

Environmental, Social, and Governance Policy

Vinci Capital Gestora de Recursos Ltda.

VINCI
partners

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VINCI PARTNERS

Vinci Partners, a leading alternative investment platform in Brazil specializing in asset management, wealth management and financial consulting, was founded in October 2009 by a group of managers with extensive experience in the financial market. They have in-depth knowledge of the Brazilian economy and an extensive network of relationships.

Strong ethics, a holistic approach to the market, and full alignment of client and shareholder interests continue to reinforce the reputation that Vinci Partners has built since its inception.

The partners and employees of Vinci Partners invest their own capital in the same products as their clients; they pay the same fees and are exposed to the same risks. This philosophy reinforces our belief that Partners are clients and clients are partners.

1. INTRODUCTION

The Environmental, Social, and Governance Policy ("Policy") was developed based on market best practices and the official documents, deliberations, and guidelines issued by the Brazilian Securities and Exchange Commission ("CVM") and the Brazilian Association of Financial and Capital Market Entities ("ANBIMA"). Its objective is to formalize the methodology and criteria to be observed by Vinci Capital Gestora de Recursos Ltda. ("Vinci") in the analysis and evaluation of environmental, social, and corporate governance aspects ("ESG Aspects"), especially concerning funds considered sustainable investment funds ("SI Funds") or investment funds that integrate ESG Aspects ("Funds that Integrate ESG").

Vinci integrates ESG aspects into the investment process adopted by the Private Equity area. This process must be in line with the United Nations Principles for Responsible Investment (PRI), to which Vinci is a signatory. The PRI encourages investors to use responsible investment practices to improve returns and better manage risk:

1. Incorporating ESG issues into investment analysis and decision-making processes;
2. Incorporating ESG issues into asset management policies and practices;
3. Seeking adequate disclosure of ESG issues by the entities in which the company invests;
4. Promoting acceptance and implementation of the principles within the investment industry;
5. Working together to increase the effectiveness of implementing the Principles; and
6. Reporting on our activities and progress towards implementing the Principles.

2. APPROVAL OF THIS POLICY

This Policy and the functional and organizational structure described herein were approved by Vinci's Regulatory Board, as defined below, at a meeting held on April 12, as duly recorded in minutes, a summary of which is on file at Vinci's headquarters.

Vinci will comply with the provisions of the ANBIMA Rules and Procedures for Sustainable Investment, including, but not limited to, the following, within the scope of its performance and where applicable:

- (i) Make this Policy available for consultation on its website, via the link: <https://www.vincipartners.com/Disclosures>;
- (ii) Conduct appropriate identification of SI Funds or Funds that Integrate ESG, ensuring consistency between fund name and objective;
- (iii) Distinguish between various funds that already incorporate ESG risks and opportunities, even if they do not have sustainability as an objective, and those that do not;
- (iv) Establish requirements for these funds to demonstrate their commitment to sustainability and ongoing actions in this regard and disclose reporting information to investors.

In the case of funds that are not identified as SI Funds, Vinci will not use the suffixes "SI", "ESG", "ASG", "social", "environmental", "green", "sustainable" or any other terms related to sustainable finance that may lead to the understanding that it is an SI Fund or a Fund that integrates ESG governed by the ANBIMA Rules and Procedures for Sustainable Asset Investment, nor will it use a sales strategy that has the same effect.

3. SCOPE OF THIS POLICY

After the effective date of this policy, the system for incorporating ESG Aspects will be applied to all investments made by the Private Equity area through private equity investment funds and will be interpreted in accordance with local laws and regulations.

In cases where Vinci determines that it has limited capacity to conduct due diligence or to influence and control the integration of ESG Aspects in the investment — for example, in cases where a fund managed by Vinci is a minority shareholder, or where other circumstances affect Vinci's ability to assess, define, or monitor performance targets related to ESG Aspects — Vinci may not be able to implement the principles related to ESG Aspects despite its best efforts. This possibility must be previously evaluated and approved by the respective Investment Committee as part of the investment decision process. In cases where Vinci deems it appropriate, best efforts will be made to encourage portfolio companies to consider relevant principles related to ESG Aspects.

SI Funds cannot be exempted from implementing the ESG principles described above

4. ROLES AND RESPONSIBILITIES

4.1. Regulatory Board

Vinci's Regulatory Board is composed of the Portfolio Management, the Chief Compliance Officer and the Chief Risk Officer, as well as the Co-Head Directors of Private Equity and the Chairman of Private Equity, who are responsible for;

- (i) Approve this Policy and its amendments
- (ii) Ensure that the professionals who comprise the department and committee responsible for evaluating ESG issues in the selection of investments have sufficient expertise to fully perform their duties and have full access to all information they deem necessary to conduct the relevant ESG risk assessment; and

- (iii) Ensure that sufficient human and financial resources are effectively allocated to carry out the above.

4.2. ESG Officer

The ESG Officer is the professional responsible for implementing the methodology and defining ESG Aspects, who will be responsible for:

- (i) Definition and monitoring of measures aimed at the integration of principles and guidelines relating to ESG aspects in target companies and companies in which investments are made, as well as definition and monitoring of the implementation of measures aimed at ensuring their effectiveness
- (ii) Evaluate and propose to the Regulatory Board the need to implement new criteria for the evaluation of ESG Aspects in asset selection;
- (iii) Duly update this Policy at intervals not exceeding 24 (twenty-four) months, taking into account the nature, size, complexity, structure, risk profile and business model of Vinci, or whenever there is a change in applicable regulations and self-regulation; and
- (iv) Analyzing the need for and proposing changes to this Policy in conjunction with other necessary areas.

4.3. Investment Committee

Vinci has a dedicated Investment Committee for its Private Equity strategy, which is responsible for approving investments to be made by the Funds managed by the Private Equity area.

The Investment Committee is composed of the Portfolio Management Director, the Co-Head Directors of Private Equity and the Chairman of Private Equity, as well as the CEO and President of the Vinci Partners Board, and other professionals invited as needed

The Investment Committee is responsible for the in-depth discussion and analysis of the ESG Aspects identified by the investment teams during the due diligence process, which are considered critical prior to any investment in target companies and during the monitoring of invested companies.

The Investment Committee will also be responsible for:

- (i) Evaluating all information collected by the Investment Team and approving each investment opportunity; and
- (ii) Evaluating the ESG Due Diligence conducted by the Investment Team for investment and asset monitoring purposes.

4.4. Investment Team

The Investment Team is responsible for selecting and analyzing assets, including implementing the methodology and criteria defined by the ESG Officer regarding ESG Aspects, as well as presenting the assets for evaluation by the Investment Committee and monitoring the assets and invested companies

4.4.1. Business Team

The Investment Team will be divided into "business teams" for the purpose of evaluating investment

opportunities, as defined in the procedure below. The business team is composed of at least one partner, one director, and one analyst ("Business Team").

The Business Team is responsible for evaluating the investment opportunity, which includes, among other activities, identifying whether the investment presents any material issue related to ESG Aspects and determining if and what actions should be taken before the investment or during the project's life cycle.

4.5. External ESG and Impact Consultant

Vinci may hire specialists to support the development and implementation of this ESG Policy and the implementation and monitoring of ESG Aspects in the evaluated and acquired assets and companies.

4.6. Legal and Compliance Team

The Legal and Compliance Teams are responsible for advising on legal and compliance issues, including ESG issues, whenever questioned by the Business Team.

5. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE POLICY

This Policy describes Vinci's approach to responsible investment, integrating ESG Aspects into the investment process followed by the Private Equity area. Vinci believes that attention to ESG Aspects impacts the company's business course and generally has positive impacts on long-term financial performance.

Vinci is committed to considering material ESG issues during the due diligence process conducted before acquiring assets for private equity investment funds managed by the Private Equity area and in monitoring investments made.

This Policy is based on the following principles:

5.1. Environmental Aspect

- (i) Conducting business and establishing partnerships with high levels of environmental performance;
- (ii) Complying with environmental laws and regulations;
- (iii) Reducing environmental impact; and
- (iv) Preserving natural resources.

5.2. Social Aspect

- (i) Treating people with dignity and respect in a safe workplace;
- (ii) Respecting workers' rights, complying with relevant laws and regulations regarding remuneration, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and well-being;
- (iii) Respecting human rights that prevent child labor and forced labor;
- (iv) Providing a safe workplace in compliance with national and local laws;
- (v) improving employees' knowledge and skills, which may include internal and external training and courses offered by the company;
- (vi) managing key social risks in the supply chain of portfolio companies, as applicable; and
- (vii) being accessible and engaging with relevant stakeholders directly or through representatives

of portfolio companies, as appropriate.

5.3 *Governance Aspect*

- (i) Conducting business and establishing partnerships ethically at all times;
- (ii) Establishing independent annual audits and transparent disclosure of financial statements of portfolio companies or other investment vehicles;
- (iii) Creating effective board and committee structures;
- (iv) Complying with relevant anti-corruption laws and regulations related to bribery, extortion, fraud, and money laundering; and
- (v) Providing timely information to the shareholders of the funds managed by Vinci about the matters addressed here and working to promote transparency about Vinci's activities.

6. APPROACH TO INTEGRATING ESG ASPECTS INTO THE DUE DILIGENCE PROCESS

Vinci follows a systematic investment review and decision-making process composed of several stages, such as opportunity mapping, due diligence process, and review and approval by the Investment Committee.

Vinci seeks to integrate a holistic management of ESG Aspects throughout the investment cycle. The main objectives of the review and decision-making process for a new investment are:

- (i) Effectively managing the investment pipeline;
- (ii) Identifying key issues early in the investment process and before executing the transaction;
- (iii) Identifying value creation opportunities for the business through ESG initiatives;
- (iv) Efficiently allocating the business team;
- (v) Determining a tailored execution and due diligence plan; and
- (vi) Organizing a forum to solicit inputs and opinions from the involved team.

Vinci gathers a wide network of personal and professional relationships with market executives, businesses, owners, corporate managers, financial advisors, operational consultants, and lawyers. This network, combined with the proactive identification of target companies through a top-down and bottom-up methodology, provides a highly differentiated business origination platform for its Funds.

7. EVALUATION AND DECISION-MAKING PROCESS

7.1 *Initial Filter*

After identifying an investment opportunity, a business team is defined by the Private Equity team. The Business Team conducts a top-down and bottom-up analysis to determine if the opportunity meets Vinci's investment criteria in terms of size, projected returns, investment thesis, sector, and governance.

This initial screening process is managed through an opportunity pipeline management system, where all relevant information, including origin, sector, investment thesis, strategy, and relevant financial metrics, are recorded. When analyzing new opportunities, the business team frequently revisits this database to refine and develop appropriate screening metrics to evaluate opportunities more efficiently.

During this stage, the business team categorizes the investment through the Socio-Environmental Risk Categorization, which classifies the target company into one of the following socio-environmental risk categories:

- (i) **Category A ("High risk")**: Business activities with significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented;
- (ii) **Category B+ ("High-medium risk")**: Business activities with potential adverse environmental and social risks and/or impacts that are generally beyond site boundaries, largely irreversible, and can be addressed through relevant mitigation measures;
- (iii) **Category B ("Medium risk")**: Business activities with limited adverse environmental and social risks and/or impacts, in a reduced number, generally site-specific, largely reversible, and readily addressed through mitigation measures; and
- (iv) **Category C ("Low risk")**: Business activities with minimal or no adverse environmental and social risks and/or impacts.

Target companies classified in Category A cannot be invested in by SI Funds or Funds that Integrate ESG, so the Business Team will terminate their analyses and interactions with the company at this stage.

7.2. *Initial Review by the Investment Team*

After the Socio-Environmental Risk Categorization, the Business Team conducts an initial analysis of the available information and prepares an executive presentation describing the opportunity for the Private Equity area, which may approve the submission of a non-binding offer ("Term Sheet"). If the Co-Heads of Private Equity believe that a review is necessary, the Business Team is responsible for implementing adjustments to the Term Sheet structure and resubmitting it for approval before negotiating with sellers to proceed to the Due Diligence Phase.

7.3. *Due Diligence Phase*

The main focus of this phase of the investment process is to deepen the Business Team's understanding of the target company and the investment opportunity through:

- (i) A detailed sector analysis based on internal and external experts and interviews with suppliers, customers, and competitors;
- (ii) An evaluation of the company's management team through interviews and reference checks;
- (iii) Technical and product evaluation to identify potential technological risks;
- (iv) ESG aspects;
- (v) Capital expenditure needs;
- (vi) Review of financial statements and development of proforma projections, including discounted cash flow projections and analysis of comparable and similar transactions; and
- (vii) An analysis of possible exit alternatives.

In this phase, the Business Team analyzes the target company's accounting, legal, tax, regulatory, and information technology operations to identify potential liabilities and the systems and controls necessary to manage the business effectively.

Vinci may arrange for consulting firms to review the sector fundamentals and business model of target companies.

The Business Team conducts a thorough review to identify if this investment opportunity presents any material issues related to ESG Aspects, determine what actions should be taken before the investment or during the investment lifecycle, and map improvement opportunities.

7.4. *ESG Term of Reference*

Vinci often relies on specialized consultancies to conduct a risk assessment based on the ESG Term of Reference, a proprietary tool that includes the minimum requirements of the approach to environmental,

social, and governance issues addressed in major sustainability initiatives, based on the International Finance Corporation ("IFC") Performance Standards.

For each new investment analysis, Vinci, with the support of the specialized consultancy, will complete the risk mapping to confirm the material issues as defined by the ESG Term of Reference.

During the due diligence process, Vinci aims to:

- (i) Assess the level of maturity and materiality of each ESG Aspect evaluated in the target company;
- (ii) Identify, assess, and, when possible, mitigate potential risks;
- (iii) Identify value creation opportunities for the business; and
- (iv) Develop systems, controls, and metrics for the investment management cycle.

The main guidelines contained in the ESG Term of Reference for conducting ESG due diligence are:

- (i) Understand where the target company is in its ESG journey, assessing maturity and materiality;
- (ii) Identify the main risks and factors influencing ESG Aspects in the target company;
- (iii) Prioritize value creation initiatives and develop the action plan and 100-day plan;
- (iv) Conduct a Background Check, assessing who the legal and beneficial owners of the target company are; and
- (v) Associate each mapped risk or opportunity with a corresponding item from the IFC Performance Standards.

7.5. *Environmental, Social, and Governance Action Plan (ESGAP)*

For each gap identified during the ESG due diligence, actions and deadlines must be defined. The defined actions will be included in an Environmental, Social, and Governance Action Plan ("ESGAP"). The ESGAP should include the timeline, responsible party, priority, complexity of delivery, or indicator to be monitored. Vinci will also define means to monitor the implementation of the ESGAP, which may include document review and/or inspection of project execution controls.

7.6. *Post-Acquisition Operational Plan*

The Business Team also creates a post-acquisition operational plan before final approval and investment execution. The plan contains clear strategic and operational goals that Vinci seeks to achieve after the investment to create value.

This plan also includes medium and long-term milestones to help position the investment for a successful exit. The most important actions defined in the ESGAP should be incorporated into the post-acquisition plan. The target company's management and the Business Team jointly agree on the post-acquisition operational plan.

7.7. *Final Memorandum*

The final investment memorandum includes all the information obtained during this phase of the process. This investment memorandum, along with related legal documents and the post-acquisition operational plan, will be thoroughly reviewed by a shadow business team ("Shadow Team"), which conducts a final review of the financial model, all key transaction documents, return scenarios, and mapped risks and their mitigators. With the inputs from this review, the Business Team members will develop the Final Memorandum to present the opportunity to the Investment Committee and seek final approval to complete the transaction.

7.8. Investment Committee Approval

Final investment approval requires a unanimous vote from all participating members of the Investment Committee.

8. MONITORING

This phase consists of the operational phase once the acquisition has been completed. In addition to due diligence, some material ESG Aspects require frequent review during the investment lifecycle, such as compliance with operation-related licenses and the implementation of this Policy. The topics to be addressed as part of the monitoring phase will be selected during due diligence, based on the ESGAP.

The means for conducting the monitoring phase and the frequency will be defined as part of the project's due diligence, which may include self-assessment, document review, on-site review, or independent review by a consultancy.

ESG Aspects should be constantly monitored by the Investment Team and will be reported and documented in the annual reports described in Chapter 9.

For SI Funds, under the ANBIMA Rules and Procedures for Sustainable Asset Investment, Vinci must annually disclose resource allocation and environmental and social impact indicators of the invested assets to shareholders, as per the Continued Actions Form, in the model disclosed by ANBIMA.

These Funds may also be subject to annual evaluation by highly reputable independent consultants, according to relevant general principles and professional standards of independent auditing.

9. DISCLOSURE AND REPORTING

Vinci believes that transparency is essential to disseminate ESG best practices to its Clients.

According to the UN-PRI, Vinci annually reports its responsible investment activities. A copy of this report will be publicly disclosed to all reporting signatories on the PRI website¹, ensuring the transparency of the PRI Initiative and its signatories.

Additionally, starting from the Vinci Capital Partners III fund, Vinci annually discloses a specific report to investors of each fund with an overview of the ESG performance of the investments. This report addresses general ESG KPIs, according to the specific methodology of each vehicle, the actual execution of the initial ESGAP compared to the plan developed before the investments, and tracks the progress of each company concerning ESG Aspects.

Vinci will also maintain historical numbers of portfolio companies so that stakeholders can monitor progress regularly and support those that develop their own annual ESG reports, containing more detailed information about their ESG performance and commitment to specific objectives and sector-specific explanations.

10. DIVESTMENT

¹ <https://www.unpri.org/signatories/reporting-and-assessment/public-signatory-reports>

During the divestment process, the Business Team is responsible for submitting any exit strategy for approval by the Investment Committee. Vinci will conduct a Background Check on interested strategic buyers and may not approve any proposal based on the result of this consultation, regardless of the macroeconomic scenario or the expected financial return

11. REVISIONS

This Policy is subject to review at a minimum biennial frequency or whenever there is any relevant change in our processes and/or applicable legislation, ensuring that it is always aligned with Vinci's investment philosophy and market best practices in terms of ESG integration.

All updates to this Policy will be available on the intranet and the Vinci Partners website



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