

ESG Statement

PATRIA

In partnership with

Blackstone

Patria Investments ESG

Sustainable investments

The purpose of this document is to present our strategy in the integration of ESG considerations into the investment cycle, incorporating the principles for the Responsible Investment

WE ARE one of the largest Brazilian asset managers focused on alternative investments in Latin America. We have gradually built our investment portfolio with new businesses in *Private Equity* (including PIPE/Constructivist Fund), Infrastructure, Real Estate (including Agribusiness) and Private Credit (“Business Units”). Blackstone, one of the world’s largest alternative asset managers, has been an strategic partner since 2010.

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 (or ESG).

Sustainable value creation is 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 exit. Environmental, social and governance (ESG) integration is critical to **value creation** (financial return) and **business opportunities**.

Focus 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 that 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: **We are concerned about building good enterprises that bring actual benefits to people, communities, the market, and the Countries that enjoy them, with minimal environmental impact.** Our ESG practice is based on three pillars, all anchored on Patria’s value creation lever model:

STRATEGIC PILLARS



**impact
Core Business**

Investment, whenever possible, in companies **whose core business has the potential to positively impact society**

“Real benefits for people, communities, the market and the countries where they operate”



Risk management

ESG material risk management, wich may **negatively impact our stakeholders**

Defined **KPIs** and **action plans for the portfolio** companies, aligned with the Patria governance and compliance standards

“Do the right thing”



Initiatives

Fostering ESG opportunities at portfolio level, aligned with Patria’s Values/ Constitution, focusing on **value creation** and **positive financial results**

“Turning ideas into real business opportunities”

ESG Statement

Patria ESG Integration Model

At Patria, we define ESG integration as the practice of incorporating relevant environmental, social, and governance information into investment decisions to enhance risk-adjusted returns. **ESG information integration is part of any investment process.**

GUIDELINE FOR INTEGRATING RESPONSIBLE INVESTMENT PRACTICES



Investments

- » Due diligence with ESG factors to assure adherence to our policies
- » Analysis ESG material issues in the presentation to the Investment Committee
- » Record on the Investment Committee review on the ESG topics
- » Definition of action plans (when applicable)
- » Evaluating ESG opportunities that can generate results



Monitoring

- » ESG topics follow-up by the ESG Forum (institutional KPIs) and by Institutional Committee
- » Business units are responsible for ESG risk management and monitoring
- » Investors Reports



Divestment

- » The portfolio companies team’s training to maintain ESG/Sustainable practices
- » Reporting ESG aspects that maximize valuation (risk management and initiatives)

Our commitments to the Responsible Investment principles are part of our Organization and permeate all investment cycle, being key elements in our decision-making processes. Our practice includes a team assigned to monitor the development of these issues at the institutional level (ESG Forum) and support Patria business units in managing ESG practices in the portfolio.

In order to ensure that our investments meet certain ESG requirements and metrics, we have approved certain internal policies and procedures, KPIs, and other risk monitoring tools related to these issues which are reviewed periodically to ensure they are updated.

Patria’s investment philosophy is based on long-term value creation through strict investment process and strict governance principles. The incorporation of ESG values is a natural consequence of such belief. **The entire Patria team is committed to be a reference in adopting these values.**

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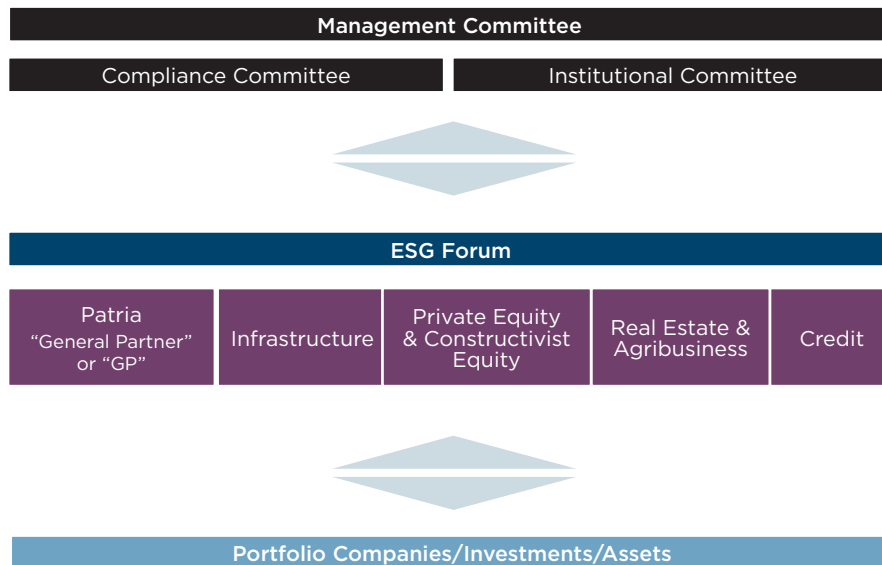
ESG information is a key element when deciding whether or not to make an investment, but it is not the only one. We always place our focus on making decisions that are appropriate to our clients goals, with due regard to our fiduciary duty. Our approach to ESG integration is to extend the total amount of information that supports our decision on whether or not to invest, in order to improve such analysis, **seeking the best financial return.**

ESG Governance at Patria

Patria’s ESG guidelines are reviewed and implemented in several levels of our governance. The Institutional Committee is responsible for the strategic definition of the environmental, social and governance (ESG) initiatives that will be implemented, whenever possible, in the portfolio companies. The Institutional Committee relies on the ESG Forum, a working group with the participation of professionals from different business units of Patria. Among its activities is the review of ESG **risk** indicators defined by the business units to assure consistency and set a common taxonomy among them, and incentivize the implementation of ESG **initiatives** approved by the Institutional Committee.

The business units oversee the portfolio’s progress concerning responsible investment objectives. The business units are also responsible for ensuring the consistency and quality of information related to the Responsible Investment Policy, as well as coordinating the tasks to incorporate ESG practices into all the investment cycle.

ESG GOVERNANCE STRUCTURE



ESG Statement

How we approach ESG integration at Patria

Patria has a consistent model for integrating ESG into the investment process. Consistency is based on governance building, KPIs, action plans, and evaluation metrics. This dynamics allows for flexibility to the model, to the extent that the observed results are incorporated into and contribute to the decision-making process and definitions of the ESG strategy itself. This structure allows scalability of ESG integration efforts, as well as permits a constant renewal of approaches on the subject by business units. Flexibility is also important since the ESG considerations may vary according to the economic sector (industry) and market trends.

ESG data is an important source of information in the investment process by enabling the assessment of opportunities and contingency risks essential to projecting financial return.

The responsibility for integrating and applying ESG criteria is part of all of Patria's Business Units. The Investment Committee is also responsible for integrating ESG information into the analysis that supports its decisions. Identifying ESG material risks and potential benefits from adopting sustainable practices allows us to identify additional sources of risk and return and, therefore, we are able to better evaluate investments. In short, ESG integration is a necessary action in assessing value generation in long-term investments.

Due to its particularities, each business units has its own methodology and procedures for ESG integration. These methodologies and procedures enable the early identification of issues, risks, and opportunities related to possible investment, including financial, operational, socioenvironmental, and governance matters. Once ESG material risks are identified, each business units is responsible for analyzing, monitoring and addressing them accordingly, to define mitigation plans and/or action plans by the time of divestment.

Business units, where applicable, **(i)** develop action plans to achieve the highest levels of ESG performance in portfolio companies and **(ii)** collect information that enables them to monitor overall investment performance.

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ESG Initiatives

The Institutional Committee, with support from the ESG Forum and business units, defines ESG initiatives to be fostered in investments. Initiatives **will always be aimed at generating value**, either for the purpose of avoiding contingencies or for the purpose of generating direct financial return with cost reduction, asset appreciation, productivity gain, talent retention and turnover reduction, among others.



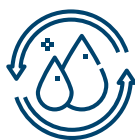
Governance

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.



Social

We encourage our investments to ensure non-discriminatory treatment of our employees and safe working environment. Implementing a true safety culture across the portfolio is also critical. Safety of people is a non-negotiable commitment at Patria. We also share guidelines for investees to monitor the supply chain in order to ensure that there is no violation of human rights such as **(i)** slave labor or similar working conditions, **(ii)** child labor, **(iii)** discrimination and **(iv)** unhealthy or unsafe working condition.



Environment

We act ethically and fully with respect to the environment and use of natural resources, respecting the laws and sustainable development practices of each of our businesses. We encourage in our portfolio opportunities to reduce costs in projects related to the efficient use of natural resources. Examples of possible initiatives are: **(i) energy matrix:** reduction of energy consumption costs from the use of alternative renewable sources (solar and wind energy), use of LED lamps etc.; **(ii)** mapping of information related **to the rational use of water** (including possibility of rainwater utilization) and **(iii) reduction of residues and waste** in the production line, where applicable.

Each business units 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).

We believe that our continued effort to improve our ESG practices across all our investments and portfolio of investees is essential to bringing better returns to our Investors. We recognize that we have an important role in the private sector to develop sustainable practices and therefore we use our best resources to integrate ESG practices to support our commitment to the responsible investment model.

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