régia CAPITAL

2024

Climate and Biodiversity Report

February 2026

Table of Contents

CLICK ON THE MENU ICON TO RETURN TO THE TABLE OF CONTENTS

The climate crisis has become one of the defining challenges of our time, placing unprecedented pressure on biodiversity, ecosystems, and the productive chains that sustain human life as we know it. Extreme events are intensifying, species are increasingly at risk, and social inequalities are deepening, revealing that environmental degradation and social vulnerability are deeply interconnected crises, as seen in 2024, when record rainfall in the state of Rio Grande do Sul, Brazil, killed over 180 people, affected 2.4 million and caused economic losses of approximately BRL 90 billion. In this context, governments, companies, and investors are being called upon to act systemically, with urgency and responsibility. The transition to a low-carbon and socially just economy is not only inevitable; it is imperative and requires innovation, collaboration, and a long-term vision.

It was within this context that Régia Capital was founded, with a clear purpose: to actively contribute to the solution. Régia was born from the conviction that capital, when guided by robust sustainability principles, can transform realities, regenerate ecosystems, and generate positive social impact while delivering returns to investors. This conviction is put into practice through initiatives such as the Bioeconomy Fund, which invests in projects that strengthen the Brazilian bioeconomy by establishing clear socio-environmental KPIs and targets, turning sustainability commitments into measurable outcomes. Our objective is to help build a resilient future by developing products and strategies that connect investors to opportunities capable of addressing the major environmental and social challenges that define this critical moment.

Since its inception in early 2024, the firm has grown consistently, achieving R$ 14 billion by 2025, expanding its activities and strengthening its role as a reference in sustainable investing. We have launched new products aligned with global best practices, such as the Bioeconomy and Desenvolve SP Funds, deepened our proprietary ESG risk and opportunity analysis, and expanded strategic partnerships that enable the development of innovative capital solutions. We continuously seek to integrate science, data, and impact-driven thinking to design financial instruments that support decarbonization, nature protection, and inclusive development.

At the same time, we recognize that this journey is only beginning. While the progress achieved to date is meaningful and reinforces the relevance of our approach, the scope for further action remains significant. There is ample opportunity to grow, diversify, and scale our impact, contributing more effectively to an economic model that respects planetary boundaries and promotes shared prosperity. This first integrated report therefore represents not an endpoint, but the starting point of a long and deeply necessary journey.

Marcos di Tullio Co-Chief Sustainability Officer

The preparation of Régia's first Integrated Climate and Biodiversity Report is the result of a collective effort that began long before the writing of this document.

This Report provides a snapshot of Régia from the perspective of how our activities both contribute to and are impacted by the environment, specifically in the areas of climate and biodiversity.

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), we present an analysis of the risks and opportunities of climate change within our investment portfolio, as well as our actions to align with the targets of the Global Biodiversity Framework, such as developing nature-based solutions products, demonstrating the integration of climate and nature considerations into our decision-making processes.

We aim to achieve net zero, and the first step on this journey is measuring our carbon footprint. The Report presents Régia's first greenhouse gas inventory, covering both the operational emissions of our team and the financed emissions associated with our investment activities, which represent more than 99% of our carbon footprint.

We are committed to eliminating deforestation, land conversion, and human rights abuses driven by the agricultural and forestry commodities within our portfolio. As part of this commitment, the Report provides an update on our activities to honor this objective, whether through active engagement with companies exposed to deforestation risks or by developing financial products that help drive the positive transformation of businesses towards a green and low-carbon economy. In 2024, we had 58 engagements with stakeholders exclusively dedicated to the climate and nature agendas. We also screened more than 500,000 hectares of land during our socio-environmental due diligence process.

We are very pleased with the analyses presented and would like to thank everyone who contributed to the success of this Report.

We wish you a pleasant reading.

Bruno Bernardo Ramos

Bruno Bernardo, Sustainable Investments Analyst

Manifesto

We live in constant transition

The world keeps turning.
People change. And what about us?
We grow together.

So why not evolve the way we invest?
To unite capitals – human, natural, and financial – with purpose, align values with actions, enable sustainable investment solutions.

Dreamers?
Yes. But the kind that make things happen.
Experts?
Absolutely. But in a way that people understand.

We commit to innovation.
With an eye on tomorrow, without forgetting what brought us here. And it's here, in Brazil. The right place to multiply possibilities and a new economy.

Every decision we make goes beyond financial growth and brings us closer to a more prosperous and balanced world.

Do you believe in change?
A more sustainable future can start today.
So go beyond, build, and invest in the present.
And, with awareness, be part of the solution.

Executive Summary

This Executive Summary introduces the Régia 2024 Climate and Biodiversity Report, the company's first integrated report on the topic.

This Report is prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) and offers a snapshot of the impact of climate and biodiversity on Régia's activities.

Régia looks for the alignment of its actions with the Global Biodiversity Framework targets, offering transparency on the dual materiality assessment of its activities in relation to climate and nature.

Régia Capital is an asset management firm conceived from a strategic partnership between JGP Asset Management, a traditional independent asset manager with 25 years of successful track record and BB Asset, an asset manager leader in Brazil with over R$1.7 trillion under management connected with Banco do Brasil, classified as the most sustainable bank at the Corporate Knights' Global 100 ranking. Régia's mission is to enable sustainable investment solutions that contribute to the transition of new low carbon economy.

Régia is one of the few asset managers from the global south that is a signatory of key international coalitions focused on climate and nature, such as IPDD, Climate Action 100+, FSDA, IFACC, Finance for Biodiversity Pledge, PRI Spring, and FAIRR. Some of our climate and nature-related commitments and results:

- **Net Zero and Carbon Footprint:** Régia aims to achieve net zero by 2040, and an interim target of halving its GHG emissions by 2030 (Base year target 2024). The Report presents Régia's first greenhouse gas inventory, covering both the operational emissions of our team and the financed emissions associated with our portfolio. The portfolio emissions intensity is 37.33 tCO_2e / R$ million (Scopes 1+2) and 63.61 tCO_2e / R$ million (Scopes 1+2+3).

- **Deforestation and Biodiversity:** Régia is committed to eliminating deforestation, land conversion, and human rights abuses driven by agricultural and forestry commodities within its portfolio. The portfolio demonstrates that 83% of assets are allocated to companies free from deforestation risk and zero land use change controversies. None of the companies are involved in land use change controversies.

• **Engagements:** Régia conducted 58 engagements on climate and biodiversity topics with 48 companies and entities. The main engagement theme was deforestation.

The Report also demonstrates the integration of climate and nature factors into Régia's decision-making processes, through the analysis of risks and opportunities and the application of the TNFD's LEAP approach (Locate, Evaluate, Assess, and Prepare) for the identification and assessment of nature-related issues.

The document is the result of a collective effort and intended to detail Régia's actions to drive the positive transformation of businesses toward a green and low-carbon economy.

Key Highlights

Investments:[1]

9.7%
of the portfolio are renewable energy generation companies

0%
of the portfolio allocated to fossil fuel companies without a transition plan

3%
of portfolio companies related to Nature-Based Solutions (NBS)

Climate:[2]

36.8%
of portfolio companies have climate targets

5.7%
of portfolio companies have net zero targets approved by SBTi

[1] Investments percentages are related to assets under management (AuM).

[2] Climate percentages are related to assets under management (AuM).

Emissions:

Portfolio emissions intensity:

37.33

tCO_2e / R$ million (Scopes 1+2) and 63.61 tCO_2e / R$ million (Scopes 1+2+3)

Financed emissions intensity S1+2+3 are

6.21

times lower than Ibovespa benchmark

Inventory Data Quality Score[3]:

1.60

(Scopes 1+2) and 1.61 (Scopes 1+2+3)

Biodiversity:[4]

500,599

hectares of land assessed through socio-environmental criteria

83%

of the portfolio is allocated to companies free from deforestation risk

0.0%

of companies involved in land-use related controversies

Engagements:

58

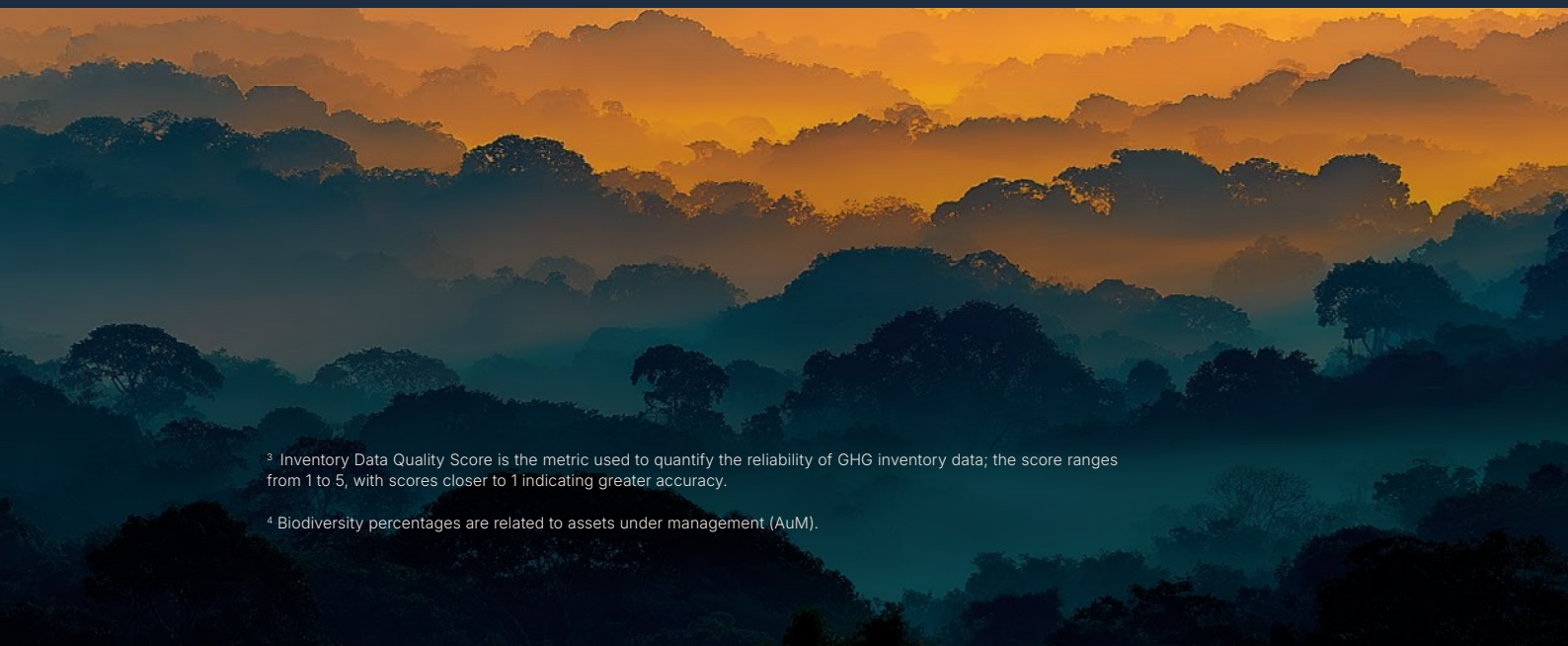
engagements on climate and biodiversity topics

48

companies and entities engaged

Main engagement theme:

deforestation



[3] Inventory Data Quality Score is the metric used to quantify the reliability of GHG inventory data; the score ranges from 1 to 5, with scores closer to 1 indicating greater accuracy.

[4] Biodiversity percentages are related to assets under management (AuM).

About Régia

Who We Are

Régia Capital is an asset management firm conceived from a strategic partnership between JGP Asset Management, a traditional independent asset manager with more than 27 years of successful track record and BB Asset, Brazil's leading asset manager, with over R$1.7 trillion under management connected with Banco do Brasil, classified at the most sustainable bank as the Corporate Knights' Global 100 ranking. Régia's mission is enabling sustainable investment solutions that contribute to the transition of new low carbon economy.

As of December 2025, Régia has a portfolio of approximately R$ 14 billion under management in active mandates for credit, equity, and funds dedicated to financing nature-based solutions and private equity strategies on critical minerals.

Our growth strategy is based on a dual democratization

The strategic partnership created by combining Banco do Brasil's unique distribution capabilities, market leadership, and international representation and JGP's experience in structuring and managing complex sustainable finance products, has allowed Régia to reach out over 30,000 individual investors and new types of institutional players, such as subnational governments, corporate treasuries, and philanthropic institutions. As per the Anbima Fund Managers Ranking , Régia reached over BRL 10 billion in AuM assets under management in its first year as an asset manager. This achievement reflects the combined strengths of both houses, bringing together their complementary backgrounds and experience.

By engaging closely with major global forums and national initiatives, we aim to play a leading role in enhancing the sustainable investing market in Brazil. Régia is one of the few asset managers from the global south that is a signatory of key international coalitions focused on climate and nature, such as IPDD, Climate Action 100+, FSDA, IFACC, the Finance for Biodiversity Pledge, PRI Spring and FAIRR. We participate actively in these forums, contributing to technical discussions, shared agendas, and the dissemination of best practices.

Our goal is to drive the transition to a green economy by engaging companies to adopt sustainable practices and drive capital to climate change at scale

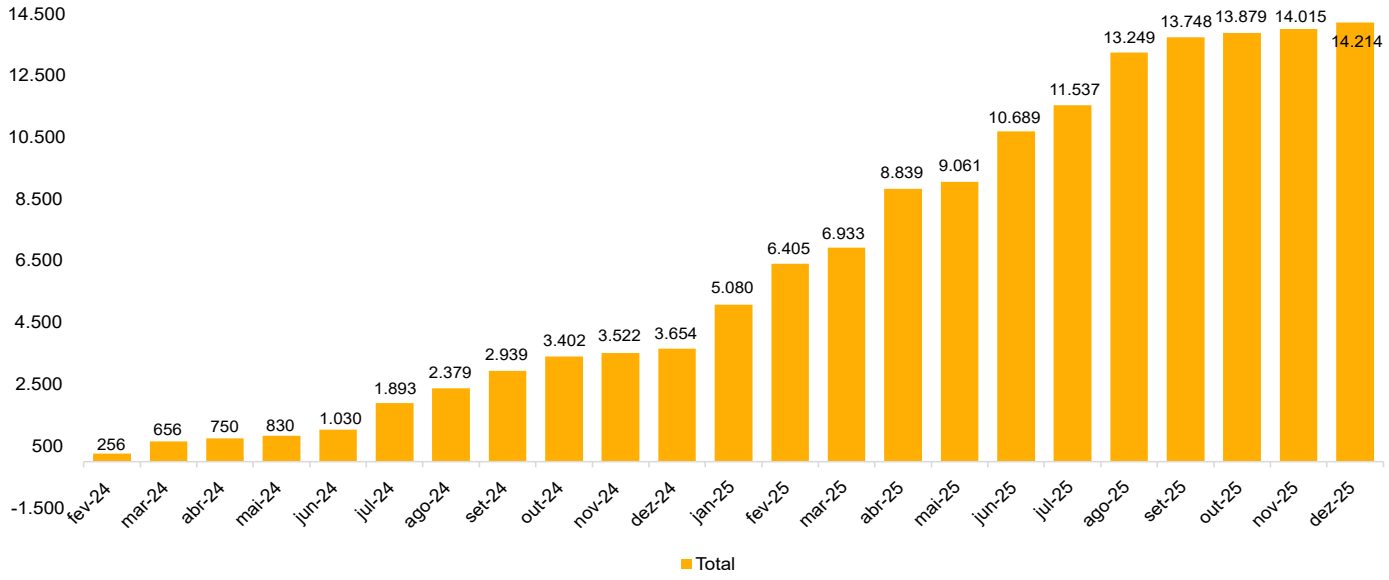
We believe that impact and financial returns should go hand in hand. This conviction guides our work as active investors.

We recognize both the opportunity and the responsibility of working to develop and implement sustainable best practices in the global south. Sustainable investments are essential to addressing climate, environmental, and social challenges. Turning these solutions into robust investment thesis requires innovation, proper structuring, and collaboration between public and private sectors.

It is an ongoing process, grounded in transparency, risk management, and the delivery of consistent financial results.

We remain committed to deepening our knowledge and supporting the development of investment models that make meaningful contributions to climate and sustainability agendas.

Régia in numbers (R$mn)



Source: Régia Capital.

About this report

This is Régia Capital's first Climate and Biodiversity Report on climate and nature--related risks, impacts, dependencies, and opportunities. It aims to provide transparency to all our stakeholders regarding the dual materiality assessment of our activities in connection with climate and nature.

All figures and scope of performance data are related to the full year ending December 31st, 2024. All financial information is presented in Brazilian Reais (R$). The portfolio screening assessments considered only assets under management (AuM) allocated in companies and projects, excluding cash and others, which is equivalent to 72.3% (R$2.76 billion) of total AuM.

On a voluntary basis, this report is prepared in accordance with the recommendations[6] of the Task Force on Climate-related Financial Disclosures (TCFD), incorporated into ISSB Standard IFRS S2 Climate-related Disclosures.

For biodiversity-related disclosures, this report is following the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). It includes a set of general requirements for nature-related disclosures and a set of recommended disclosures structured around the four pillars of **(i)** governance, **(ii)** strategy, **(iii)** risk and impact management, and **(iv)** metrics and targets. The report also follows the Additional guidance for financial institutions (June, 2024) to apply the TNFD recommendations and core disclosure metrics and indicators. Please find below the summary of above-mentioned recommendation disclosures:

[6] **Available at:** https://www.fsb-tcfd.org/recommendations/

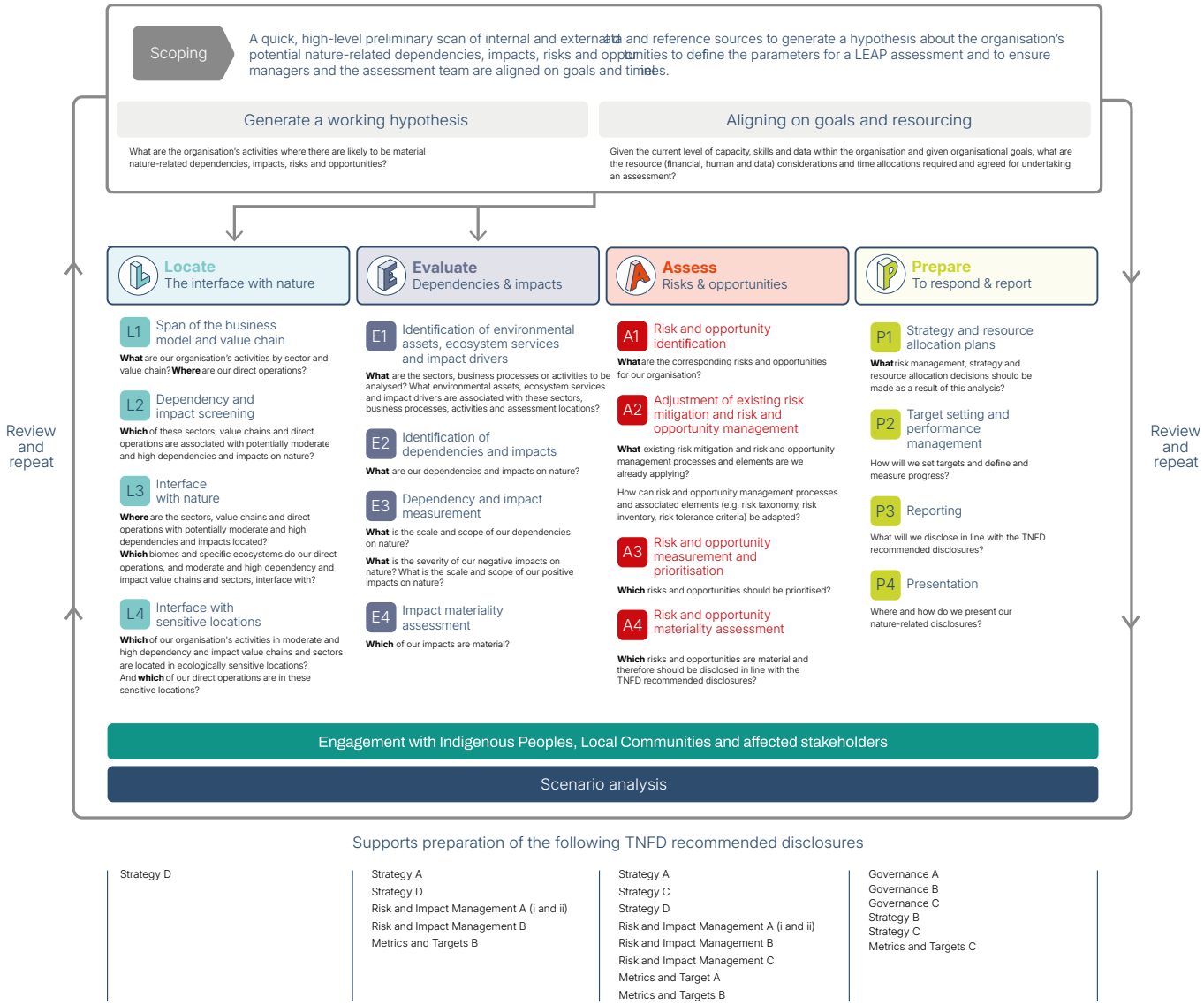
Figure I – TNFD's recommended disclosures

Governance	Strategy	Risk & impact management	Metrics & targets
Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
Recommended disclosures	**Recommended disclosures**	**Recommended disclosures**	**Recommended disclosures**
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities. B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities. C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term. B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place. C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios. D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	A(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. A(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s). B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities. C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process. B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature. C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

On the identification and assessment of nature-related issues, we're following the guidance on the integrated approach that TNFD has developed, called the LEAP approach, or 'LEAP' for short (Locate, Evaluate, Assess, and Prepare).

[7] **Available at:** https://tnfd.global/publication/additional-disclosure-guidance-for-financial-institutions/

Figure 1: The LEAP approach



We conducted our portfolio assessment with support of NatureAlign Module 1 app from Nature Finance. The Module is a freely available and publicly accessible web-based app. It is designed to help financial institutions undertake portfolio--level assessments of where they currently stand with respect to nature given the sectors and countries invested.

By adopting the ISSB and TNFD recommendations, we are committed to enhancing our transparency by disclosing the material climate and nature-related risks related to our investment portfolio. This report offers a view of our strategy, governance, risk assessment, and management approaches regarding those risks.

We are also publishing this report in response to our commitment as a signatory of the Finance for Biodiversity pledge to annually and transparently disclose the significant positive and negative contributions to global biodiversity goals linked to our financing activities and investments in our portfolios.

1. Introduction

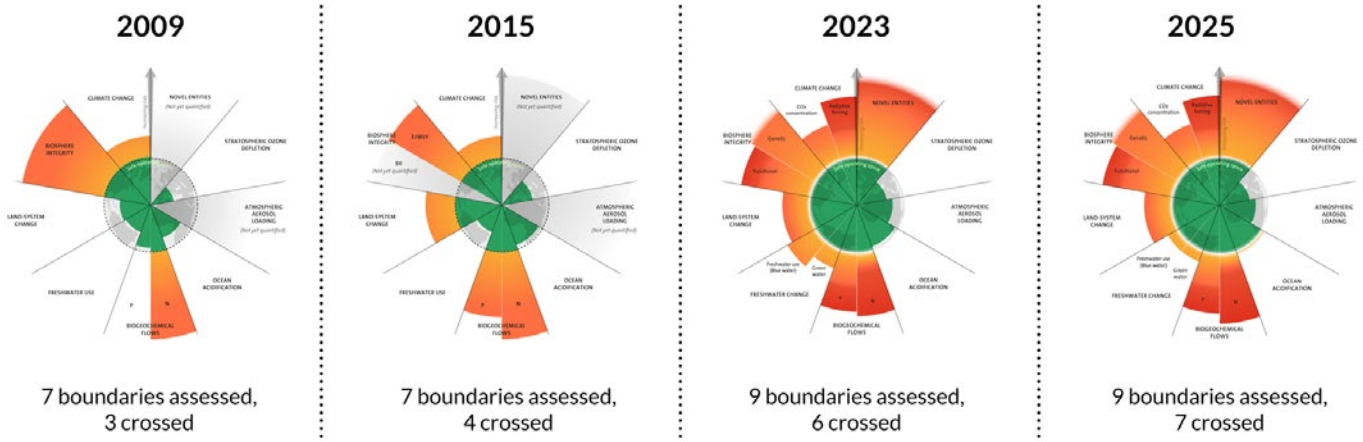
Environmental risks dominate the global risk landscape

The concept of planetary boundaries draws attention to the increasing risks linked to intensified human activity affecting nine key global processes that support the Earth's stability and resilience.

This framework was first introduced in 2009 by a group of 28 internationally renowned scientists led by former Stockholm Resilience Centre director Johan Rockström. Combining insights from many fields of global environmental change research, the framework highlights nine global change processes where human activities affect Earth's functioning. Planetary boundaries are quantitative assessments of the safe limits for human impact on these nine critical processes.

The most recent update, published in 2025, not only quantified all nine boundaries but also revealed that seven of them have already been exceeded. The seven breached boundaries are: climate change, biosphere integrity, land system change, freshwater use, biogeochemical flows, novel entities, and ocean acidification, with the last one joining the danger zone this year.

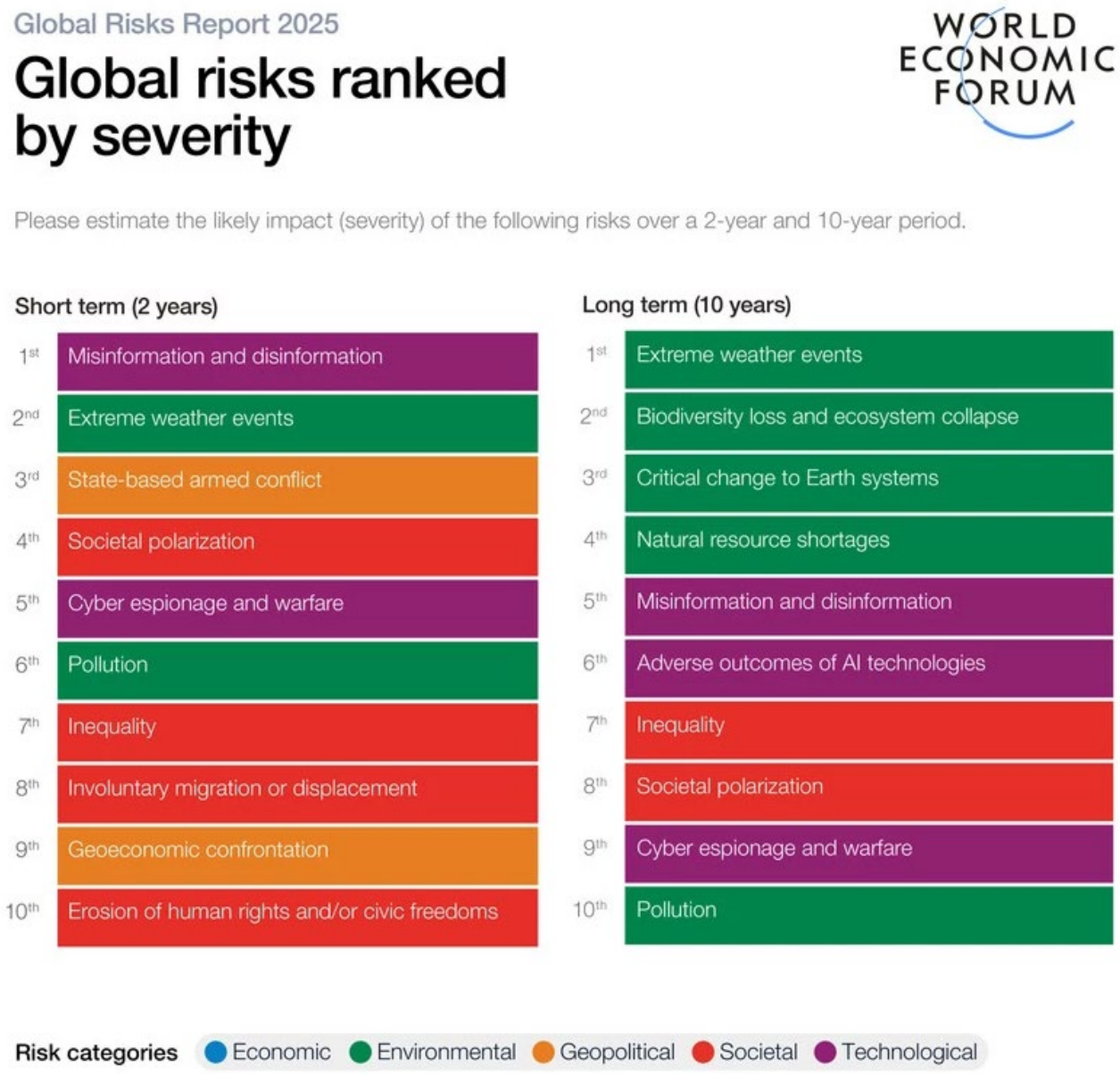
Figure III - Evolution of the Planetary Boundaries framework



Source: Azote for Stockholm Resilience Centre, Stockholm University. Based on Sakschewski and Caesar et al. 2025, Richardson et al. 2023, Steffen et al. 2015, and Rockström et al. 2009.

At the same time, the 20th edition of the World Economic Forum's Global Risks Report 2025 highlights an increasingly fragmented global context, where growing geopolitical, environmental, social, and technological challenges pose serious threats to political/social stability and progress.

Figure IV – Global risks ranked by severity perception survey



Source: World Economic Forum Global Risks Report 2025

The declining health and resilience of the Earth's system is clearly reflected in risk perceptions.

Urgent action is needed to reverse this scenario. Similar to the Paris Agreement (2015), the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted by 196 countries at the UN Biodiversity Conference (COP15). This historic framework sets out an ambitious pathway to halt and reverse nature loss by 2030.

Climate change and biodiversity loss are interlinked challenges that must be addressed together, and the financial market plays a key role in shaping climate and nature positive financial flows.

As per the Global Landscape of Climate Finance report (CPI, 2025), the annual climate finance reached US$ 1.9 trillion in 2023, with climate mitigation finance accounting for most climate-related flows (US$ 1.7 trillion). As per adaptation finance, it reached US$ 65 billion. We must be aware that delaying climate action only increases adaptation costs. On average, US$ 6.3 trillion in annual climate finance will be needed until 2030 to avoid the worst climate change impacts[12].

As mentioned at the State of Finance for Nature report (UNEP, 2022), by 2030, annual investments in nature-based solutions (NBS) need to more than triple - from US$ 154 billion (2022) to US$ 484 billion - to meet international commitments set by the Rio Conventions[13].

We must mobilize and accelerate capital flows through climate solution innovations to help close the investment gap required to limit global warming to 1.5°C.

[12] **Available at:** https://www.climatepolicyinitiative.org/wp-content/uploads/2000/06/compressed_Global-Landscape-of-Climate-Finance-2025.pdf

[13] **Available at:** https://wedocs.unep.org/rest/api/core/bitstreams/513b980f-f5ab-4d8c-9f09-8b305e88e2cd/content

Governance

Régia's governance is oriented to ensure accountability, transparency and effective integration of sustainable aspects in our investment process.

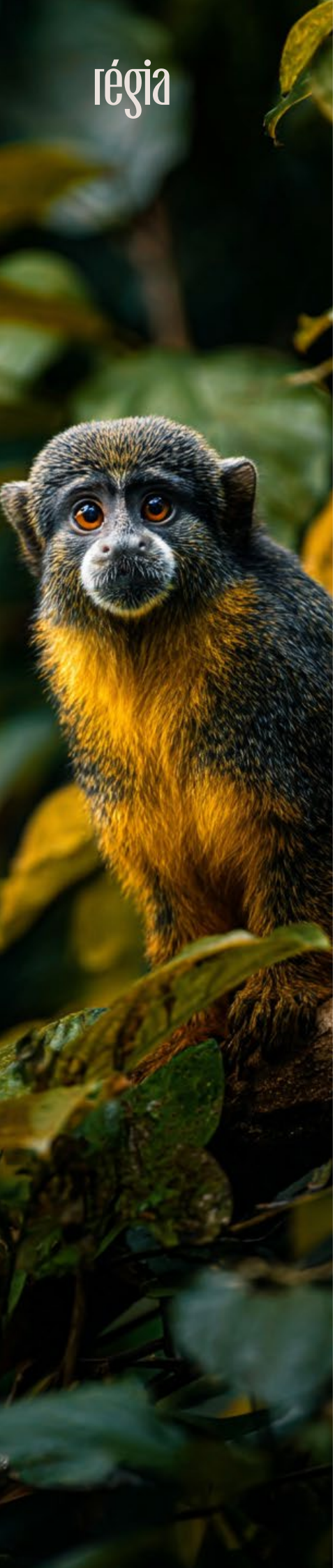
Our Board of Directors, composed by Régia's officers, provides strategic oversight and is responsible for the approval of ESG policies and procedures. Régia also has an ESG Sustainability Committee, composed by the Sustainability Officers, the Compliance Officer and one member of the investment team, which is responsible for executing and addressing the Board of Directors' policies and investment integration process. Additionally, there is a Risk and Compliance Committee, with oversight on the due diligence process, reputational and compliance risks, composed mandatorily by the Compliance Director and the Compliance Officer and an additional member of the team as the case may be.

On the executive level, Régia has two Sustainability Officers: one who leads the integration of environmental, social, and governance factors across asset classes, portfolio monitoring, data governance, and stewardship activities and the other is responsible for Régia's institutional representation and national and international fundraising.

Régia's Sustainable Investments team, which currently comprises eight members, holds degrees in diverse fields such as Agricultural & Environmental Engineering and Biological Sciences and two of its members holds a CFA Sustainable Investing certificate and one holds a CFA UK Climate Investing.

Our investment process relays on cross-functional collaboration. Sustainable Investments team appraises ESG aspects and discloses them to the investment team, who integrate into the valuation models and decision-making, weighing financial and non-financial risks, including climate scenarios and materiality assessments. Clear reporting lines, well-defined responsibilities, and structured RACI (Responsible, Accountable, Consulted, Informed) frameworks ensure consistency, reduce conflicts of interest, and enhance accountability.

To ensure all ESG aspects are captured, Régia uses a proprietary tool that comprises our ESG Methodology.



ESG Methodology:

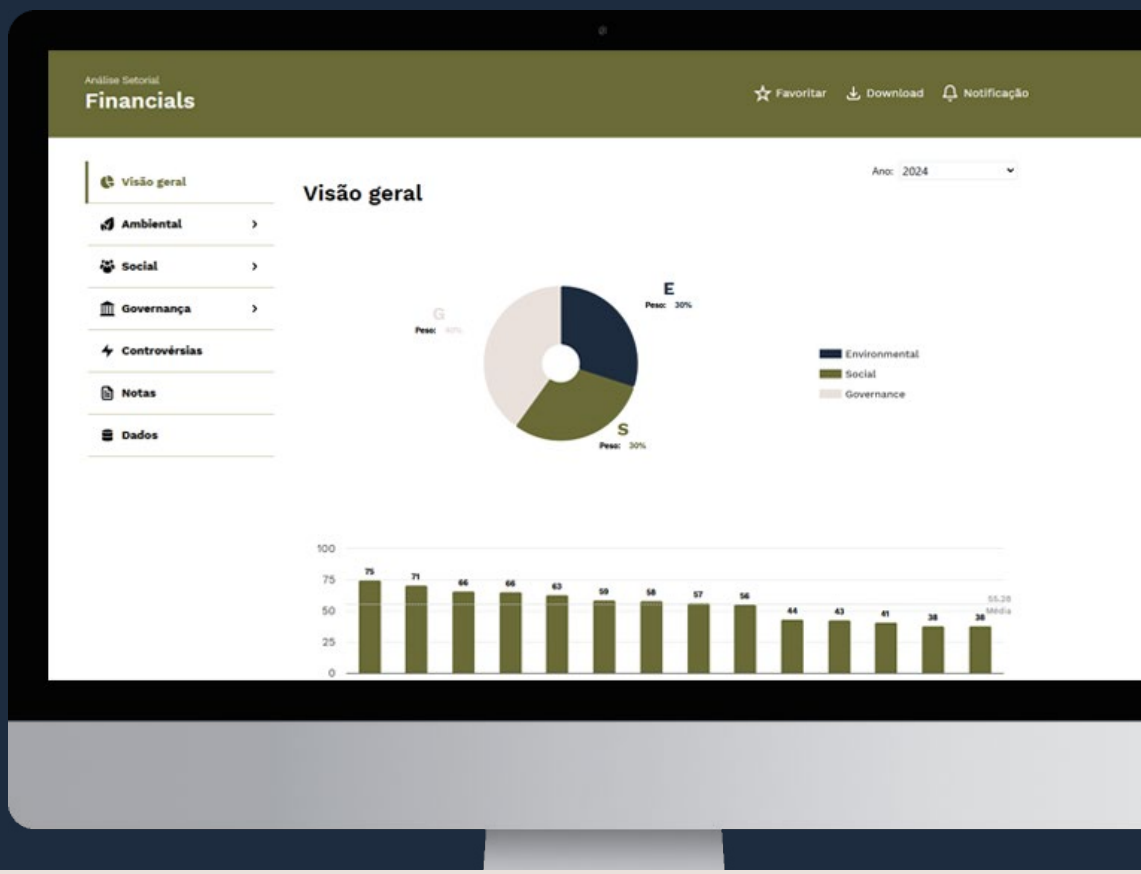
Régia Capital has developed a methodology capable of capturing ESG indicators to support our asset selection and analysis process. Our ESG Framework applies a set of questions (ESG Framework) that provides us with a more comprehensive mapping of the company's current stage regarding how it addresses its externalities and its present actions, as well as its short- and medium-term planning. This process is carried out considering international standards, such as SASB (Sustainability Accounting Standards Board), which aims to categorize the most material issues for each sector, along with indicators from the WEF (World Economic Forum), IFC Indicators, and other relevant sectoral taxonomies.

After identifying these factors, we developed our sectoral proprietary framework, which is completed using quantitative and qualitative aspects, as well as controversies. We use publicly available information from the companies analyzed and independent sources.

Specific issues related to climate and biodiversity will appear in the ESG frameworks based on their materiality to the sector. Climate-related topics are present across all sectors, with their weight varying according to sectoral relevance, while biodiversity-related issues are more associated with specific sectors, such as agribusiness, electric utilities, and others.

This process of analysis and completion of the framework is carried out through regular interactions between our research teams and the companies being assessed, ensuring the framework is aligned with the materiality of the companies and sectors involved.

ESG Platform



Source: Régia Capital.

Pre-investment

The investment committees are led by the analyst responsible and include a broader team to evaluate all aspects presented around a determined asset. To support the analysis, the Sustainable Investment team and the Compliance Officer present, respectively, independent assessment to be considered in the decision-making process. These committees discuss a prospective investment's thesis, operational/credit risk, solvency, collateral, and alignment with fund- and company-level strategy, as well as of sustainability, including climate and biodiversity topics, and Compliance aspects.

Monitoring

The company's ESG Framework is updated annually, and the Sustainable Investments team is responsible for the stewardship activities, such as engaging investee companies on environmental, social, and governance topics.

For structured funds, we maintain an even closer monitoring process with portfolio companies, including the creation of Impact Committees and the periodic tracking of specific KPIs established according to the assets that make up the portfolio.

Portfolio Managers are constantly provided with investee's material ESG factors within this process.

Stewardship

Engagement can be conducted individually with the company, based on the ESG analysis, or collaboratively with other investors and stakeholders through the initiatives to which we are signatories.

In 2024, we engaged actively with 48 companies and entities on topics related

to nature and climate, such as climate change, taxonomies, physical and transition risks, biodiversity protection, and deforestation.

Firmwide awareness

Over the year, as part of our efforts to build a culture around ESG practices and topics, we held discussion forums open to all Régia employees, covering issues related to climate and biodiversity, among other sustainable-related matters. In 2024, we held **9 forums with an average of 34 participants**, addressing topics such as carbon credits, and the relationship between meatpackers and deforestation in Brazil.

Human rights policy

We recognize the interdependence between delivering differentiated returns while preserving the capital under management and respecting fundamental rights. Considering historical social distortions and controversies surrounding corporate governance, coupled with the understanding that a company's contemporary social role should involve the reduction and compensation of its adverse impacts and the maximization of its positive impacts, Régia acknowledges its responsibility to promote respect for human rights among all its stakeholders – employees, third parties, clients, suppliers, partners, and investors.

Régia Capital is a member of PRI Advance[14], a PRI-led collaborative initiative where institutional investors seek to advance human rights and positive outcomes for people through investor stewardship. Members of the initiative endorse the PRI Advance Investor Statement, which outlines the investor case for advancing human rights. PRI Advance also delineates a strategy for making progress through engagement and sets expectations for companies being engaged through the initiative.

In line with international standards, our activities and investments must respect human rights. As such, we consider issues related to working conditions, labor rights, gender equality, as well as those associated with deforestation, such as the inclusion of small farmers, Free, Prior, and Informed Consent (FPIC) from relevant communities, protection of the rights to land, resources, and territory of indigenous peoples and local communities, and a zero-tolerance approach towards threats and violence against forests, lands, and human rights defenders.

As mentioned before, through the analysis conducted with our proprietary ESG Framework, we can identify potential practices and controversies that may violate the guidelines of the Universal Declaration of Human Rights. To identify, prevent, mitigate, and address the negative impacts of investments on human rights, we constantly monitor our invested securities' issuers and their ESG performance. Our analysis is updated based on positive or controversial events that may impact on the companies.

Additionally, engaging with these companies is an important part of our ESG analysis process. Engagement allows Régia to verify that the sustainability practices identified at the beginning of the investment are still valid and/or whether they can be improved upon.

[14] Available at:< https://public.unpri.org/investment-tools/stewardship/advance>

When a company faces a controversy, we study and analyze the issue, interview various stakeholders to gain a better understanding, and attempt to contact the company for clarification. When contacting a company directly, Régia gives them the opportunity to explain the facts and inform us of any mitigation measures being taken to address the issue and prevent its recurrence. If the response is inadequate or unsatisfactory, and in accordance with our ESG Policy, we will then trigger our escalation process, which may ultimately lead to divestment and even inclusion of the company on our exclusion list, depending on the severity of the incident.

This process involves analyzing companies based on their official reports, phone and email communication, and collaborative meetings between Régia and the analyzed company to discuss relevant points in their communications. In these meetings, we encourage positive changes for the companies through suggestions related to the quantity and/or quality of data publicly disclosed on their official website and the Investor Relations website.

In addition, we strongly encourage our investees to pursue gender equity, adopt an anti-corruption policy, and implement integrity and ethical practices, as well as maintain a public channel for receiving complaints. At Régia Capital, our Compliance team also serves as our Ombudsman, acting as the primary mechanism for handling complaints.

It is the responsibility of the Régia Ombudsman to receive, record, analyze, instruct, and respond to all sorts of queries, suggestions, complaints, criticisms, compliments and reports from customers on activities related to the securities market, from employees or other stakeholders related to conduct that violates aspects of human rights. Contact can be made by email at: compliance@regiacapital.com.br.

9. Strategy

This Section discloses the effects on nature-related dependencies, impacts, risks and opportunities on Régia's business model where such information is material.

Theory of Change

Régia Capital's theory of change is guided by Brazilian federal public policies and international climate- and nature-related efforts. With a systemic transformation approach, the theory is divided into short-, medium-, and long-term objectives.

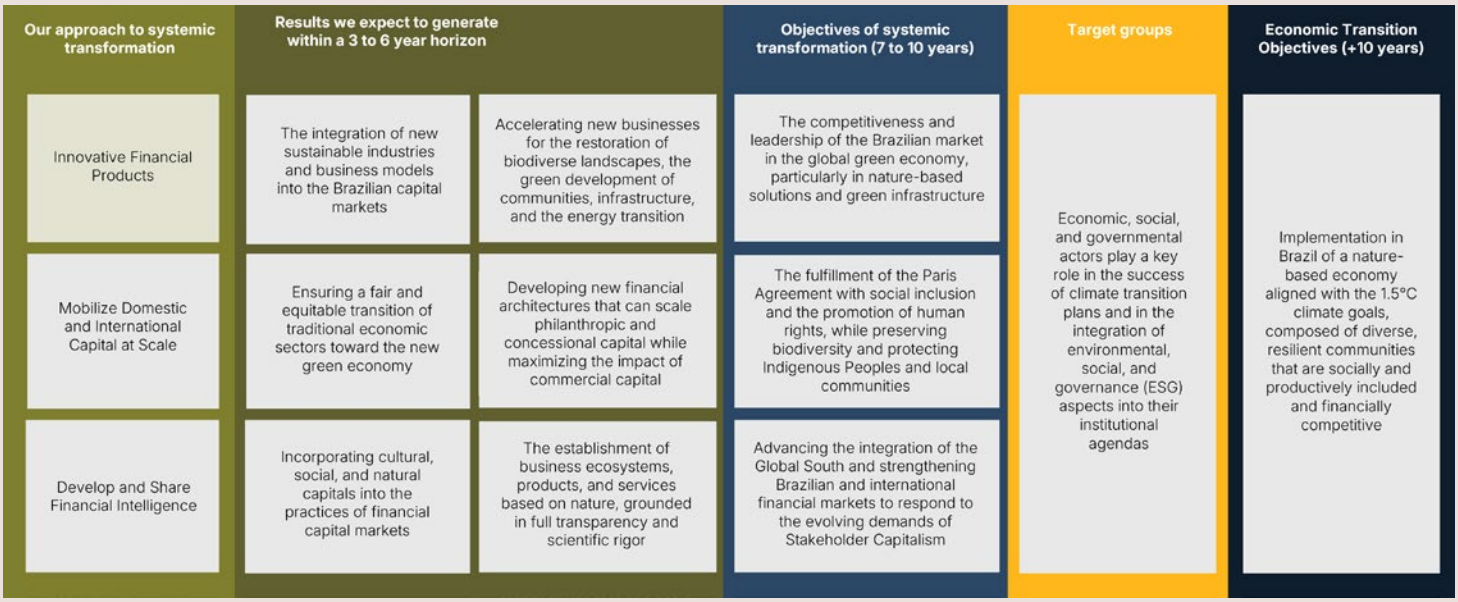


Figure V – Theory of Change

Source: Régia Capital.

régia

Climate risks, and opportunities

Brazil is among the world's most megadiverse countries and presents significant potential to create long-term value through businesses that generate positive environmental and social externalities within the emerging low-carbon economy. Strategic opportunities include renewable energy, biofuels, and critical minerals for battery development to support the energy transition. In addition, nature-based solutions, such as the restoration of degraded pasturelands, agroforestry systems, and crop-livestock-forestry integration, offer scalable pathways to enhance resilience, promote sustainable land use, and deliver measurable climate and biodiversity benefits. On the other hand, several risks related to climate change and biodiversity should be assessed to drive a sustainable transformation.

Climate risks can be divided into two categories: transition risk and physical risk. These different types of risks may directly affect companies, as well as indirectly through disruptions in their value chains.

Physical risks can be classified as either acute (event-driven) or chronic (long-term shifts). Acute risks are associated with extreme events such as cyclones, hurricanes, and floods, whose frequency and severity are expected to increase with climate change. Chronic risks refer to long-term shifts in climate patterns, such as sea level rise.

Transition risks are associated with the shift to a low-carbon economy. They may arise from legal, policy, technological, or market changes.

In the short term (up to 5 years), we identify risks such as floods, droughts, storms, wildfires, heatwaves, and landslides, which may negatively affect our investments both directly and indirectly. On the transition side, we see increasing regulatory requirements for climate disclosure as a key risk, as companies that are slow to comply may face financial penalties and reputational consequences.

In the medium term (5 to 10 years), transition risks are expected to intensify, with access to capital becoming increasingly restricted to companies with more efficient and sustainable business models,

as well as technological disruptions affecting companies that fail to innovate.

In the long term (beyond 10 years), we anticipate an intensification of acute physical risks and a shift in customer preferences toward more sustainable businesses. Overall, we expect physical risks to increase over time.

However, risks might also present opportunities that may emerge from these changes. Measures to mitigate or adapt to climate change can drive companies to become more efficient or create new businesses to address climate-related challenges.

At Régia, we assess these dependencies and impacts using a set of tools, which we will detail throughout this report.

Nature dependencies and impacts

At Régia, we use the ENCORE dataset[15] within the NatureAlign Module 1 app to assess all nature-related dependencies and impacts.

Régia Capital's portfolio cuts across 36 primary economic sectors, based on the International Standard Industrial Classification of all Economic Activities (ISIC), as shown in Table I. The portfolio is not concentrated in any particular sector. The top three sectors within the portfolio are "Other monetary intermediation", "Electric power generation, transmission and distribution" and "Activities of head offices". Together, they account for 34% of financial exposure and do not have any high or very high nature-related dependencies or impacts on average based on an economic sector level. However, while the analysis does not highlight any high or very high dependencies for the "Electric power generation, transmission and distribution sector", it is important to note that in Brazil, where the majority of Régia Capital's portfolio is concentrated, electricity is mainly generated by hydroelectric plants which suggests that there is a high dependency by this sector on water supply, water flow regulation, and rainfall pattern regulation.

[15] Attribution: ENCORE data provided by ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) under Creative Commons CC BY-NC-SA 4.0 license. Full reference: ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) (2024). ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [On-line], [July 2024], Cambridge, UK: the ENCORE Partners. Available at: https://encorenature.org.

Table I - Sectoral overview of Régia Capital's portfolio

	Sectors (based on ISIC classification)	Financial exposure (%)	High average dependencies and/or impacts?
1	Other monetary intermediation	13.7%	No
2	Electric power generation, transmission and distribution	10.8%	No
3	Activities of head offices	8.0%	No
4	Other credit granting	6.2%	No
5	Water collection, treatment and supply	6.1%	Yes
6	Plumbing, heat and air-conditioning installation	5.8%	No
7	Medical and dental practice activities	5.5%	No
8	Activities of holding companies	5.4%	No
9	Treatment and disposal of non-hazardous waste	4.2%	Yes
10	Manufacture of pharmaceuticals, medicinal chemical and botanical products	4.0%	Yes
11	Manufacture of pulp, paper and paperboard	3.9%	Yes
12	Renting and leasing of motor vehicles	3.4%	No
13	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	3.1%	No
14	Higher education	3.1%	Yes
15	Other human health activities	2.2%	Yes
16	Operation of sports facilities	1.8%	No
17	Wholesale of other household goods	1.7%	No
18	Manufacture of basic chemicals	1.3%	Yes
19	Urban and suburban passenger land transport	1.2%	No
20	Wholesale of food, beverages and tobacco	1.0%	No
21	Other activities auxiliary to financial service activities	0.9%	No
22	Sea and coastal freight water transport	0.9%	Yes
23	Non-life insurance	0.6%	No
24	Wholesale of agricultural raw materials and live animals	0.4%	No
25	Other professional, scientific and technical activities n.e.c.[16]	0.4%	No
26	Activities of other membership organizations n.e.c.	0.4%	No
27	Hairdressing and other beauty treatment	0.4%	No
28	Wholesale of waste and scrap and other products n.e.c.	0.3%	No
29	Trusts, funds and similar financial entities	0.2%	No
30	Wholesale of construction materials, hardware, plumbing and heating equipment and supplies	0.2%	No
31	Raising of poultry	0.1%	Yes
32	Manufacture of vegetable and animal oils and fats	0.1%	No
33	Manufacture of wearing apparel, except fur apparel	0.1%	No
34	Retail sale of beverages in specialized stores	0.1%	No
35	Wired telecommunications activities	0.1%	No
36	Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores	0.1%	No
Total		100%	-

[16] N.e.c: Not elsewhere classified

Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025).

Sectors with dependencies or impacts that have an average magnitude of 3.5 out of 5 or more on the ENCORE dataset scale are flagged and therefore considered to be material. The app applies this threshold as it represents the top 20th percentile within the ENCORE data, allowing for non-integers which may arise when averaging across categories. Three out of the portfolio's top 10 sectors are flagged as having high or very high nature-related dependencies and/or impacts, as follows:

- **Water collection, treatment and supply (6% of portfolio):** High or very high dependencies include solid waste remediation, water purification, and rainfall pattern regulation. High or very high impacts include area of freshwater use and area of land use.

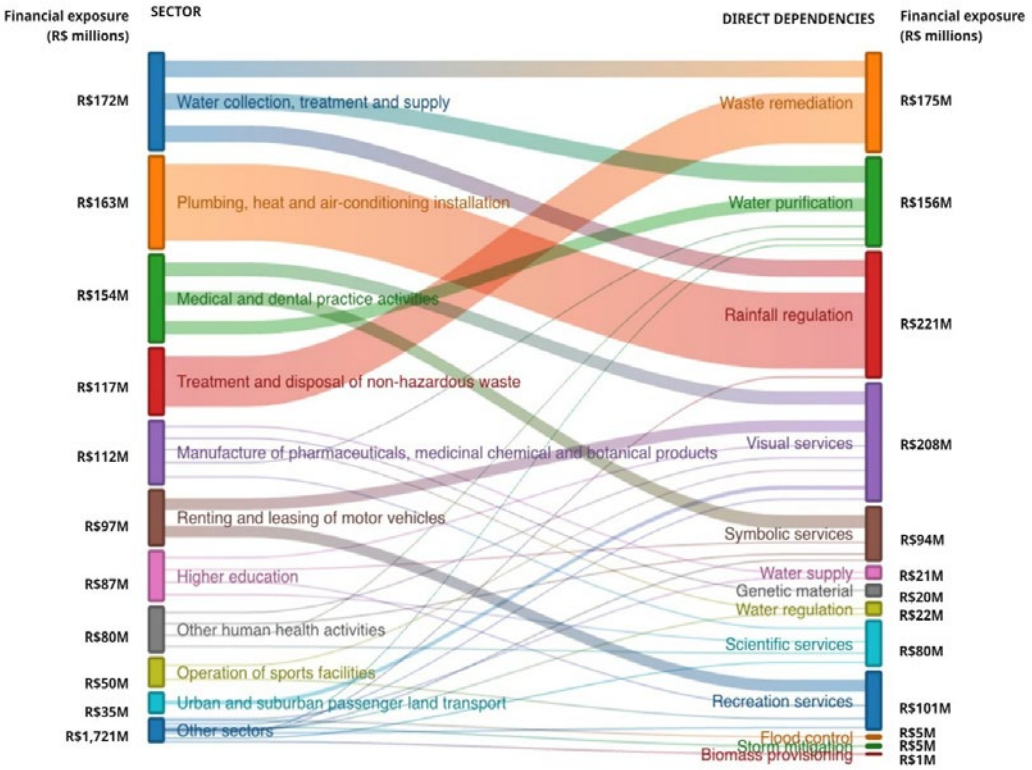
- **Treatment and disposal of non-hazardous waste (4% of portfolio):** High or very high dependencies include waste remediation. High or very high impacts include emissions of greenhouse gases, emissions of toxic soil and water pollutants, and emissions of nutrient soil and water pollutants.

- **Manufacture of pharmaceuticals, medicinal chemical and botanical products (4% of portfolio):** High or very high dependencies include water purification, genetic material, water supply, water flow regulation, and education, scientific and research activities. This sector does not have any high or very high impacts.

Figure VI highlights the top 10 sectors with high or very high nature-related dependencies in Régia Capital's portfolio.

Figure VI

Top 10 sectors with high or very high dependencies on Régia's portfolio



Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025) and ENCORE data provided by ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) (2024). ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [On-line], [July 2024], Cambridge, UK: the ENCORE Partners. Available at: https://encorenature.org

Figure VI shows that nearly 15% of the portfolio has high or very high dependencies on water-related ecosystem services, including water purification, rainfall regulation, water supply, water regulation, flood control and storm mitigation.

And Figure VII highlights the top 10 sectors with high or very high nature-related impacts in Régia's portfolio.

Figure VII

Top 10 sectors with high or very high impacts on Régia's portfolio

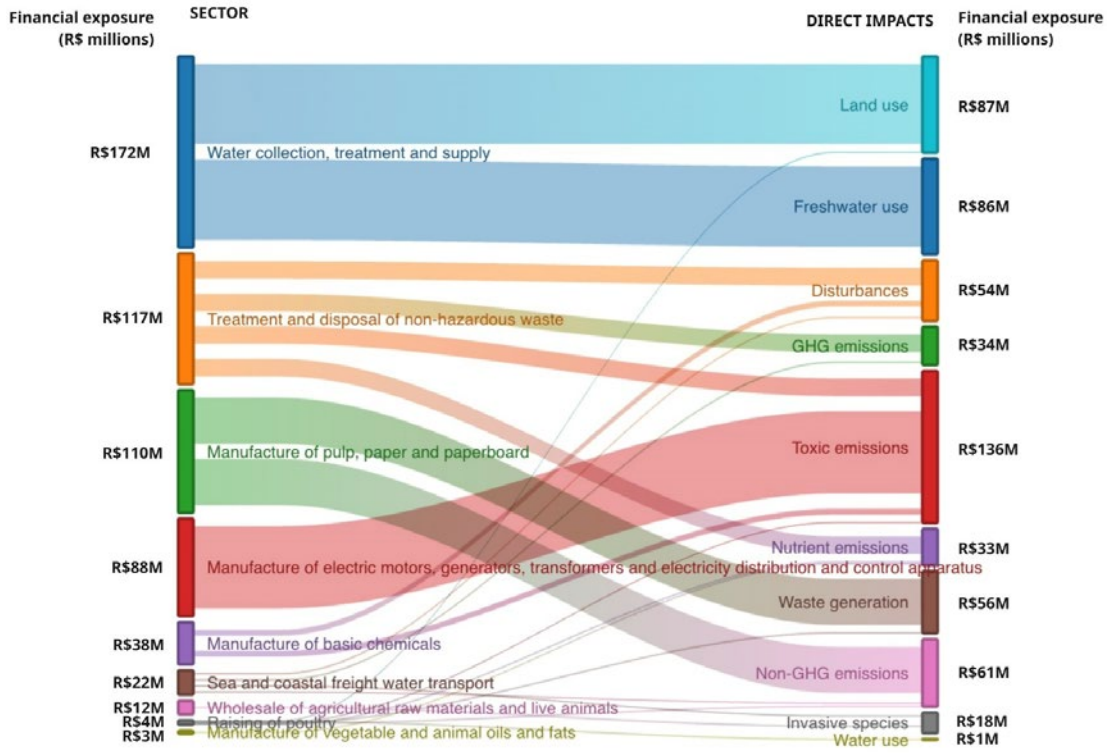


Figure VII shows that nearly 10% of the portfolio is driving emissions such as greenhouse gas emissions, toxic emissions, nutrient emissions and non-greenhouse gas emissions.

Beyond the direct sectors within Régia Capital's portfolio, the NatureAlign Module 1 app examines the nature-related dependencies and impacts of these sectors' key upstream and downstream sectors. This is also based on analysis provided within the ENCORE dataset which uses input-output modelling to identify upstream and downstream sectors that significantly contribute to each direct sector. The tool takes this a step further by setting out these upstream and downstream sectors' own nature-related dependencies and impacts. For example, the sector with the highest financial exposure within Régia Capital's portfolio is "Other monetary

Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025) and ENCORE data provided by ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) (2024). ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [On-line], [July 2024], Cambridge, UK: the ENCORE Partners. Available at: https://encorenature.org

intermediation" and it is linked to the following selected sectors:

— Level 1 upstream sectors include but are not limited to: Financial service activities (except insurance and pension funding); Telecommunications; Postal and courier activities; etc.

— Level 1 downstream sectors include but are not limited to: Growing of fibre crops; Manufacture of food products; etc.

As part of our understanding of nature--related dependencies and impacts, we recognize that business risks related to water use can be mitigated through nature-positive actions, such as water management programs, encouraging companies to adopt resource optimization practices, including water reuse and efficiency improvements, avoiding operations in areas of high water stress, and promoting riverbank and watershed restoration to help maintain water bodies and the ecosystem services they provide.

These dependencies, impacts, risks, and opportunities are fully integrated into our investment process.

From a climate perspective, we conduct an annual monitoring of our greenhouse gas (GHG) emissions inventory, covering Scopes 1, 2, and 3. We also track climate-related indicators of our investee companies, including the level of transparency on climate disclosures, development of GHG inventories, climate targets, and decarbonization strategies.

From a nature perspective, we incorporate socio-environmental analyses into our company assessments. These analyses are carried out at both the asset and portfolio levels to identify risks and opportunities related to land use, such as compliance with land tenure regulations, adoption of best management practices, and use of sustainability certifications.

Within our ESG analysis framework, which integrates environmental, social, and governance aspects, we have included specific indicators to capture dependencies, impacts, risks, and opportunities related to climate and biodiversity, whenever they are material to each company.

From a water-related risk mitigation perspective, we assess the historical water use of all investee companies through this framework, assigning lower scores when water use intensity increases relative to revenue. We also engage with companies to better understand irrigation practices in the case of agricultural activities, and riverbank restoration initiatives for water and sanitation companies. In addition, we encourage all companies to adopt measures that improve water-use efficiency and to ensure that water sourcing does not come from areas under high water stress. These analyses are conducted at asset level to identify risks and opportunities associated with land and water use.

Initiatives & Company policies

Contributing to our theory of change and aligned with our strategy, Régia Capital is one of the few asset managers from the global south that is a signatory to the main investor coalitions dedicated to tackling climate change and deforestation.

We are members of the following initiatives because we recognize the importance of acting collaboratively to prevent the worst impacts of climate change.

Climate- and biodiversity-related initiatives and commitments:

Given the establishment of Régia in 2024 and the ongoing review of the Net Zero Asset Managers (NZAM) initiative, we have not been able to formally join the group of investors committed to supporting the goal of net-zero greenhouse gas emissions by 2050 or sooner. Nevertheless, we have publicly stated our ambition to achieve net-zero emissions by 2040, with an interim target of halving our GHG emissions by 2030.

Our net-zero ambition covers all asset classes, and we are closely following the development of the Science Based Targets initiative (SBTi) standards, with the aim of seeking validation of our targets to better align our financial flows with the goal of limiting global warming to 1.5°C.

In our ESG Manual, the guiding document for our investment decisions, we include investment restrictions on aspects that are intrinsically linked to climate. We prohibit investments in companies that meet the following criteria:

— Companies that derive more than 10% of their revenue from coal mining and have no clear plan to diversify their energy sources;

— Companies that derive more than 20% of their revenue from coal-fired power generation or trading and have no clear plan to diversify their energy sources;

— Companies involved in the exploration of unconventional oil and gas resources, such as shale, oil sands, tar sands, and heavy oil, or that use alternative methods such as hydraulic fracturing (fracking) or sand separation.

We are revisiting our exclusion list to make it even more aligned with our corporate strategy. In addition, we believe we have a fiduciary duty to support companies that are committed to transitioning to a greener business model.

As a fundamental component in achieving net zero, an approach that addresses all major sources of greenhouse gas emissions is required, including those stemming from land-use change. In net-zero strategies, tackling emissions from deforestation and the conversion of native vegetation is not optional, but essential.

We are signatories of the Finance for Biodiversity Pledge, through which we commit to protecting and restoring biodiversity via our investment activities. Through this initiative, we pledge to collaborate and share knowledge on methodologies and metrics for positive biodiversity impact through financing; to engage companies to reduce their negative and increase their positive impact on biodiversity; to analyze the positive and negative impacts of our investment activities on biodiversity; and to set targets and publicly report on our biodiversity-related actions.

As founding members of the Finance Sector Deforestation Action (FSDA) Initiative, we commit to using best efforts to eliminate forest-risk agricultural commodity-driven deforestation activities at companies in our investment portfolios and financing activities by 2025. We recently updated our Anti-Deforestation Policy, reinforcing this commitment. In our policy, we outline the step-by-step process we take in our agricultural and forestry commodities (cattle, soy, palm oil, timber, paper, and pulp) investment and lending portfolio to ensure that we achieve a deforestation-, conversion-, and human rights abuse-free portfolio by 2025.

Given the scale of the challenge, after 2025, we will only finance or invest in companies exposed to deforestation that are committed to transitioning to deforestation- and conversion-free supply chains, with a final deadline by 2030, seeking to accelerate this timeline whenever possible. Our goal is to contribute to the transition to a green economy by urging these companies to adopt sustainable practices as quickly as possible, ahead of the established deadline.

Beyond deforestation, conversion, and human rights abuses related to these commodities, our ESG Manual includes the following exclusion criteria:

— Mineral exploration under conditions that pose high risks to surrounding communities and the environment, evidenced by technical reports, analyst assessments, or recent socio-environmental scandals;

— Production and trade of products subject to restrictions under the Stockholm Convention or Montreal Protocol, such as PCBs (Aroclor), ozone-depleting substances, pesticides, among others;

— Production and trade of radioactive materials (except for medical equipment and quality control devices where radiation exposure risk is minimal or properly mitigated);

— Production and trade of asbestos. This does not apply to the acquisition of materials containing less than 20% asbestos.

From an opportunity perspective, and aiming to help close the financing gap needed for nature-based solutions and contribute to the targets of the Global Biodiversity Framework (GBF), we are members of the Innovative Finance for the Amazon, Cerrado and Chaco (IFACC) initiative, where we seek to increase and accelerate loans and investments in sustainable agriculture in these biomes.

IFACC has a collective target to mobilize 10 billion USD by 2030. As part of this goal, we contributed to the structuring of the FIDC FIAgro Belterra, available at IFACC Market Report 2024.

FIDC FiAgro Belterra:

To date, the product has financed the implementation of 300 hectares of agroforestry systems, benefiting 12 landowners, seven of whom are smallholders. These areas have contributed to sequestering 6,750 tCO_2e, with a projected sequestration of 36,000 tCO_2e by 2025.

The project focuses on the Amazon (90%) and the Atlantic Forest (10%) in regions facing serious social challenges and high deforestation rates. It adopts a model based on long-term lease contracts that allow technology transfer from Belterra to landowners without relying on land acquisition, enabling Belterra to expand to other regions after project implementation. Therefore, the project is expected to impact the region's Human Development Index (HDI) and lower deforestation rates in the selected municipalities, in line with the substantial socio-environmental additionalities of the project.

Scaling opportunities:

The expected fundraising target for the pilot is up to BRL 135 million (USD 25 million). The full pilot will consist of 4,000 hectares of restoration of degraded areas in the Atlantic Forest and Amazon, involving about 50 small and medium-sized properties and generating 680 direct jobs associated with its development. The collaboration aims to restore 40,000 hectares of degraded land by 2030 through the implementation of agroforestry systems. It is estimated that BRL 1 billion will be required to reach this goal.

Location of Belterra's activities:

In addition to IFACC, we've joined the Brazil Restoration & Bioeconomy Finance Coalition (BRB Finance Coalition). This coalition seeks to accelerate the conservation and restoration of Brazil's forests, with a targeted, aggregate investment of at least $10 billion by 2030 among all Coalition members. With this commitment, the Coalition expects to support projects with the aim of conserving and restoring at least 5 million hectares of Brazilian forests, contributing to Brazil's efforts to halt and reverse deforestation. The Coalition's goals also include launching projects by 2030 that will help to sequester at least 1 gigaton of CO_2 emissions and invest $500 million in initiatives benefiting Indigenous peoples and local communities, with a focus on the Amazon region.

Overall, we approach this agenda through two lenses: risk mitigation and opportunity. We already have products and several cases within our funds that aim to contribute to global climate and biodiversity targets.

Investment cases:

Kompass:

Real world context:

Despite the progress in distributed generation in Brazil, the regulatory and tariff structure of the electricity sector still poses barriers to broader adoption of renewable energy by small and medium-sized enterprises (SMEs). Many consumers struggle to migrate to the free energy market due to regulatory complexity, minimum consumption requirements, or lack of technical knowledge. In addition, cross-subsidies and embedded charges in electricity tariffs make conventional energy more expensive, especially for those unable to access sustainable alternatives.

Business case:

Kompass operates as a decentralized energy manager, offering shared solar generation solutions and energy consumption management for SMEs and local communities. The company facilitates access to clean energy through flexible contracts and simplified infrastructure, enabling consumers to benefit from the energy transition even without upfront capital to invest in solar panels. Its model reduces clients' carbon footprint and enhances efficiency in Brazil's electricity system, democratizing access to renewable energy sources.

Location of Kompass' activities:

Sol Agora

Real world context:

Rural communities, agricultural settlements, and low-income families still face significant barriers to accessing clean energy and reducing their electricity costs. The high upfront cost of installing solar panels, combined with limited access to suitable credit and a lack of technical knowledge, keeps thousands of families and small producers reliant on conventional and expensive energy sources. This perpetuates economic inequalities, limits rural competitiveness, and restricts the benefits of the energy transition to more privileged urban populations.

Business case:

Rural producers are supported through a cooperative and decentralized model. The company offers comprehensive clean energy solutions, including accessible financing, technical support, and a local governance structure, fostering community empowerment and energy inclusion.

By lowering energy costs, generating immediate savings, and stimulating local production, SolAgora strengthens the economic resilience of vulnerable communities and contributes to the decentralization of Brazil's energy matrix. Its operations also generate positive environmental impacts by increasing the adoption of renewable sources and reducing greenhouse gas emissions.

Location of Sol Agora's activities:

AES Andes:

Real world context:

South America faces the challenge of decarbonizing its energy matrix while addressing social inequalities, water scarcity, and dependence on fossil fuels in certain regions. Large consumers such as industrial operations and mining companies often face difficulties accessing renewable sources due to lack of infrastructure, complex regulations, and high costs, limiting both their competitiveness and the progress toward national climate goals.

Business case:

AES Andes is leading the energy transition in countries like Chile and Colombia through robust investments in solar, wind, and battery storage. The company is also known for offering renewable energy contracts to large industrial clients, ensuring clean, reliable, and less volatile energy supply. Its decarbonization strategy includes the phased decommissioning of coal-fired power plants, with targets aligned with the Paris Agreement and strengthened through public-private partnerships that improve both climate and socioeconomic impact.

Location of AES Andes' activities:

Tobasa – Bioindustrial de Babaçu S.A.:

Real world context:

The babassu production chain, traditionally linked to extractive and family-based communities, suffers from low market value, waste of byproducts, and lack of technology for full use of the fruit. As a result, local populations face income limitations, and a natural asset with high bioeconomic potential is underutilized. Meanwhile, the chemical and cosmetics industries face growing pressure to replace fossil-based inputs with renewable and sustainable alternatives, but still lack reliable, scalable, and traceable suppliers.

Business case:

Tobasa has developed an innovative business model based on the full use of the babassu coconut, transforming what was once discarded into high-value inputs for the cosmetics, food, pharmaceutical, and energy sectors. The company works in strong integration with the local value chain, promoting income generation, productive inclusion, and the empowerment of traditional extractive communities.

With sustainable industrial processes and a focus on the bioeconomy, Tobasa delivers renewable and traceable raw materials to major industries, while reducing waste, strengthening local supply chains, and encouraging the conservation of the Cerrado biome. In this way, it acts as a bridge between the regenerative economy and the global demand for sustainable solutions.

Location of Tobasa's activities:

Capal Cooperativa Agroindustrial:

Real world context:

Brazilian agriculture faces the challenge of increasing productivity while ensuring climate responsibility, social inclusion, and environmental preservation. Despite significant advances, small and medium rural producers still have limited access to green financing, cutting-edge agricultural technology, and robust socio-environmental traceability practices. At the same time, institutional investors and global markets are demanding more transparent, efficient, and ESG-aligned agribusiness value chains.

Business case:

Capal brings together more than 800 certified cooperative members engaged in good agricultural practices and traceable soybean production, covering over 140,000 hectares in Paraná and surrounding regions. With nearly three decades of democratic and professionalized governance, the cooperative combines financial solidity, high-quality technical assistance, and a strong commitment to sustainability.

Through the issuance of a Green CRA (Agribusiness Receivables Certificate), Capal channels funding toward the adoption of low-carbon agricultural technologies, such as no-till farming and sustainable soil management, while strengthening traceability systems and supporting the productive inclusion of its members. The cooperative model expands access to regenerative practices, increases the resilience of producers to climate change, and positions Capal as a benchmark in the transition to a more efficient, responsible, and globally aligned agribusiness sector.

Location of Capal's activities:

Structured Funds:

FIDC Petrobras Bioeconomia:

Objective: Socio-environmental projects and nature-based solutions
Amount: BRL 100 million

This is a voluntary socio-environmental investment by Petrobras, complementing the company's broader Social Responsibility initiatives. The fund aims to support socio-environmental projects in Brazil, with the goal of transforming them into large-scale sustainable impact businesses, preserving the capital allocated by Petrobras and leveraging these initiatives. Petrobras intends to reinvest the financial returns to help scale the socio-environmental benefits of the supported projects.

Project selection will prioritize initiatives located in areas considered critical for climate action and biodiversity conservation; actions in regions under deforestation pressure; initiatives with a positive impact on job and income generation; projects with the potential to generate high-integrity carbon credits and biodiversity credits; as well as flora restoration and fauna preservation efforts.

The Petrobras Bioeconomy Fund is one of the first in Brazil to adopt the Impact-Linked Compensation model, which aligns financial incentives with sustainability objectives. In other words, the fund's performance fee varies according to the socio-environmental impact rate of the projects.

The fund also features a dedicated governance structure for project selection, which considers economic, social, and environmental impact indicators. Through these innovative financial mechanisms, the fund aims to become a scalable hub supporting the development of Brazil's bioeconomy sector.

Régia Capital was selected as the manager of the Petrobras Bioeconomy Fund through a competitive process that received proposals from various institutions.

FIDC Petrobras Bioeconomia:

FIDC FIAGRO Desenvolve SP

Objective: Sustainable agribusiness
Amount: BRL 75 million

Aiming to expand support for agribusiness in the state of São Paulo, Desenvolve SP, a financial credit institution linked to the Secretariat of Economic Development (SDE) of the São Paulo State Government, launched a public call through which Régia Capital was selected to manage the fund.

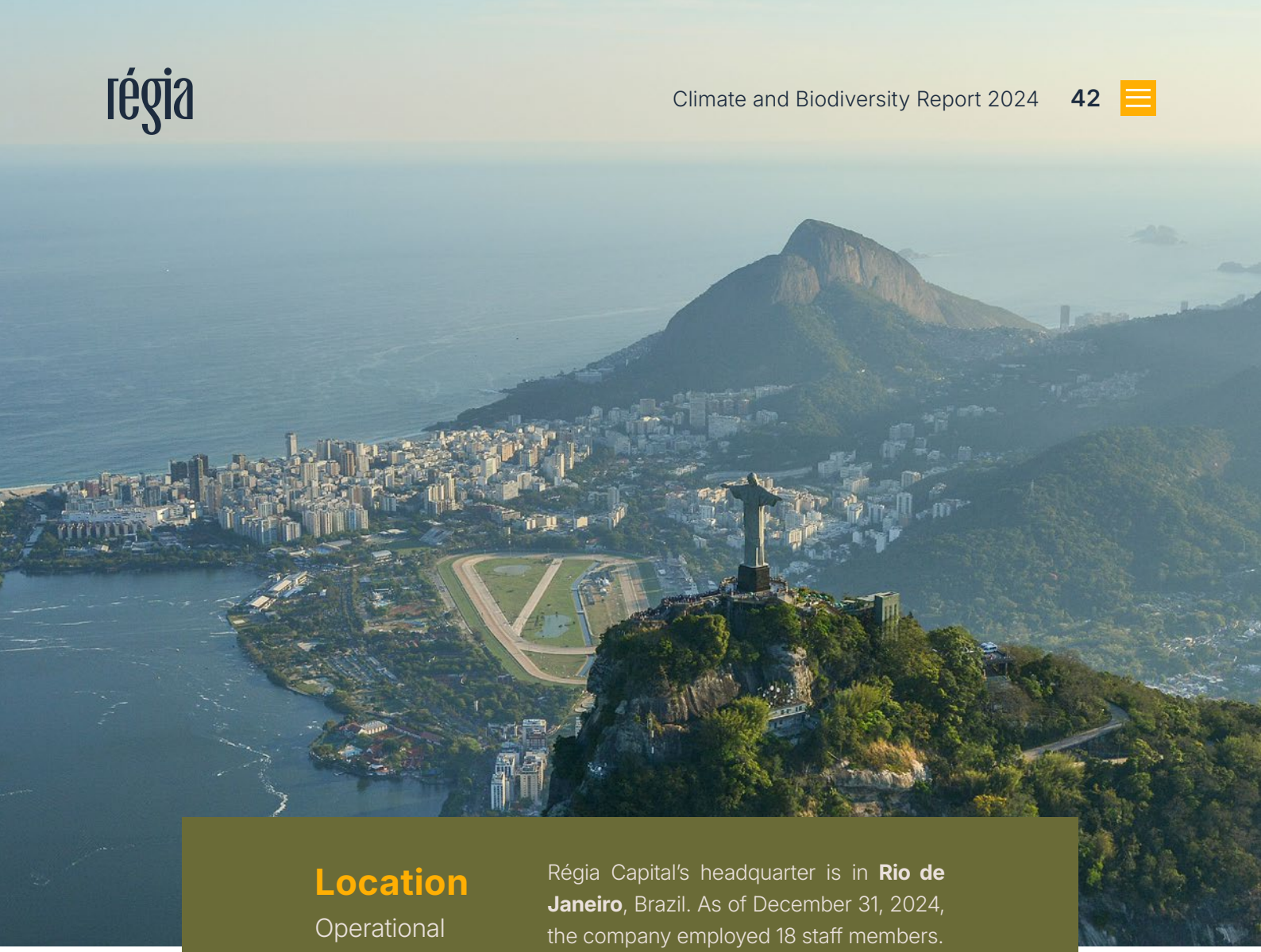
The fund's allocation strategy is based on three core pillars:

- Climate adaptation and resilience of São Paulo's productive territories and their value chains;
- Development, improvement, expansion, and low-carbon transition of agricultural infrastructure in the state;
- Decarbonization and value addition within São Paulo's agribusiness sector.

In addition, the fund emphasizes key aspects such as supporting small and medium-sized producers and fostering innovation and entrepreneurship. While the diverse landscapes of São Paulo are equally important for restoration and conservation efforts, the allocation of resources is prioritized based on objective criteria for systemic positive impact from both environmental and social perspectives.

The fund aims to invest in activities related to the decarbonization of São Paulo's agribusiness, such as the production of biofuels and sustainable aviation fuels, regenerative agriculture practices, restoration of degraded areas, infrastructure, and other forms of nature-based solutions.

FIDC FIAGRO Desenvolve SP



Location

Operational

Régia Capital's headquarter is in **Rio de Janeiro**, Brazil. As of December 31, 2024, the company employed 18 staff members.

The TNFD recommendations and guidance state that organizations should pay particular attention to any sensitive locations where their business model or value chain may have an impact or dependency.

TNFD defines sensitive locations as:

- Areas important for biodiversity, including species;
- Areas of high ecosystem integrity;
- Areas of rapid decline in ecosystem integrity;
- Areas of high physical water risks;
- Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and affected stakeholders.

A mapping of Régia's office location indicates that it is situated in urban area with limited exposure to climate hazards and biodiversity-related risks.

Water risk:

Based on the Aqueduct Water Risk Atlas[17], we assessed Régia's office exposure to water access risk under different climate

[17] Available at: Aqueduct Water Risk Atlas

scenarios[18]. Due to our location, projected water stress is expected to range from medium to high in 2050 and 2080 under a Business as usual (BAU) scenario, and from low to medium in the other scenarios (RCP2.6 and RCP8.5). Although this is not a short- or medium-term concern, we acknowledge that water insecurity will intensify in the future, as rising demand and climate change increasingly strain the availability of clean and accessible water.

Extreme heat:

Regarding extreme heat, we used the Global Resilience Index (GRI) Risk Viewer[19] to evaluate our office's exposure to extreme heat hazards. We conducted an assessment using two distinct scenarios: RCP2.6 and RCP6.0, and we analyzed three-time horizons: 2030, 2050, and 2080.

The analysis shows a 7.5% probability of experiencing an extreme heat event in 2030 (under both scenarios), increasing to 12.5% in 2080 under RCP2.6 and 24.8% under RCP6.0. In both scenarios, the probability is expected to rise over time, which may affect the well-being of our employees and clients, as well as increase the office's energy demand for cooling.

Beyond our operational assessment, we recognize that, as an investment company, the majority of our climate- and biodiversity-related dependencies, impacts, risks, and opportunities are tied to our investment portfolio.

Portfolio

The following analysis covers 80 portfolio companies. As such, further data on these companies' more granular locations was required to produce meaningful and differentiated results. In the absence of precise point locations for each portfolio company's physical assets, data on these companies' cities and municipalities was used. In practice, the coordinates (latitude and longitude) of the midpoint within each city or municipality were recorded and used within the analysis. This process identified 3,849 data points in Régia Capital's portfolio, located in countries shown in Table III.

Table III provides an overview of the number of data points analysed within each of the countries in Régia Capital's portfolio, and additional metrics that are analysed to identify the portfolio's interfaces with nature and sensitive locations including:

— **The average Ecosystem Vitality Index (EVI)[20]:** This index is developed by the Yale Center for Environmental Law & Policy and is part of a broader index called the Environmental Protection Index (EPI). The EVI measures how well countries are preserving, protecting and enhancing ecosystems and the services they provide. This index is only available at a country level. The index theoretically ranges between 0-100, although practically the EVI ranges between 23.1 – 83.6 for the countries it covers. Countries with lower EVI values have relatively weaker ecosystem protection and could be at greater risk

[18] Scenario definitions: Optimistic: The "optimistic" scenario (SSP1 RCP2.6) represents a future that limits the rise in average global surface temperatures by 2100 to 1.3°C to 2.4°C compared to preindustrial levels (1850-1900). SSP1 is characterized by sustainable socioeconomic growth: stringent environmental regulations and effective institutions, rapid technological change and improved water use efficiencies, and low population growth.

[19] Available at: <https://global.infrastructureresilience.org/>.

[20] Ecosystem Vitality Index (EVI) within Environmental Performance Index (EPI) provided by the Yale Center for Environmental Law & Policy under Creative Commons CC BY-NC-SA 4.0 license. Full reference: Block, S., Emerson, J. W., Esty, D. C., de Sherbinin, A., Wendling, Z. A., et al. (2024). 2024 Environmental Performance Index. New Haven, CT: Yale Center for Environmental Law & Policy.

of nature degradation. It is assumed that countries with an EVI that is in the bottom 20th percentile, relative to the overarching dataset, are at greatest risk. Within Régia Capital's portfolio, Uruguay, which accounts for 1% of the portfolio, is assessed as a having low ecosystem protection on average, as shown in Table III.

— **The average Sustainable Ecology and Economic Development (SEED) Biocomplexity Index[21]:** This index is developed by ETH Zurich. It measures the intactness of species and ecosystems. The index ranges from 0-1 with lower values representing degraded ecosystems. Degraded ecosystems are considered to be at lower risk of further degradation which is why ecosystems with higher intactness, specifically with SEED values in the top 20th percentile relative to the overarching dataset, are considered to be at greater risk. Within Régia Capital's portfolio, there are no locations with a SEED index in the top 20th percentile, which are considered to be at greater risk on average. Figure VIII provides more granularity regarding the estimates for individual cities and municipalities in Brazil, where 98% of the portfolio is concentrated. Locations in dark red are assessed as having a SEED index in the top 20th percentile. There are 97 such locations within the portfolio which amounts to 3% of the locations analysed.

— **The average presence of critical natural assets (CNAs)[22]:** This index is developed by Chaplin-Kramer et al. (2023). It measures the presence of assets that are considered to be critical because of the ecosystem services they deliver to society, businesses, etc. Table III presents the consolidated version of this index which is comprised of global ecosystem services and local ecosystem services[23]. This dataset is recommended by the TNFD as one of many datasets to assess sensitive locations in its Guidance on the Identification and Assessment of Nature-related Issues: The LEAP Approach. The index ranges from 0-1 with lower values representing a lower prevalence of critical natural assets. The presence of critical natural assets indicates greater nature-related dependencies which is why assets with a value in the top 20th percentile, relative to the overarching dataset, are considered to be at greater risk and sensitive locations. Within Régia Capital's portfolio, Paraguay, which account for 0.2% of the portfolio, is assessed as having a high presence of critical natural assets on average. Figure IX provides more granularity regarding the estimates for individual cities and municipalities in Brazil, where 98% of the portfolio is concentrated. Locations in dark red are assessed as having an index in the top 20th percentile. There are 1,599 such locations within the

[21] SEED Biocomplexity Index provided by the Crowther Lab of ETH Zurich under Creative Common CC BY-NC 4..0 license. Full reference: Lauriere, C. F. de, McElderry, R. M., Brettell, I., Hoogen, J. van den, Maynard, D., Lozano, C. B., Bialic-Murphy, L., Delavaux, C. S., Dent, D. H., Elliott, T., Galen, L. G. van, Lauber, T., Velez, A. P., Smith, G., Werden, L. K., Zohner, C. M., & Crowther, T. W. (2023). Assessing the multidimensional complexity of biodiversity using a globally standardized approach. Full attribution of underlying inputs is available in the app's methodology document.

[22] Critical natural assets (CNAs) data provided by Chaplin-Kramer et al. (2023) under Creative Commons CC By 4.0 license. Full reference: Chaplin-Kramer, R., Neugarten, R., Sharp, R., Collins, P., Polasky, S., Hole, D.,Watson, R. (2023, November 18). Critical Natural Assets.

[23] Global ecosystem services which are considered in this metric are: carbon storage and moisture recycling. Local ecosystem services which are considered in this metric are: Nitrogen retention for water quality regulation; Sediment retention for water quality regulation; Pollinator habitat sufficiency for pollination-dependent crops; Fodder for livestock; Timber production; Fuelwood production; Flood regulation; Riverine fish harvest; Access to terrestrial nature (for local recreation and gathering); Coastal risk reduction (terrestrial and marine); Marine fish harvest; Marine recreation (coral-reef tourism and associated livelihoods).

portfolio which amounts to 42% of the locations analysed. Note that this finding is not directly comparable to the results in Table III since the latter focuses on global critical natural assets whereas the former focuses on local critical natural assets.

— **The extent of risk to water availability and risk of water pollution[24]:** These indices are developed by WWF (World Wildlife Fund), WRI (World Resources Institute), AgResearch at Lincoln Science Centre and SBTN (Science-based Targets Network). They measure the extent of water availability risk and water pollution risk. This dataset is recommended by the TNFD as one of many datasets to assess sensitive locations in its Guidance on the Identification and Assessment of Nature-related Issues: The LEAP Approach. The indices range from 0-5 with lower values representing less water scarcity and pollution, respectively. This is why locations with a value in the top 20th percentile, relative to the overarching dataset, are considered to be at greater risk and sensitive locations. Within Régia Capital's portfolio, Chile, which accounts for 0.1% of the portfolio, is assessed as having a high risk to water availability. Three countries – Argentina, Germany and the Netherlands which together account for just over 1% of the portfolio – are assessed as having a high risk of water pollution. Figure X provides more granularity regarding the estimates for individual cities and municipalities in Brazil, where 98% of the portfolio is concentrated. Locations in dark red are assessed as having an index in the top 20th percentile. There are 506 such locations within the portfolio which amounts to 13% of the locations analysed.

[24] Water availability and water pollution data provided by WWF (World Wildlife Fund), WRI (World Resources Institute), AgResearch at Lincoln Science Centre and SBTN (Science-based Targets Network)) under Creative Commons CC By 4.0 license. Full reference: Rafael Camargo, Sara Walker, Elizabeth Saccoccia, Richard McDowell, Allen Townsend, Ariane Laporte-Bisquit, Samantha McCraine, & Varsha Vijay. (2023). State of Nature layers for Water Availability and Water Pollution to support SBTN Step 1: Assess and Step 2: Interpret & Prioritize (Version 1) [Data set]. Zenodo.

Table III - Spatial overview of Régia Capital's portfolio

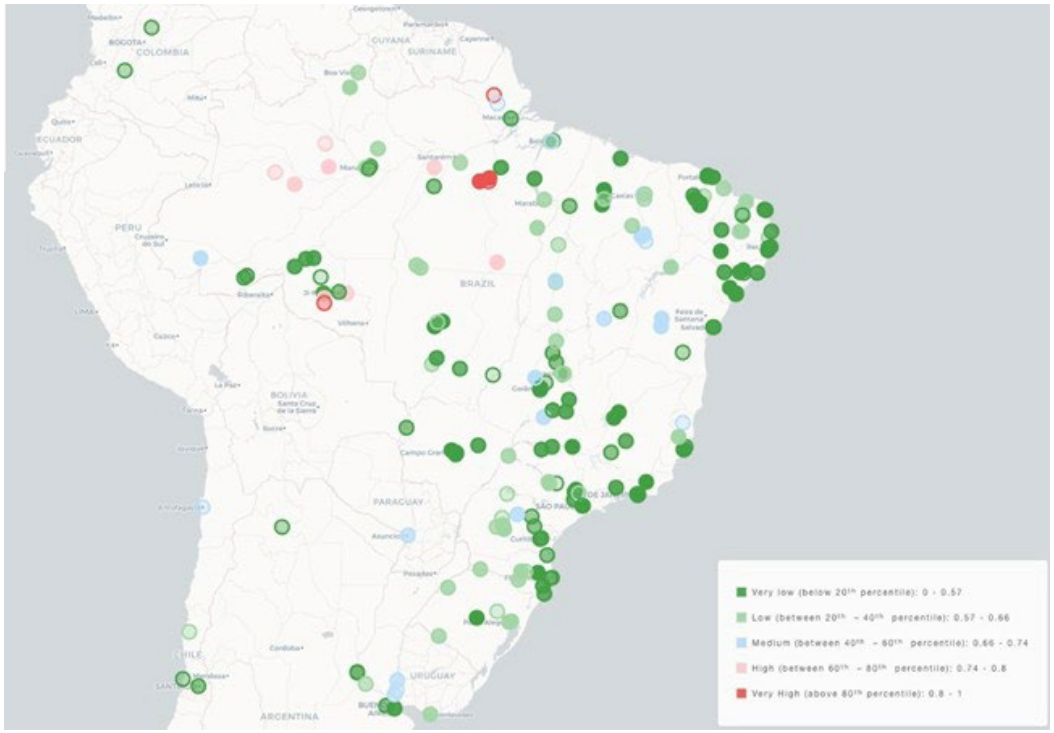
Countries	Financial exposure (%)	Point locations analysed		Average EVI	Average SEED bio-complexity index	Average consolidated CNA index	Average water availability risk index	Average water pollution risk index
		No.	%					
Brazil	97.7%	3,761	98%	64	0.58	0.22	1.84	2.55
Argentina	0.6%	28	1%	47	0.52	0.22	2.70	4.74
Uruguay	0.5%	22	1%	39	0.63	0.04	2.71	2.00
United States of America	0.3%	11	0.3%	54	0.52	0.06	3.00	2.00
Paraguay	0.2%	5	0.1%	44	0.68	0.34	1.00	2.00
Chile	0.1%	12	0.3%	58	0.51	0.10	4.90	4.10
Germany	0.1%	2	0.1%	80	0.61	0.10	2.00	5.00
Netherlands	0.1%	2	0.1%	68	0.53	0.06	2.00	5.00
Norway	0.1%	2	0.1%	73	0.54	0.16	1.00	3.00
Colombia	0.1%	4	0.1%	56	0.52	0.28	1.00	2.00
Total	100%	3,849	100%	-	-	-	-	-

Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025).

For SEED, CNAs, water availability risk and water pollution risk, a red cell denotes that the estimated value is in the top 20th percentile of the overarching dataset.

Figure VIII

Estimated SEED Biocomplexity Index for point locations in Brazil

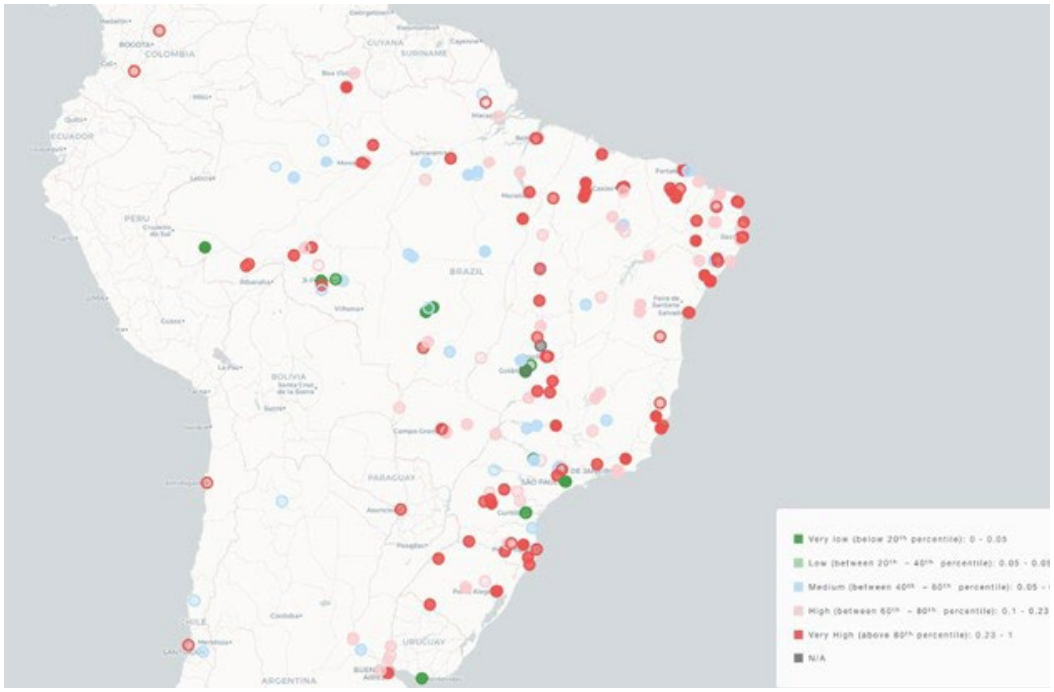


Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025) and SEED Biocomplexity Index provided by the Crowther Lab of ETH Zurich under Creative Common CC BY-NC 4..0 license. Full reference: Lauriere, C. F. de, McElderry, R. M., Brettell, I., Hoogen, J. van den, Maynard, D., Lozano, C. B., Bialic-Murphy, L., Delavaux, C. S., Dent, D. H., Elliott, T., Galen, L. G. van, Lauber, T., Velez, A. P., Smith, G., Werden, L. K., Zohner, C. M., & Crowther, T. W. (2023). Assessing the multidimensional complexity of biodiversity using a globally standardized approach. Full attribution of underlying inputs is available in the app's methodology document.

A red cell denotes that the estimated value is in the top 20th percentile of the overarching dataset.

Figure IX

Estimated presence of critical natural assets for point locations in Brazil

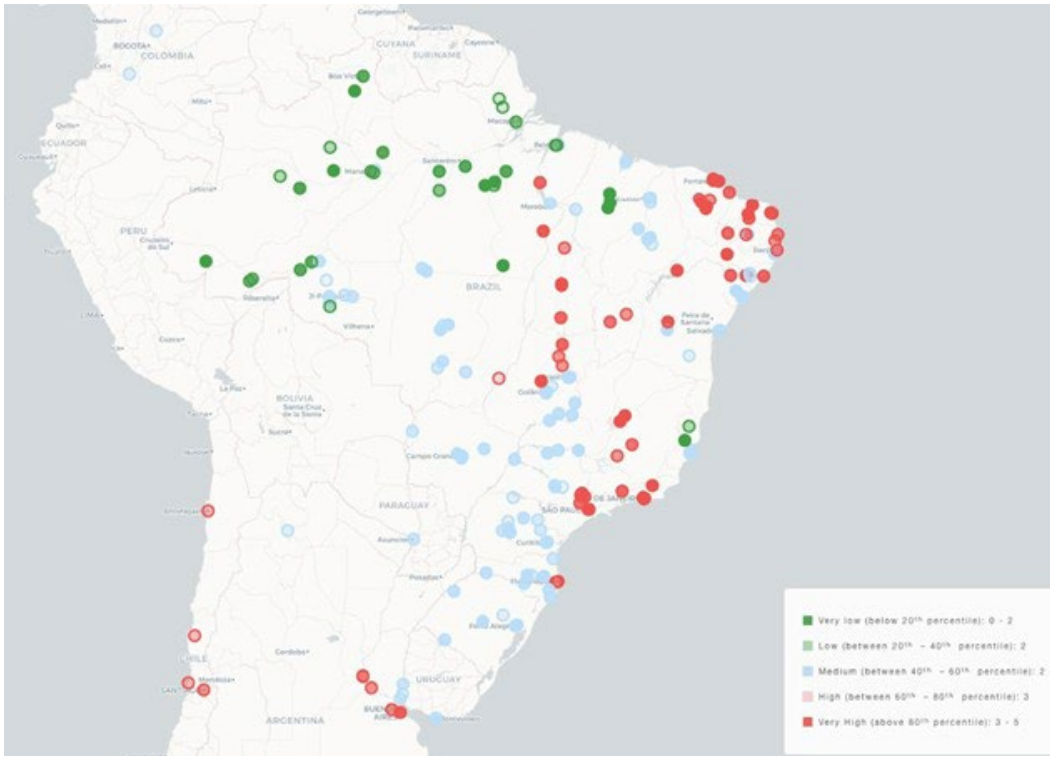


Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025) and Critical natural assets (CNAs) data provided by Chaplin-Kramer et al. (2023) under Creative Commons CC By 4.0 license. Full reference: Chaplin-Kramer, R., Neugarten, R., Sharp, R., Collins, P., Polasky, S., Hole, D.,Watson, R. (2023, November 18). Critical Natural Assets.

While Table III presents the consolidated version of the CNA index which is comprised of global ecosystem services and local ecosystem services, this map focuses on local ecosystem services which include: Nitrogen retention for water quality regulation; Sediment retention for water quality regulation; Pollinator habitat sufficiency for pollination-dependent crops; Fodder for livestock; Timber production; Fuelwood production; Flood regulation; Riverine fish harvest; Access to terrestrial nature (for local recreation and gathering); Coastal risk reduction (terrestrial and marine); Marine fish harvest; Marine recreation (coral-reef tourism and associated livelihoods).

Figure X

Estimated risk of water pollution for point locations in Brazil



Source: Calculated using the NatureAlign Module 1 app (NatureFinance, 2025) and Water pollution data provided by WWF (World Wildlife Fund), WRI (World Resources Institute), AgResearch at Lincoln Science Centre and SBTN (Science-based Targets Network)) under Creative Commons CC By 4.0 license. Full reference: Rafael Camargo, Sara Walker, Elizabeth Saccoccia, Richard McDowell, Allen Townsend, Ariane Laporte-Bisquit, Samantha McCraine, & Varsha Vijay. (2023). State of Nature layers for Water Availability and Water Pollution to support SBTN Step 1: Assess and Step 2: Interpret & Prioritize (Version 1) [Data set]. Zenodo.

The difference between country-level averages and more detailed results at the city and municipality level demonstrate the importance of attempting more granular analysis when assessing interfaces with nature and sensitive locations. This underlines the importance of collecting more detailed data on companies' precise physical asset locations in the future with a focus on filling this gap for companies that make up the greatest proportion of the portfolio first.

10 Risk & Impact Management

The ESG Manual is a document that guides the responsible investment of all Régia's funds under management. This policy considers the impact that invested companies have, or may have, on society and the environment. It includes climate- and nature-related restrictions, which determine the sectors and companies we believe are extremely harmful to the development of society.

To identify and assess nature- and climate-related risks, we apply a combination of screening and quantitative and qualitative ESG integration factors (the Framework) to most of our investments. Screening involves creating filters applicable to investments, the most common form being negative screening, which excludes sectors and/or companies from the investment universe that do not align with the values of a sustainable-oriented investor.

The ESG Framework includes a Climate Change section for every sector; it is worth noting that the weight assigned varies according to the materiality of the issue for each sector. Through the Framework, we capture companies' greenhouse gas emissions (Scopes 1, 2, and 3), their climate targets, controversies, and climate-related governance. For biodiversity, we apply general indicators across all sectors, while also using specific questions and metrics for sectors that are highly dependent on nature, such as meatpackers and utilities.

Table IV

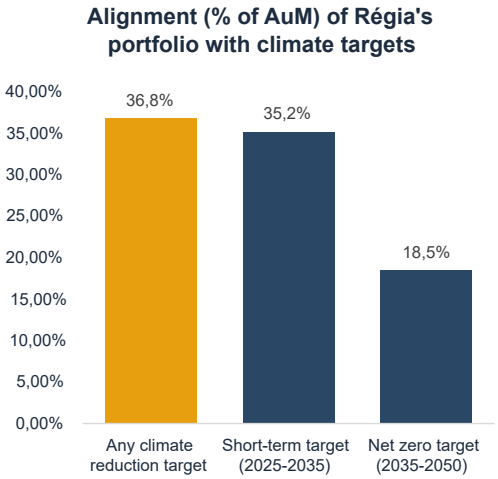
Example of Climate and Biodiversity Metrics

Climate	
Total GHG emissions	tCO_2e
Scope 1 emissions	tCO_2e
Scope 2 emissions	tCO_2e
Scope 3 emissions	tCO_2e
Biodiversity	
Total water consumption and withdrawal	m3
Water reduced, reused or recycled	m3
% of water withdrawn from water-stressed areas	%
Effluents	m3
Waste	t
% of recycled waste	%
Sites owned, adjacent to, or managed in protected areas or key biodiversity areas (KBAs)	ha

Source: Régia Capital.

Based on the collected data, the Sustainable Investment team evaluates companies and produces analysis that support effective risk management and mitigation. Engagement is also a key component of our risk management approach. After applying our ESG Framework, we engage with companies to discuss their performance against the indicators, seeking improvements where needed. We also leverage collective engagement efforts through the initiatives in which Régia participates. Divestment remains a measure of last resort.

Chart I



Source: Régia Capital, as of 31 December 2024

Climate:

Climate targets

We understand that investing in companies with climate targets for reducing greenhouse gas emissions helps us lower our own financed emissions, as companies with public decarbonization goals and commitments seek to align their operations with the objectives of the Paris Agreement.

We conduct an analysis of our investment portfolio to identify what percentage of our assets under management are covered by decarbonization targets. To do so, we rely on publicly available data to verify whether a company has made a public commitment to reduce its emissions.

In our initial analysis, we identified that at least 36.8% of our AuM is allocated to companies with emission reduction targets, of which 35.2% of AuM is covered by short-term (2025-2035) reduction targets, while only 18.5% is associated with net-zero claims.

SBTi

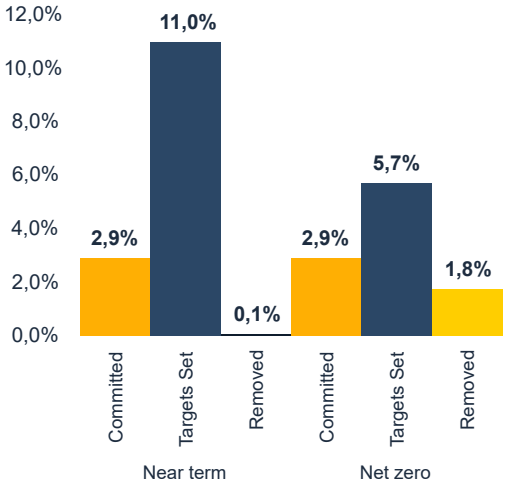
The Science-based Targets Initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions to develop ambitious greenhouse gas emissions reduction targets. They develop standards, tools and guidance which allow entities to set targets in line with what is needed to keep global warming below catastrophic levels and reach net zero by 2050 at latest.

In addition to verify their climate reduction claims, we conducted a portfolio screening using the SBTi database to assess the extent to which our investees are aligned with setting credible emissions reduction plans.

Within the invested portfolio, 11.0% of AuM has near-term targets approved by the Science Based Targets initiative, 2.9% is committed, and 0.1% has had its commitment removed. For net-zero targets, the picture shifts: 5.7% have set their targets, 2.9% of AuM is committed, and 1.8% has had its commitment removed.

Chart II

Alignment (% of AuM) of Regia's portfolio with SBTI

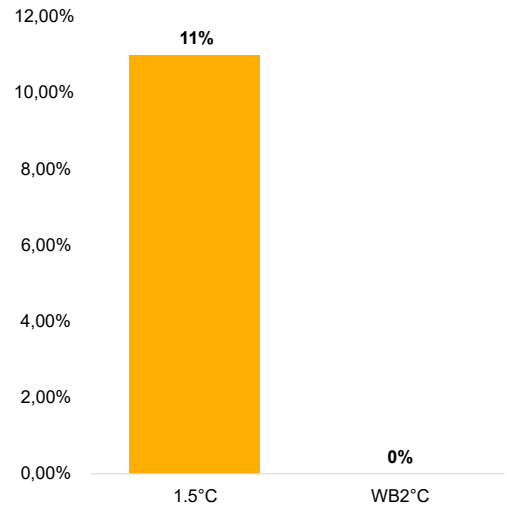


Source: Régia Capital, as of 31 December 2024, and SBTi.

Taking a closer look at the established targets, we see that all of them are set at the highest level of ambition, aligned with a 1.5°C scenario.

Chart III

Breakdown (as % of AuM) of SBTI Targets Classification



Source: Régia Capital, as of 31 December 2024, and SBTi.

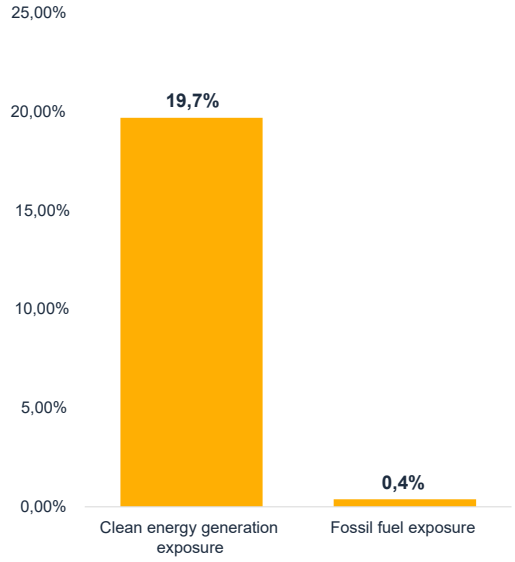
We play an enabling role in the global net zero transformation; through our investments we have the power to influence the direction of the economy and accelerate progress toward a climate positive future.

It is important to direct capital flows toward less carbon-intensive activities and away from those that are more intensive. From an energy generation perspective, Brazil has one of the most renewable energy matrices in the world. When analyzing our investments in the energy sector, it is important to consider the different sources of generation.

Our exposure to the power generation sector is largely concentrated in clean energy companies: 19.7% of our AuM is allocated to companies generating solar, wind, hydro, or nuclear energy, with only 0.4% of AuM exposed to a fossil fuel company, committed to transition.

Chart IV

Clean energy generation vs fossil fuel exposure (% AuM) of Regia portfolio



Source: Régia Capital, as of 31 December 2024, and SBTi.

When we look at the breakdown of our fossil fuel exposure, 100% of it is invested in companies with robust transition plans; otherwise, they would be excluded from our portfolio. We believe it is essential to support companies that are committed to transitioning from fossil-based to renewable and clean energy generation.

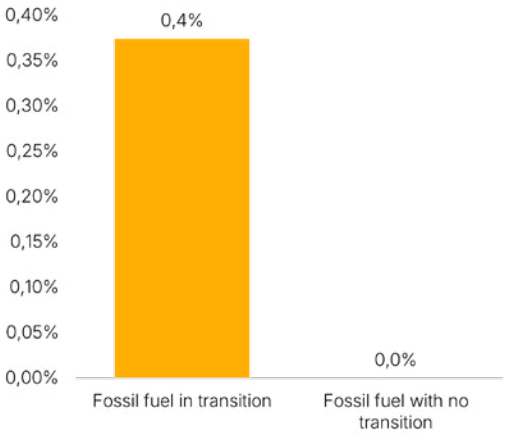
Total amount invested in clean energy companies:
R$ 544,174,852.62

Total amount invested in fossil fuel transitioning companies:
R$ 10,335,495.15

Total amount invested in fossil fuel companies with no transition: ***R$ 0.00***

Chart V

Breakdown (as % of AuM) of fossil fuel exposure



Source: Régia Capital, as of 31 December 2024.

Biodiversity:

Our social and environmental risk analysis process is conducted at both asset and portfolio level.

Deforestation risk assessment at asset level:

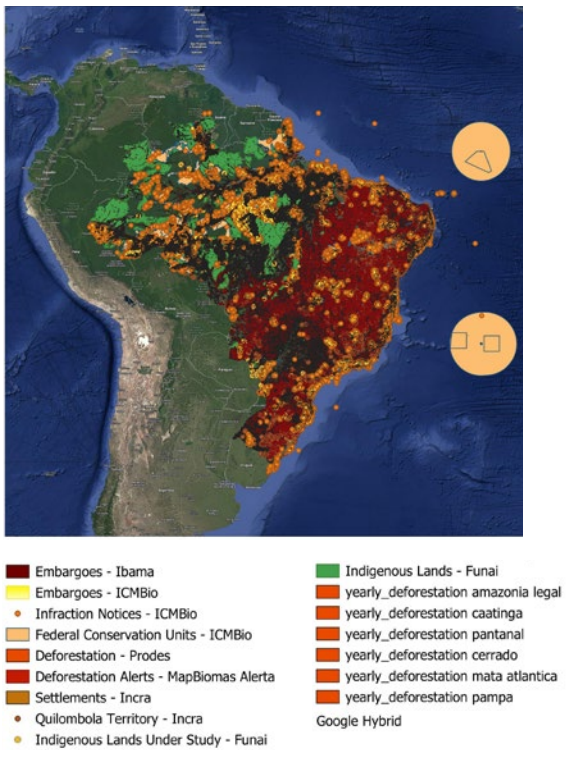
When conducting our asset-level analysis, for credit assets related to land use, we have a team dedicated to both the pre-investment socio-environmental assessment and the semi-annual monitoring of ESG criteria throughout the operation.

Our process follows the LEAP approach of TNFD, where we seek to identify and assess dependencies, impacts, risks and opportunities related to nature.

We request information regarding the physical location of all assets to be financed, in order to verify their compliance with regional, national and international regulations through publicly available databases.

Figure XI

Representation of the geospatial socio-environmental assessment layers



Source: Régia Capital

With access to asset location data and the use of geoprocessing software, we analyze the overlap of the location with several relevant databases for our analyses, using the most up-to-date data sources available.

The image above illustrates that the entire Brazilian territory is covered by the databases we use, demonstrating how our analysis seeks to encompass not only the geographic scope but also the most relevant aspects of the local context.

The overlap analysis is performed both visually and by calculating the intersected area between the company's operational footprint and the databases. Whenever overlaps are identified, our first step is to present the results to the company, with the aim of understanding the specific context of each finding. In this way, we ensure that data is presented and clarified with the company before determining how the territory relates to the investment.

Figure XII

Practical example of a geospatial socio-environmental analysis

Source: Régia Capital

The image above exemplifies how we visualize a company's operational area during our socio-environmental analysis. The property boundaries are shown in green, while the deforestation alerts from MapBiomas Alerta appear as overlays. It is important to note that this database does not distinguish between legal and illegal deforestation, making it even more essential to clarify the results directly with the company once overlaps are identified.

In 2024, a total of 501 thousand hectares were analyzed, covering 7 companies engaged in land use, such as those in the agriculture and pulp sectors. Of this total area, 10 thousand hectares showed overlaps with the databases analyzed, equivalent to 2.07%. These overlapping hectares correspond to a total of 133 findings, of which 108 were deforestation alerts from MapBiomas Alerta, 11 were Federal Conservation Units from ICMBio, 8 were Indigenous Lands from Funai, and 6 were ICMBio embargoes.

In addition to the databases consulted, we also analyze the Rural Environmental Registry (CAR) of each rural property to verify its compliance with the Brazilian Forest Code. This analysis is conducted through the Rural Environmental Registry System (SICAR), which allows us to assess, for example, whether the Legal Reserve requirements are being respected and whether there are areas that require restoration.

Case study: engaging on deforestation

In June 2024, a frozen plant-based products company came to market with a debt issuance. Given the land-use intensity of its operations, our socio-environmental analysis team requested suppliers' data to verify compliance with our criteria.

The analysis identified overlaps with Indigenous Lands (two cases) and deforestation alerts (three cases). The company clarified that the suppliers linked to Indigenous territories were no longer part of its supply chain, and therefore potential risks were ruled out.

Regarding the deforestation alerts, one supplier was no longer active, while another held an official Vegetation Suppression Authorization (ASV). For the remaining supplier, the company issued a socio-environmental non-compliance notification and required the producer to relocate its plantation for the next harvest. The producer is in the process of regularizing the cleared area with the environmental authority.

As a direct outcome of the engagement, the company incorporated satellite imagery monitoring into its internal procedures, a practice not adopted before Régia's intervention. It was also agreed that proceeds from the issuance would be allocated exclusively to suppliers in full socio-environmental compliance.

Deforestation risk assessment at portfolio level:

Our portfolio-level assessment is conducted annually and disclosed in this report. Our analysis relies on a combination of publicly available tools that assess how companies address their exposure to risks related to deforestation, conversion, and human rights abuses associated with agricultural and forest commodities.

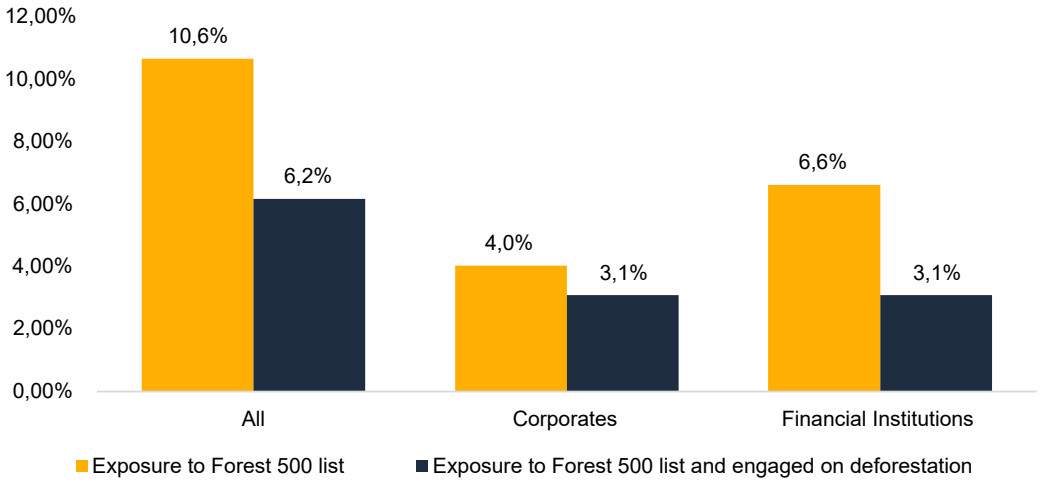
Forest 500

Forest 500 evaluates how companies with the highest exposure to tropical deforestation risk and the financial institutions that most finance these companies are dealing with these risks.

We conducted a portfolio screening of corporates and financial institutions listed in Forest 500 ranking. Only 10.6% of Régia Capital's invested portfolio is exposed to companies identified in the 2024 Forest 500 ranking, with 4.0% being corporates and 6.6% financial institutions identified. In 2024, more than half of the AuM identified in the list were subject to engagement specifically on the theme of deforestation, the remaining companies that could be engaged abut were not in 2024, have already been addressed in 2025. Our intention is to continue engaging with these companies on this matter to reduce risk exposure.

Chart VI

Exposure (% of AuM) to corporates and financial institutions listed on Forest 500



Source: Régia Capital, as of 31 December 2024, and Forest 500.

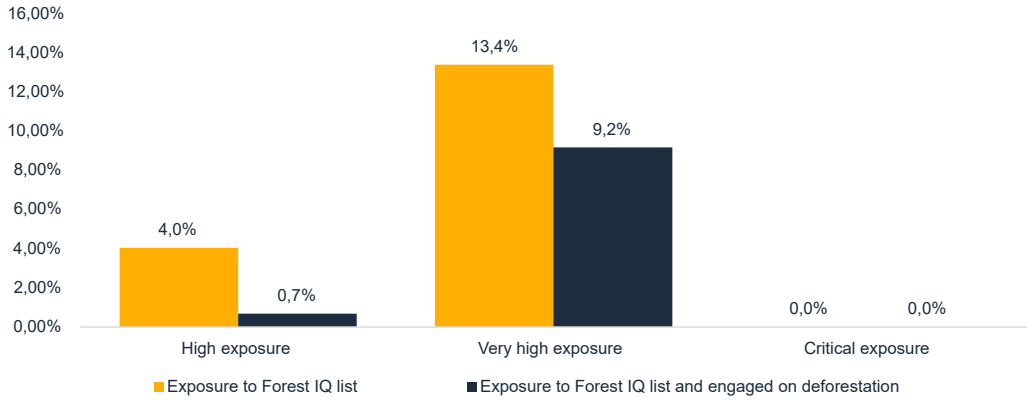
Forest IQ

Forest IQ connects different datasets on how companies are addressing their links to deforestation. It is aligned with the Accountability Framework initiative (AFi) and provides data on more than 2,400 major companies. Based on the Forest IQ update of 24 July 2025 (v5), we conducted a portfolio screening.

Forest IQ estimates companies' exposure to deforestation and the conversion of natural ecosystems by assessing the volume of commodities produced, sourced, or used that carry deforestation risk. For financial institutions, it estimates their financing of key high-risk companies exposed to deforestation. Based on this dataset, 4.0% of our AuM was identified as having high exposure risk, 13.4% as very high exposure risk, and no critical exposure risk. More than half of the companies identified as having high or very high exposure were engaged on deforestation in 2024. Our goal is to engage with all of them.

Chart VII

Exposure (% of AuM) to companies and financial institutions exposure to deforestation and conversion of natural ecosystems risk

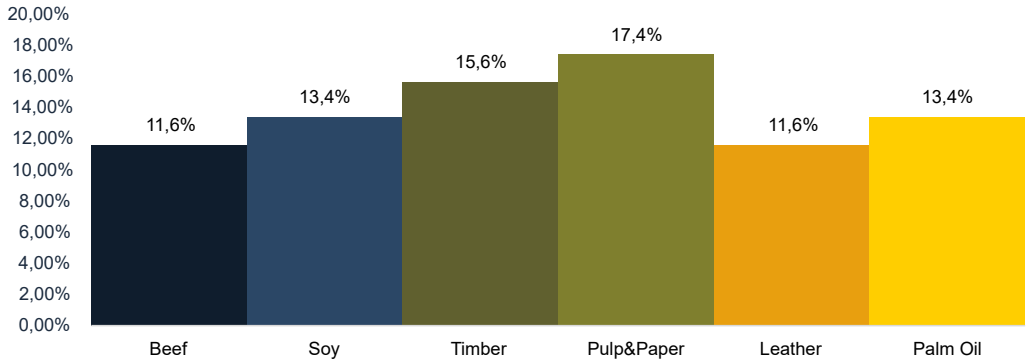


Source: Régia Capital, as of 31 December 2024, and Forest IQ.

The companies and financial institutions in our portfolio identified by Forest IQ are exposed to all key high-risk commodities assessed, with the entirety exposed to pulp & paper (17.4% of our AuM), followed by timber with 15.6%, soy and palm oil with 13.4% exposure, and beef and leather with 11.6% each.

Chart VIII

Exposure (% of AuM) to forest-risk commodities

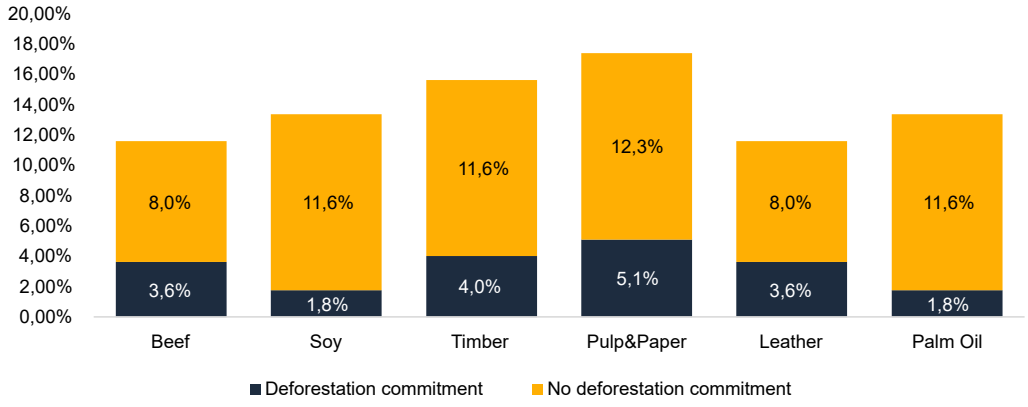


Source: Régia Capital, as of 31 December 2024, and Forest IQ.

Looking at the management of deforestation risk for these commodities, beef and leather have the highest coverage, with 31% included in deforestation commitments, followed by pulp & paper with 29%, then soy and palm oil with lowest coverage at 13%.

Chart IX

Exposure (% of AuM) on deforestation commitments to forest-risk commodities in Régia's portfolio



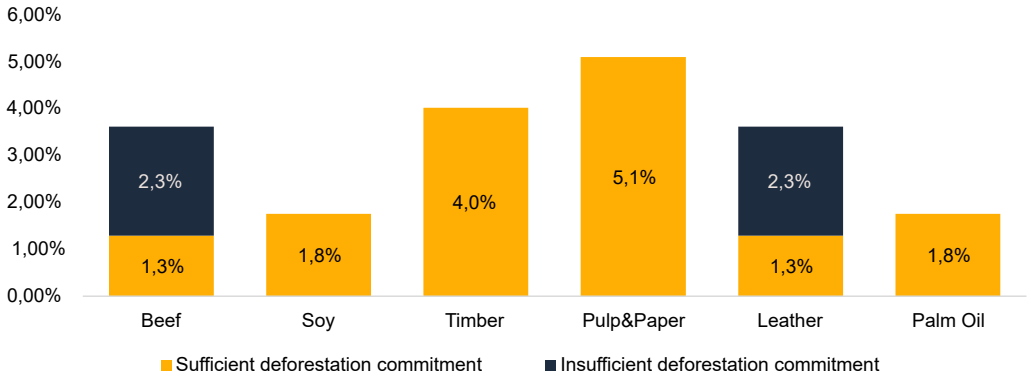
Source: Régia Capital, as of December 2024, and Forest IQ.

In addition to it, Forest IQ assesses if the company's deforestation commitment is strong or not, segregating them into sufficient or insufficient to address the risks of deforestation across all risk commodities.

Based on this, we find that most of our investees' deforestation commitments are robust, with only one company in the beef and leather sector showing insufficient commitment. This company has already been engaged on deforestation risks management.

Chart X

Breakdown (as % of AuM) of sufficient and insufficient deforestation commitments



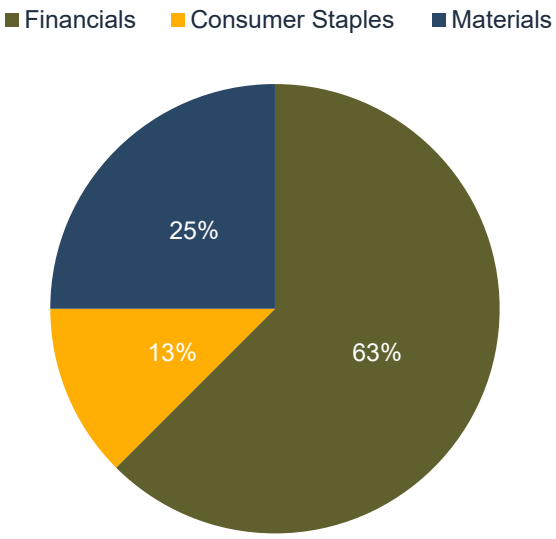
Source: Régia Capital, as of December 2024, and Forest IQ

When breaking down the companies by sector, we find that 63% of those identified in the deforestation risk assessment are from the Financials sector, 25% from Materials, and 13% from Consumer Staples. Financial institutions are exposed to social and environmental risks through investments, services, or lending to companies that produce or use agricultural commodities with a high risk of deforestation, such as beef and leather. This exposure can be either direct or indirect and also involves risks related to human rights violations, such as forced labor and land conflicts.

Overall, considering all the tools, 83% of our AuM is free of deforestation risks, and 17% have a potential deforestation risk, and only 12% no explicit deforestation policy. It is worth highlighting that **none of the companies were involved in land use change controversies.**

Chart X

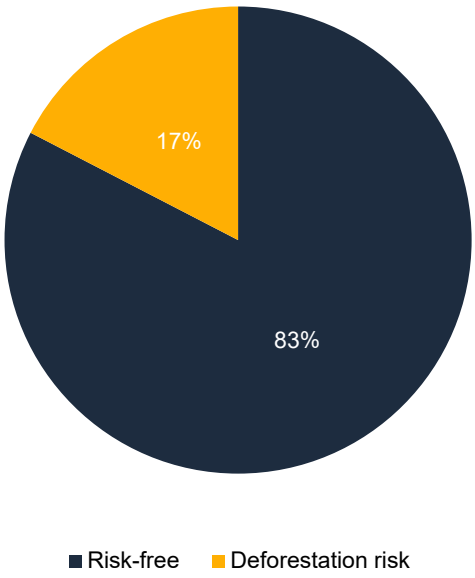
Sector breakdown of companies identified in the deforestation risk assessment



Source: Régia Capital, as of December 2024.

Chart XII

Portfolio deforestation risk



Source: Régia Capital, as of December 2024.

Risk Department

The process for identifying, assessing, prioritizing and monitoring climate- and nature-related risks is integrated into our overall ESG risk management processes, under the Sustainability team.

Regarding ESG issues, the Risk Department verifies whether all assets in the IS (Sustainable Investment) funds have undergone ESG integration and have the approval of the Sustainability team.

11 Metrics & Targets

Stewardship plays a vital role in informing the investment process to enhance and protect the value of clients' assets. At Régia we engage with companies to promote best practices and create long-term values to improve their human rights, climate change, and biodiversity initiatives.

We currently have 2 full-time employees working in activities related to engagements, and another 2 in part-time work.

In 2024, Régia conducted a total of 83 engagements with 65 different companies and entities. After filtering, 58 of these engagements were related to climate and biodiversity topics, involving 48 different companies and entities.

The main topic discussed was deforestation (21), followed by decarbonization (12) and taxonomies and regulations (12).

Chart XIII

Climate and Biodiversity main topics

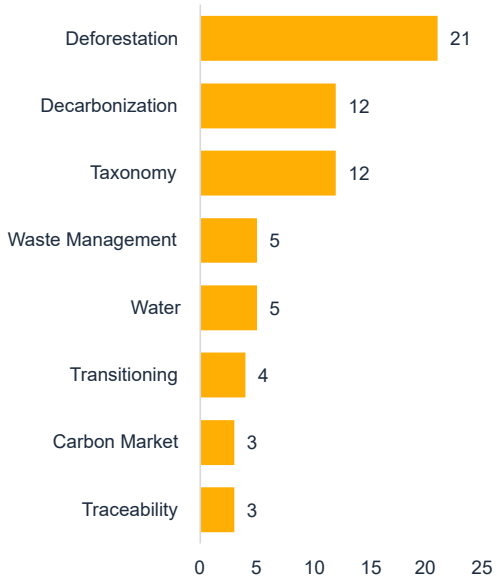


Chart XIV

Type

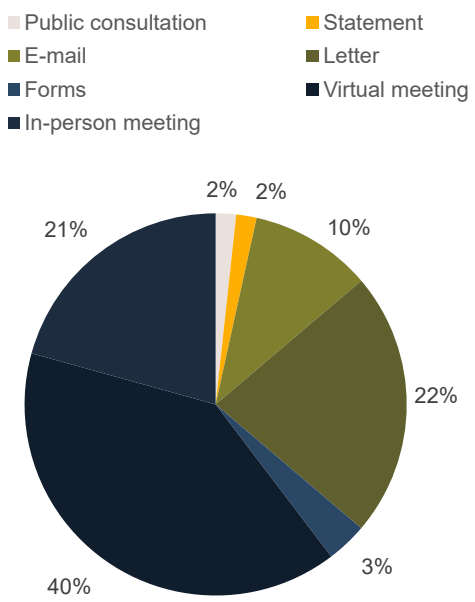
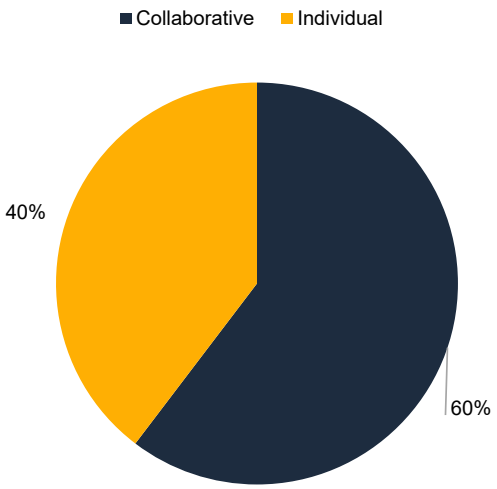


Chart XV

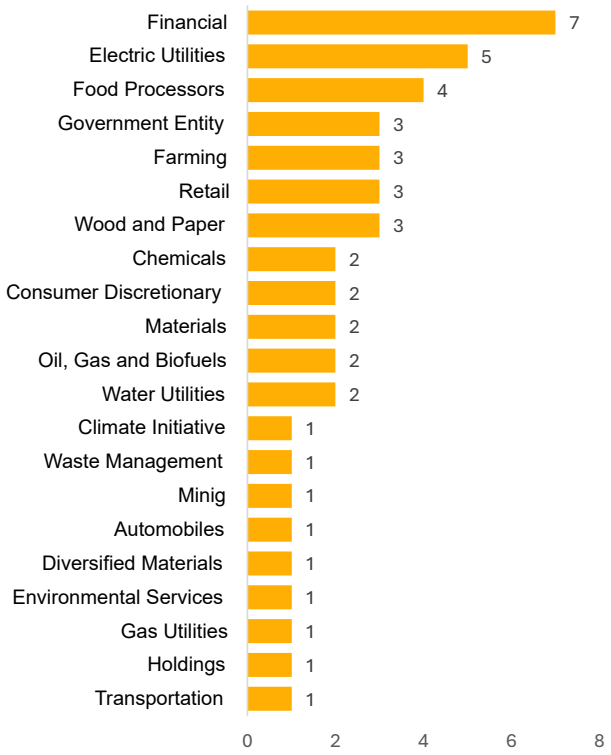
Participation



Source: Régia Capital

Chart XVI

Entities engaged by sector



Source: Régia Capital.

More information on Régia' stewardship activities can be found in the 2024 Annual Stewardship Report[25].

Although we do not invest in most of the companies we engage with collaboratively, as one of the few Brazilian asset managers participating in these initiatives, we act as facilitators between global investors and Brazilian companies, given the relevance of these companies and the transformational power they can have on the ecosystem.

Table V – Collaborative climate and biodiversity related engagement cases

Company	Initiative	Engagement Theme	Role
JBS	Climate Action 100+	Climate change	Co-lead
Petrobras	Climate Action 100+	Climate change	Supporting
Suzano	Climate Action 100+	Climate change	Supporting
Vale	Climate Action 100+	Climate change	Supporting
Itaú	FSDA	Deforestation	Lead
Bradesco	PRI Spring	Nature	Lead
BRF	PRI Spring	Nature	Lead
BTG Pactual	PRI Spring	Nature	Supporting
Itaú	PRI Spring	Nature	Supporting
Marfrig	PRI Spring	Nature	Supporting
Minerva	PRI Spring	Nature	Supporting
JBS	FAIRR	Pollution	Supporting
BRF	FAIRR	Pollution	Supporting

Source: Régia Capital

Engagement Case Studies:

CA100+:

The Climate Action 100+ is an investor-led initiative aimed at ensuring that the world's largest greenhouse gas-emitting companies take appropriate action on climate change, with the goal of mitigating financial risks and maximizing the long-term value of assets.

Since joining the initiative, we have acted as a contributing investor in three engagement streams with Brazilian companies: Vale S.A., Suzano S.A., and Petróleo Brasileiro S.A. The role of a contributing investor is to proactively support the lead investors in the engagement process.

In the Petrobras engagement, we held a virtual meeting in October with the Executive Management of Climate Change to discuss how the company's new Strategic Plan aligns with decarbonization, capital allocation, and a just transition. With the launch of Phase 2 of CA100+ and the maturing of the engagement strategy, we took a step further and became co-leads in the engagement with a newly added focus company, JBS S.A.

As the engagement progressed, in November we secured an in-person meeting in São Paulo to discuss the initiative with JBS's global senior sustainability leadership. Intended as an introductory meeting, but important for building a relationship with the company, it allowed us to present the engagement group, address questions about the initiative, and delve into some of the company's projects aimed at fostering more sustainable cattle production.

Investor Policy Dialogue on Deforestation (IPDD):

The IPDD is an investor-led sovereign engagement initiative aimed at halting deforestation in some of the world's most biodiverse and carbon-rich biomes.

In this context, we participate in the Brazil subgroup, which seeks dialogue with associations and entities linked to the government. Within the scope of the IPDD, in September we were one of 16 investors, representing a combined US$ 4.1 trillion in assets under management, to sign a letter sent to the Brazilian government requesting the ratification of the Escazú Agreement.

The Agreement is the first environmental treaty in Latin America and the Caribbean and the first in the world to contain specific provisions for the protection of environmental human rights defenders. Brazil signed the Escazú Agreement in 2018 but has yet to ratify it, meaning that the National Congress must approve it for it to have legal validity in the country. Ratification would demonstrate a concrete commitment to environmental protection, democracy, and human rights.

Finance Sector Deforestation Action (FSDA) Initiative:

As founding members of the FSDA and members of the initiative's strategic group, we act alongside over 30 other financial institutions, representing a combined US$ 8 trillion in assets under management, to eliminate deforestation and conversion driven by agricultural and forestry commodities (beef, soy, palm oil, pulp, and paper) from our investment and lending portfolios. This is aimed at reducing deforestation-related risks while supporting the transition to sustainable agriculture.

We view this initiative as an essential step toward enabling progress in limiting global temperature rise to 1.5°C above pre-industrial levels and reducing the overall systemic risks to financial markets associated with climate change, biodiversity loss, and food security concerns.

Furthermore, we believe that achieving zero deforestation and conversion in our portfolios will contribute to fulfilling our fiduciary duty to act in the long-term best interests of our investors, beneficiaries, and clients.

Engagement with companies is a crucial part of supporting effective measures to eliminate deforestation and conversion. With this in mind, and in addition to the investors' initial expectations of companies, the group in partnership with the IIGCC developed specific expectations for commercial and investment banks, providing detailed recommendations for banks to adopt deforestation-free practices.

The guide outlines five key engagement pillars, based on FSDA investor expectations for banks:

1. Risk assessment
2. Commitment and governance
3. Expectations for clients
4. Monitoring and compliance
5. Disclosure

These expectations are supported by 19 metrics to guide investor engagement with banks on deforestation, and can be used by organizations that are not FSDA members.

FSDA Expectations for Commercial Banks Engagement Case:

Company: Itaú Unibanco

Lead investor: Régia Capital

Supporting investors: 7 institutional investors

Company responsiveness: Positive

Engagement timeline highlights:

October 2022

Start of FSDA engagements, organizing with supporting investors to coordinate and plan the engagement

March 2023

First formal letter sent to the Sustainability Director presenting the FSDA Initiative and requesting a call to discuss the bank's efforts to combat deforestation and conversion of native vegetation.

October 2023

First engagement group meeting held to discuss how the bank is addressing deforestation risks, including topics such as traceability, sustainable certifications, disclosure, and respect for human rights.

January 2025

Engagement group meeting to present the FSDA Expectations for Commercial Banks and share a gap assessment of the bank's performance against the expectations.

Results & next steps:

Itaú has two main strategies to address deforestation in its operations: financial support to make standing forests a valuable asset through labeled products, and a risk assessment process.

In our last meeting, we shared FSDA's recommendations for banks to adopt deforestation-free practices and discussed how Itaú is responding to these expectations. The bank highlighted updates in its Climate Report, including new topics on agriculture, such as emission factors for crops and livestock, and the analysis of nature-related dependencies and impacts. Itaú also emphasized the challenges of engaging other agricultural players in setting environmental targets, stressing the limitations of acting in isolation.

The bank mentioned efforts to align its traceability policy with government guidelines and compliance with the Brazilian Forest Code. When questioned about its risk assessment approach, including on-site visits to high-risk rural properties, Itaú explained that third parties conduct these visits. We suggested including this information in its next Sustainability Report. The bank noted the use of certifications such as RTRS and Bonsucro in risk assessments, although these are not exclusionary criteria for credit.

Other issues raised included environmental risks beyond agriculture, such as mining and textiles, and the consideration of indirect impacts in risk analysis. TNFD implementation was also discussed, with Itaú acknowledging challenges in mapping and locating investments.

Finally, we raised concerns about the challenges of achieving a deforestation-free loan portfolio, the influence of public policies, and the impact of the EU Deforestation Regulation (EUDR). Itaú stated that the EUDR may accelerate traceability in Brazil, but most agribusiness exports still go to China and the U.S. As next steps, we shared analysis and practical examples of the bank's initiatives and will continue to monitor its progress.

PRI Spring:

Spring is a PRI stewardship initiative focused on nature, aimed at addressing the systemic risks of biodiversity loss and protecting investors' long-term interests. Through this initiative, the goal is to contribute to the global target of halting and reversing biodiversity loss by 2030. Spring seeks to enhance corporate practices, generating positive real-world impacts while protecting and strengthening investment returns.

We have been members of the Spring Advisory Committee since its inception; the group provides strategic advice about the initiative to the PRI. In addition to it, with the official launch of the initiative in June 2024, we joined six engagement groups, acting as a collaborating investor in four of them and leading two.

As Spring progressed, and after a detailed analysis of company performance and the identification of key gaps, three of these groups successfully established contact with their target companies in 2024. We held meetings with Banco Bradesco, Banco BTG Pactual SA, and Itaú Unibanco. These initial interactions focused on

introducing the initiative, addressing questions, and discussing relevant topics such as biodiversity protection practices and projects.

FAIRR:

The FAIRR Initiative is a collaborative investor network that raises awareness of the material risks and opportunities in the global food sector.

We have participated in the Waste & Pollution Engagement campaign since its first phase, which is currently in its third phase with 71 investors holding a combined US$ 16.6 trillion in assets under management.

This engagement focuses on waste and pollution, identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) as a key driver of biodiversity loss, while also being closely interconnected with climate change, as well as water scarcity and quality. A major contributing factor is nutrient runoff from the use of fertilizers, including the excessive or inappropriate application of manure as fertilizer in areas of concentrated livestock production.

Nutrient-rich compost from livestock manure and other organic waste is a valuable complement to chemical fertilizers, as the addition of such organic materials can help build soil organic matter and contribute to soil health and structure. However, the intensification of meat and dairy production, combined with poor management of manure and animal waste, is a key driver of nutrient loss to the environment, a planetary boundary that has already been vastly exceeded.

The campaign engages ten publicly listed pork and chicken producers and two solution providers whose services include the extraction and marketing of nutrients from manure. Of these 12 companies, we specifically engage with BRF and JBS.

Overall, regarding the companies engaged through the campaign, awareness of the TNFD framework is growing, but implementation timelines remain uncertain. Companies lack a comprehensive understanding of water pollution risks, both upstream and downstream. Few actions are driven by a clear strategy to minimize pollution risks, and while nutrient circularity is gaining attention, it is still largely perceived as a cost rather than an opportunity.

Petchem Investor Statement

Organized by Planet Tracker, in July we signed a statement[26] urging petrochemical companies producing plastic polymers to take stronger actions towards plastic circularity.

In total, 80 investors with a combined US$ 7.3 trillion (as of August 2025) in assets under management signed the statement, which was sent to 48 petrochemical companies, including Braskem.

The statement sets out the following expectations for companies:

— Transparently disclose and set clear targets and strategies for the transition to the production of safe, environmentally responsible, and sustainable plastics.

— Address polymers and chemicals of concern present in their products.

— Develop adequate infrastructure for the production of sustainable materials.

— Establish dedicated governance on the matter.

— Publicly support an ambitious international legal instrument to end plastic pollution.

[26] Available at: <https://planet-tracker.org/petchem-investor-full-statement/>.

Global Investor Statement to Governments on the Climate Crisis

We signed the Global Investor Statement on Climate Crisis[27], promoted by The Investor Agenda.

Presented to governments at COP29 in Baku, Azerbaijan, the statement, signed by 651 financial institutions with approximately US$ 34 trillion in assets under management, encourages an integrated government approach to achieve a climate-resilient, net-zero emissions economy by 2050 or sooner.

To reach this goal, the statement calls on governments to implement policies in five critical areas:

— Adoption of comprehensive economy-wide public policies.

— Implementation of sectoral strategies, particularly in high-emitting sectors.

— Addressing challenges related to nature, water, and biodiversity, which both contribute to and result from the climate crisis.

— Mandatory climate-related disclosures across the financial system; and

— Facilitating greater private investment in mitigation, resilience, and climate adaptation activities in emerging markets and developing economies.

Table VI

Full list of companies engaged with on climate and biodiversity matters

3tentos	Grano Alimentos
Alpargatas	Grupo Boticário
Ambipar	Itaú
Azul	JBS
Azzas	Klabin
B3	LD Celulose
Belterra	Light
Bradesco	Natura
Braskem	Orizon
Brasol	Petrobras
BRF	Raízen
BTG Pactual	Samarco
Capal Cooperativa Agroindustrial	Sanepar
CBA	Serena
Cetrel	Tanac
Cosan	TBG
Energisa	Unidas
ERB	UpperDog
Fertsan	Vale
Frigol SA	Vittia
Frigorífico Concepción	

Source: Régia Capital

[27] Available at: https://theinvestoragenda.org/wp-content/uploads/2024/08/2024-Global-Investor-Statement-to-Governments-on-the-Climate-Crisis.pdf

Climate metrics

Based on Greenhouse Gas Protocol, Régia Capital has completely evaluated 2024 Scopes 1, 2 and 3 emissions. It accounts for the seven gases under the Kyoto Protocol converted to CO_2 equivalents and expressed in metric tons of CO_2e (tCO_2e) and for category 15 – Investments, we have followed the PCAF Standard.

Table VII

2024 GHG Emissions Inventory

Scopes and categories	2024
Scope 1 emissions (tCO_2e)	
Stationary combustion	0,01
Fugitive emissions	0,06
Scope 2 emissions (tCO_2e)	
Purchased electricity	0,41
Scope 3 emissions (tCO_2e)	
Category 5: Waste generated in operations	1,17
Category 6: Business travel	6,76
Category 7: Employee commuting	0,98
Category 15: Investments	162.901,97
Total emissions all scopes (tCO_2e)	
Scope 1 total emissions	0,06
Scope 2 total emissions	0,41
Scope 3 total emissions	162.910,88
Overall total emissions	**162.911,35**

Source: Régia Capital

Operational greenhouse gas emissions

Régia's operational emissions are minimal compared to the emissions from our investment activities. Our scope 1 emissions include stationary combustion and fugitive emissions, scope 2 emissions relate to the purchase of electricity for our office, and in scope 3, we measure business travel, employee commuting, and waste.

Financed greenhouse gas emissions

Financed emissions, scope 3 under category 15 of Investments, are those associated with investments and loans. When we invest or finance a specific activity it indirectly contributes to the release of GHG emissions. Finance emissions are the largest portion of financial institutions' overall emissions.

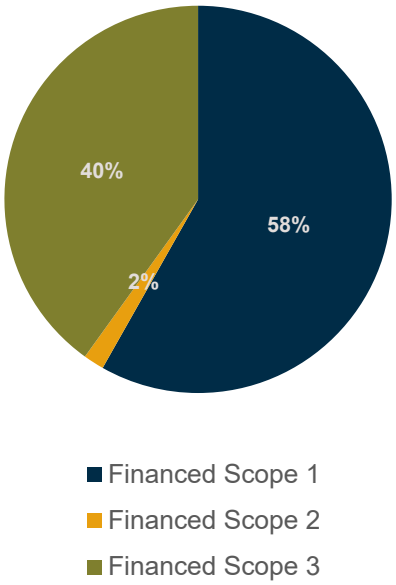
We are members of the Partnership for Carbon Accounting Financials (PCAF) because we understand that measuring these emissions is the first step toward managing them and addressing the urgent challenge of decarbonizing the global economy.

Based on the PCAF Global GHG Accounting Standard methodology, we can measure 68% of our AuM. PCAF enables the calculation of financed emissions across seven asset classes. For this report, we are considering the following asset classes: listed equity and corporate bonds, business loans, and unlisted equity.

Portfolio data is from 31 December 2024, and our results are based on companies' emissions related to the year 2024. Emissions factors were extracted from PCAF Database in March 2025, which were derived from EXIOBASE V3. Emissions factors were converted from EUR to BRL using FX rates for December 2024.

Figure XIII

Breakdown of Financed Emissions



Source: Régia Capital

The breakdown of financed emissions are as following:

Financed scope 1 emissions:
94,804.89 t CO_2e
Financed scope 2 emissions:
2,822.50 t CO_2e
Financed scope 3 emissions:
65,274.58 t CO_2e

58% of our financed emissions are related to scope 1 emissions of investees, 40% of scope 3 and only 2% related to scope 2 emissions. It is important to note that many companies do not yet disclose their full Scope 3 emissions. For example, several banks had not reported their 2024 financed emissions at the time of this analysis. In the next report, we will update our 2024 inventory to include this data.

For this report, we are also disclosing financed emissions broken down by asset classes and by sectors.

Activity	Total outstanding loan and investments covered (R$ mn)	Scope 1 & Scope 2 emissions (tCO_2e)	Scope 3 emissions (tCO_2e)	Emission intensity S1+2 (tCO_2e/R$ mn)	Emission intensity S1+2+3 (tCO_2e/R$ mn)	Data Quality Score Scopes 1+2	Data Quality Score Scope 3
Absolute financed emissions per asset class							
Listed Equity & Bonds	R$ 1.743	18.500	37.689	10,6	32,2	1,05	1,05
Business Loans and Unlisted Equity	R$ 792	78.995	26.125	99,7	132,7	2,58	2,62
Project Finance	R$ 79	131	1.459	1,6	19,9	3,73	3,73
Total							
Absolute financed emissions per sector							
Bioenergy	R$ 38	70	4.150	1,8	109,8	1,00	1,00
Consumer	R$ 100	1.034	5.579	10,3	65,8	1,54	1,54
Education	R$ 150	282	6.869	1,8	47,6	2,58	2,58
Energy	R$ 582	74.726	25.027	128,4	171,5	1,67	1,67
Financials	R$ 635	113	591	0,2	1,1	1,43	1,43
Industrials	R$ 22	4.730	1.240	209,9	265,0	1,00	1,00
Inputs	R$ 17	63	57	3,7	7,0	2,40	2,40
Leasing	R$ 89	50	831	0,6	9,8	1,00	1,00
Pulp & Paper	R$ 111	1.699	10.955	15,3	113,8	1,00	1,00
Farming	R$ 12	336	376	27,1	57,5	4,00	4,00
Water Utilities	R$ 217	5.351	581	24,6	27,3	1,00	1,00
Healthcare	R$ 359	483	987	1,3	4,1	1,15	1,15
Telecom	R$ 4	2	28	0,4	6,9	1,00	1,00
Transportation	R$ 107	1.344	5.568	12,6	64,7	2,63	2,91
Others	R$ 168	7.341	2.432	43,7	58,2	2,88	2,88

Source: Régia Capital

Our portfolio has greater exposure to listed companies, which, due to regulatory climate requirements, contributes to increased transparency of climate impacts and, consequently, to data scores closer to 1 rather than 5.

When looking at business loans and unlisted equity, data quality becomes more uncertain and emissions intensity increases. In contrast, project finance shows a lower carbon footprint, which may be due to the fact that our investments in this asset class are related to positive-impact activities, such as solar energy and nature-based solutions projects, which consequently have a lower emissions intensity.

From a sectoral perspective, the financial sector accounts for the largest concentration of investments, while showing a lower carbon footprint compared to peers. This can be explained by the fact that the companies we invest in within this sector either do not measure or have not yet disclosed their own financed emissions under Scope 3. In contrast, the industrial sector is the one with the highest emissions intensity.

It is worth noting that a company can offset the negative climate impact of its operations either through its own activities or by purchasing carbon credits.

Avoided emissions refer to the reduction in greenhouse gas emissions that can be attributed to the implementation of sustainable practices or technologies. These emissions would have been released into the atmosphere had such practices or technologies not been adopted.

Removed emissions originate from projects that capture carbon from the atmosphere, either through nature-based solutions or technological solutions.

Through these activities, a company may generate carbon credits or purchase and retire credits to offset its greenhouse gas emissions.

Below, we present a table with the information reported by investee companies and the share considered as financed by Régia.

Table IX

Régia's portfolio financed emissions

	Financed Avoided Emissions	Financed Removed Emissions	Financed Carbon Credits Generated	Financed Carbon Credits Retired
Total (tCO_2e)	375.315	2.312	4.812	1.976

Source: Régia Capital

We invest in companies and projects that, through their activities, contribute to avoiding or removing greenhouse gas emissions.

Considering our investments in these companies, we contributed to avoiding 375,315 tCO_2e from being released into the atmosphere, equivalent to 2.3 times our financed emissions. This means that we are investing in companies that prevent more greenhouse gas emissions than they generate and it's worth noting that few companies disclose this data, meaning that the actual value could be higher.

We are also financing the removal of 2,312 tCO_2e, while our investments have supported the generation of 4,812 carbon credits. Additionally, 1,976 tCO_2e of the financed emissions in our portfolio were neutralized through offsets implemented by the investee companies themselves.

Portfolio financed emissions intensity

The intensity of financed emissions (tCO_2e / R$ million invested), considering Scopes 1 and 2, was 37.33 in 2024 and 63.61 when including Scopes 1, 2, and 3.

Using the Ibovespa as a benchmark, an index that measures the performance of a theoretical portfolio of the most actively traded stocks in the Brazilian market, the figures are 20.25 for Scopes 1 and 2 and 395.10 for Scopes 1, 2, and 3.

Régia's portfolio has a carbon footprint approximately 6.21 times lower than the benchmark when considering Scopes 1, 2, and 3.

We will continue to monitor this indicator and report our performance against the benchmark on an annual basis.

Data Quality Score

To measure the financed emissions of our portfolio, we rely on companies disclosing their greenhouse gas emissions through an annual inventory. When such disclosure is not available, it is possible to estimate a company's emissions based on its sector, as outlined in the PCAF guidance.

Nevertheless, the availability of high-quality data remains a challenge, particularly for private companies. Since an inventory reported by a company and assured by a third-party verifier can differ substantially from an estimate based on sector and region, PCAF has developed a scoring metric, the Data Quality Score (DQS).

In the DQS framework, a score of 1 is assigned to companies with a third-party verified GHG inventory, which represents the most reliable information. Conversely, an estimate based on limited data receives a score of 5, reflecting greater uncertainty. It is important to highlight, however, that reporting less precise information is still preferable to providing none at all, as it helps foster transparency in the market.

Based on this methodology, we have the following breakdown across scopes in our financed emissions inventory.

Table X

2024 Portfolio Data Quality Score (DQS)

DQS	
Scopes 1+2	1,60
Scope 3	1,61

Source: Régia Capital

For Scopes 1 and 2 of the investee companies, we achieved an average score of 1.60. This indicates that most companies already disclose an annual GHG inventory, which has been third-party verified, while a smaller portion of the portfolio receives a score that reflects greater uncertainty.

When looking specifically at Scope 3, the average score increases lightly, showing that not all companies measure and disclose their Scope 3 emissions. Nevertheless, the overall result remains very positive.

Recalculation base year emissions policy

In line with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard requirement and following the best practices, we have established a baseline for the recalculation policy to ensure consistency, comparability, and relevance while maintaining efficiency. We have determined that a significant change resulting in a 5% difference in the total emissions for the base year would trigger a base year emissions recalculation.

This change may be related to structural changes, such as mergers and acquisitions, changes in calculation methodologies, such as improvements in data accuracy or discovery of significant errors or changes in the categories or activities included in scope 3 inventory.

It is important to note that we are committed to transparency. We will publish our GHG inventory annually and disclose the historical record of past emissions, ensuring that any adjustments to the inventory will be reflected in future reports.

Temperature Rating (TR)

The Temperature Rating methodology was developed by WWF and CDP to translate corporate climate targets into temperature scores to help financial institutions to engage and measure the alignment of their portfolio within 1.5°C of warming.

The methodology applies three protocols: (1) a target protocol, converting individual emissions targets into temperature scores; (2) a company protocol, aggregating these into a company-level score; and (3) a portfolio protocol, weighting company scores across an investment portfolio.

Using ~1,200 vetted climate scenarios from the IPCC's Sixth Assessment Report, it establishes benchmarks linking GHG trajectories to expected global warming by 2100. The rule-based framework harmonizes Scope 1, 2, and 3 targets across time horizons (short-, medium-, and long-term) and addresses missing data.

Companies without disclosed emissions targets receive a default score of 3.2°C, enabling consistent comparisons at both company and portfolio levels.

Portfolio Temperature Rating

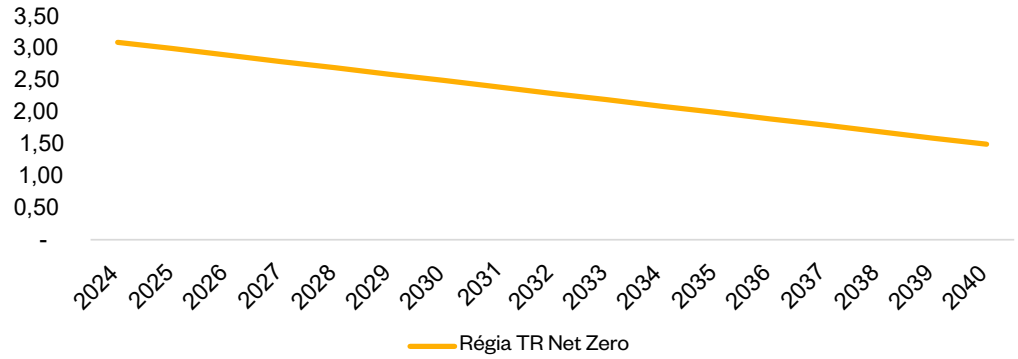
We assessed our portfolio, and we have an implied temperature rating of **3.10°C**.

Considering Ibovespa as a benchmark, Régia's portfolio is slightly better positioned, given that the Ibovespa shows a temperature alignment of **3.14°C**. However, it is important to mention that since the vast majority of companies listed on the Brazilian stock exchange are lagging in setting targets aligned with the Paris Agreement, they receive the default score of 3.2°C.

It is worth noting that, for a more robust and conservative assessment, we are only considering companies with approved science--based net-zero targets.

Chart XVII

Portfolio Expected Temperature Rating Trajectory in °C



Source: Régia Capital

This represents the expected trajectory for Régia's portfolio, considering Scope 1, 2, and 3 targets, in alignment with the 1.5°C pathway by 2040. We will disclose our performance against this expected trajectory on an annual basis.

Nature metrics

The following figures reflect Régia Capital's TNFD core sector disclosure metrics:

- Exposure to sectors:

  — 33.1% (R$923 million) of Régia Capital's portfolio is exposed to sectors that the TNFD defines as having material nature-related dependencies and impacts based on the list of sectors set out in its Additional Guidance for Financial Institutions.

- Exposure to sensitive locations:

  — 27.4% (R$763 million) of Régia Capital's portfolio is exposed to locations with a high presence of critical natural assets.

  — 0.1% (R$3.5 million) of Régia Capital's portfolio is exposed to locations with high water scarcity.

Nature-Based Solutions (NBS)

Nature-based solutions are actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social,economic and environmental challenges effectively and adaptively, while simultaneously providing human wellbeing, ecosystem services and resilience and biodiversity benefits.

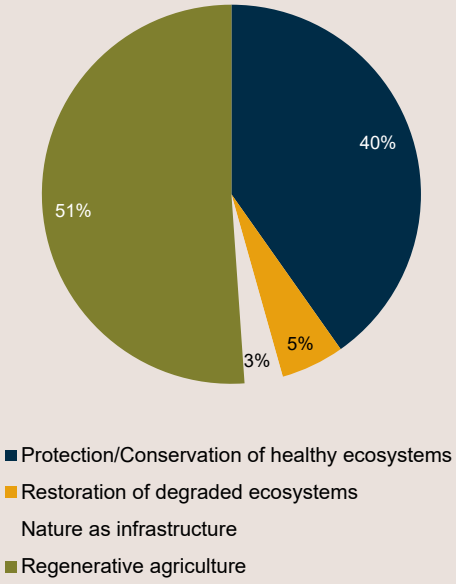
Our ambition is to increase investments in nature-based solutions to support IFACC's and BRB Finance Coalition collective goals and help close the annual billion-dollar funding gap required for these solutions globally by 2030. Biodiversity finance flows (US$ 200 billion) need to almost triple to achieve US$ 542 billion per year by 2030 and to quadruple to US$ 737 billion by 2050 to meet Rio Convention targets, and to help accomplish this, we will delve into the

origination and structuring of investment cases to contribute to this finance flow.

Total amount invested in Nature-Based Solutions: R$ 81,987,784 (3% of AuM), as of 31 December of 2024.

Chart XVIII

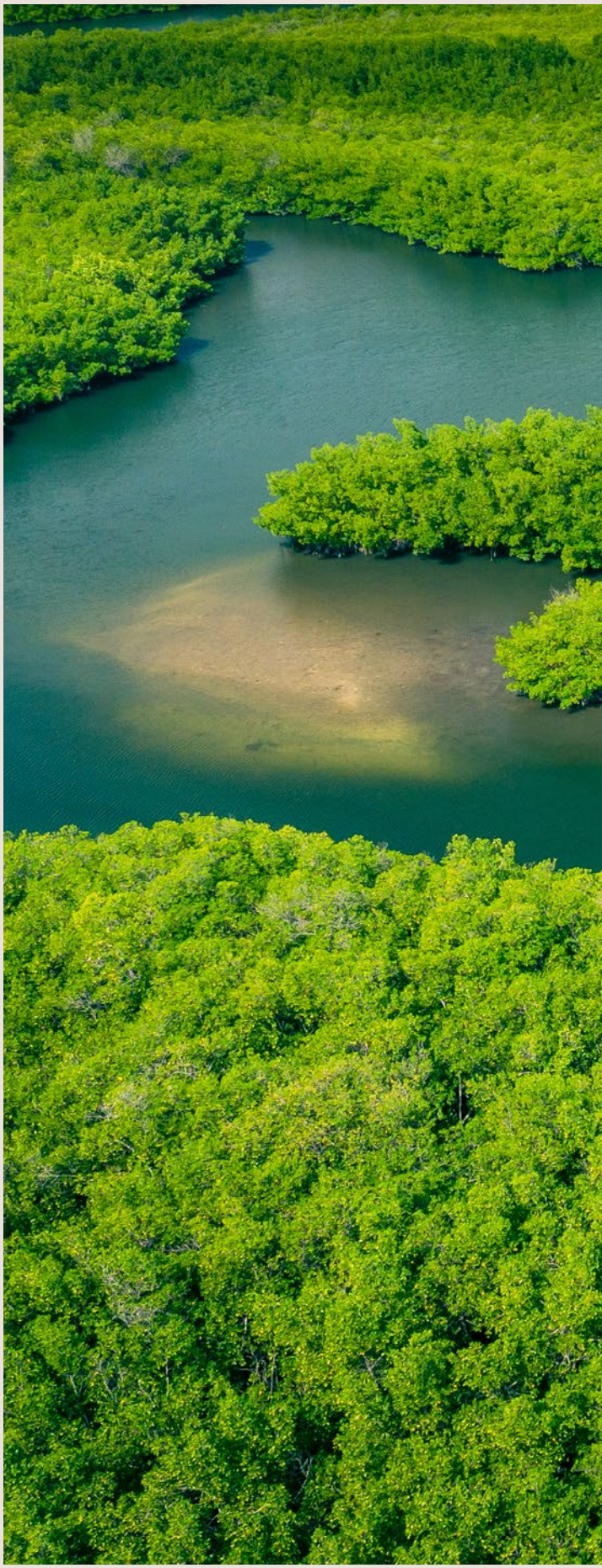
Nature-based solutions breakdown



Source: Régia Capital

While we do not invest directly in companies or projects that claim to have an explicit goal to protect or restore biodiversity, we understand that all of investments in nature-based solutions contribute to this goal.

We will disclose our performance against investments in nature-based solutions on an annual basis.



12. Next steps

We are pleased to share Régia's first Climate and Biodiversity Report.

This publication follows the recommendations of the TCFD and TNFD, while also seeking alignment with IFRS S1 and S2 standards on a voluntary basis.

In this report, we presented an analysis of the dependencies and impacts of our activities on climate and biodiversity, as well as how these dynamics affect our operations. We also share a portfolio review covering SBTi commitments and deforestation exposure, along with Régia's first greenhouse gas (GHG) inventory.

The assessment represents a baseline assessment at a point in time and is intended to be repeated annually. We will continue to monitor, disclose, and improve these analyses over time, ensuring that our approach evolves in line with best practices and the urgency of the challenges we face.

This work highlights why it is essential for financial institutions to pay close attention to these issues, not only as a matter of risk mitigation, but also in addressing the investment gaps needed to reduce the most severe impacts of the climate crisis. Brazil, with its unique natural capital, has the potential to be a global leader in the green economy.

Thank you for reading, and we look forward to sharing further progress in our next report.

11. Acknowledgment

We would like to especially thank NatureFinance team for their support and the ongoing partnership over the years.

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