciary duties. In addition, in conformity with the provisions in this Responsible

Investment Policy, Patria undertakes to consider **environmental, social and corporate governance issues** for the exercise of voting rights at the general meetings of the assets held by the Funds.

## 6.2.c Initiatives

In order to enable best practices in corporate governance management and socio-environmental responsibility, the Business Area teams are encouraged to develop the following ESG practices in the portfolio.

### General:

- (i) analysis of the performance of the investees in socio-environmental and governance issues;
- (ii) identification of performance gaps and opportunities for improvement in socio-environmental and governance issues.

Annually or at other time intervals as defined by the Institutional Committee, the ESG Forum will present proposals for ESG initiatives to be implemented in the investee companies and assets/investments.

Initiatives will always aim at generating value. That is, generating direct financial return with cost reduction, asset appreciation, productivity gain, talent retention or turnover reduction, among others.

Above all, acting in compliance with Ethics, Integrity and Transparency principles is of our essence, and this way of acting is taken to our entire portfolio. All our investments must adhere to standards of excellence to ensure integrity and transparency in business.

Each Business Area may, further, in accordance with the peculiarities of the Funds portfolio, propose specific initiatives that may even be related to any of the 17 UN Sustainable Development Goals (SDGs).

At Patria, we have adopted sustainability practices by applying a comprehensive ESG Policy. The sustainable investment principles are incorporated into all areas and

portfolio. While we understand this to be strategic for long-term profitable investments, we are also committed to sustainability, based on the belief that the private industry plays a relevant role in addressing and implementing ESG practices.

### 6.3 Divestment

At the time of divestment, our team will support the preparation of material (report or otherwise) with relevant ESG data that demonstrates business improvements.

It is also our goal that the company's ESG or sustainability management practices be self-sustaining and that they can maintain the project regardless of Patria

### 6.4 Business Area Procedures

Due to its particularities, each Business Area has its own methodology and procedures, always based on the principles of this Policy and other Patria Policies. These methodologies and procedures enable the early identification of issues, risks, and opportunities related to possible investment, including financial, operational, environmental, and governance matters. Once problems are identified, each Business Area is responsible for analyzing, monitoring and addressing them, as they see fit, to define mitigation plans and/or implementation plans up to the divestment phase.

In each Business Area, there are socio-environmental and governance criteria that must be considered. As described above, these criteria are guided by the United Nations **principles of responsible investment**, as well as **based on international conventions governing human rights, labor, environmental management, and anti-corruption practices**.

Business Areas shall, where applicable, **(i)** prepare action plans to achieve the highest levels of ESG performance in the portfolio companies and **(ii)** collect information to enable them to monitor the overall Investment performance.

## 7. INFORMATION TO INVESTORS

At such time intervals to be defined by the Institutional Committee, Patria will disclose

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information to its investors about ESG practices containing data on: **(i)** risk management governance and ESG initiatives, **(ii)** ESG initiatives in the portfolio.

The Business Areas will be responsible for preparing specific fund reports, thus allowing a more detailed and targeted analysis of ESG risks and developed initiatives.