

Stewardship Report 2024



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Régia Capital was born reinforcing our ambition that the capital market can play a decisive role in the pursuit of achieving the UN's sustainable goals. In about a year of life, we have exceeded R\$8 billion in funds that integrate ESG factors into their investment process and seek to monetize the capital of our investors while sponsoring companies and projects that produce positive externalities for society.

To achieve this goal, we value the construction of a growing intelligence oriented to the measurement of ESG factors in our investees, a basis that supports the creation of innovative financial structures and an approach of active engagement with Brazilian companies to improve corporate practices capable of reducing negative effects and expanding benefits for the set of stakeholders involved in each case.

This approach is based on the idea that Régia Capital, whether through investment in stocks or debt securities, has the responsibility to transmit to its investees the best practices associated with the generation of externalities, always using as a reference the knowledge supported by science and the good standards of more mature markets. At the end of the day, the search for balanced business models in terms of benefits produced for our customers, creditors, shareholders, suppliers, the environment, among others impacted, increases the chances of perpetuity for our investees, helping in the relationship between return and risk throughout economic cycles.

In this sense, we are very pleased to present the first stewardship report of Régia, which summarizes our performance and efforts for active engagement actions with the main investees over the last year."

Alexandre Muller
Executive Director



Stewardship plays a strategic role in Brazil, especially at a time when investors seek to align financial returns with positive social and environmental impacts. In a country with unique challenges and opportunities, such as the preservation of the Amazon, the transition to a low-carbon economy, and the reduction of social inequality, active engagement with companies and policymakers can generate concrete impacts on asset valuation and business sustainability.

While the anti-ESG wave in part of the world has generated debates about the role of investors in the sustainable agenda, Brazil is moving in a different direction. The growing global demand for more responsible supply chains and the need to mitigate climate risks make the adoption of ESG practices a competitive advantage for local companies and investors. The commitment of large financial institutions and managers to this agenda reinforces the trend that stewardship in Brazil should be strengthened, rather than impacted by external political movements.

This dynamic creates a window of opportunity for Brazilian assets. Companies that adopt good governance practices, transparency, and positive social and environmental impact tend to attract more capital and differentiate themselves in the global market. Stewardship acts precisely in this process, encouraging better standards and helping to mitigate risks that could affect the valuation of investments. In this way, Brazil has the potential to become a model of sustainable development, benefiting both investors and society in general."

A handwritten signature in black ink, featuring a stylized, cursive script that is difficult to decipher but appears to be the name of the signatory.

José Pugas

Head of Sustainability



The concept of stewardship has been gaining relevance in the Brazilian financial market, reflecting the growing responsibility of institutional investors to positively influence the companies in which they invest. In Brazil, this approach is especially important in the face of socio-environmental challenges and the need for greater transparency by companies.

ESG investments have been consolidated as a key strategy for mitigating risks and generating long-term value. However, in Brazil, issues such as deforestation, social inequality, and fragile governance still represent significant challenges. Stewardship acts as a mechanism to align investor interests with sustainability, promoting active engagement with companies to encourage better environmental and social practices, as well as strengthening corporate governance.

Stewardship is a key pillar of our investment strategy. Régia takes an active approach, engaging in collaborative engagements with companies and policymakers to promote greater transparency, risk mitigation, and adoption of sustainable practices. Through initiatives such as Climate Action 100+, Investor Policy Dialogue on Deforestation (IPDD) and PRI Spring, Régia positions itself as a transforming agent in the Brazilian market, contributing to the evolution of ESG practices and to a more responsible financial ecosystem aligned with global sustainability challenges."



Bruno Bernardo
ESG and Stewardship 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?
Combining human, natural, and economic capital with purpose, aligning values with actions, enabling sustainable investment solutions.

Experts?
Absolutely. But in a way that people understand.

Together, we aim to redefine the concept of success.
We can do more, do better, and build a reality where sustainability is the norm, not the exception.

We are committed to innovation.
With a focus on the future, but without losing sight of what brought us here.
And it's here, in Brazil.

The right place to multiply possibilities and drive 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 further, build and invest in the present.
And, with intention, be part of the solution.



About us

We are Régia Capital, an asset manager created to enable sustainable investment solutions that contribute to a new economy.

The firm emerged from a strategic partnership between JGP, with 26 years of experience, and BB Asset, with 37 years of experience and more than R\$ 1.7 trillion under management. Together, we built a platform to direct capital at scale to sustainable solutions, connecting financial return and environmental impact. Like other agents of the global transition, we are in a continuous learning process.

Régia Capital shares management, analysis and operational teams with other management companies of the JGP group on a shared service basis*, so that several other employees contribute to its activities, sharing all the knowledge developed through the construction of the firm. This collaboration allows them to leverage expertise and resources to increase efficiency and drive performance across the group. The companies of the JGP group have, in total, approximately 190 employees.





*Shared service between the companies Régia Capital Ltda, JGP Gestão de Recursos Ltda, JGP Gestão de Crédito Ltda, JGP Gestão Patrimonial Ltda, JGP Real Estate Gestão de Recursos Ltda and JGP Global Gestão de Recursos Ltda.

Our growth strategy is based on a double democratization. On one hand, we expanded access to capital markets to more than 30 thousand individual investors and new institutional profiles, such as subnational governments, corporate treasuries and philanthropic institutions. On the other hand, we create paths for emerging businesses and pre-competitive sectors to access capital, through acceleration programs aimed at preparing for the market.

In just one year, we reached more than 10 billion reais in assets under management, according to data from Anbima's Ranking of Investment Fund Managers, fully allocated to sustainable strategies, the result of the work of a diverse

team, with complementary training and experiences.

Working closely with the main global forums and national initiatives, we seek to play a leading role in the advancement of sustainable investments in Brazil. Régia is one of the few managers in the Global South that are simultaneous signatories to the main international coalitions focused on climate and the fight against deforestation, such as IPDD, Climate Action 100+, FSDA, IFACC, Finance for Biodiversity Pledge and FAIRR. We actively participate in these forums, collaborating with technical discussions, common agendas and dissemination of good practices.



Our goal is to drive the transition to a green economy by engaging with companies to adopt sustainable practices.

We believe that impact and financial return can (and should) walk together. This conviction guides our actions as active investors. More than capital providers, we are partners committed to long-term results. The proximity to investees allows us to anticipate risks and strengthen ESG performance.

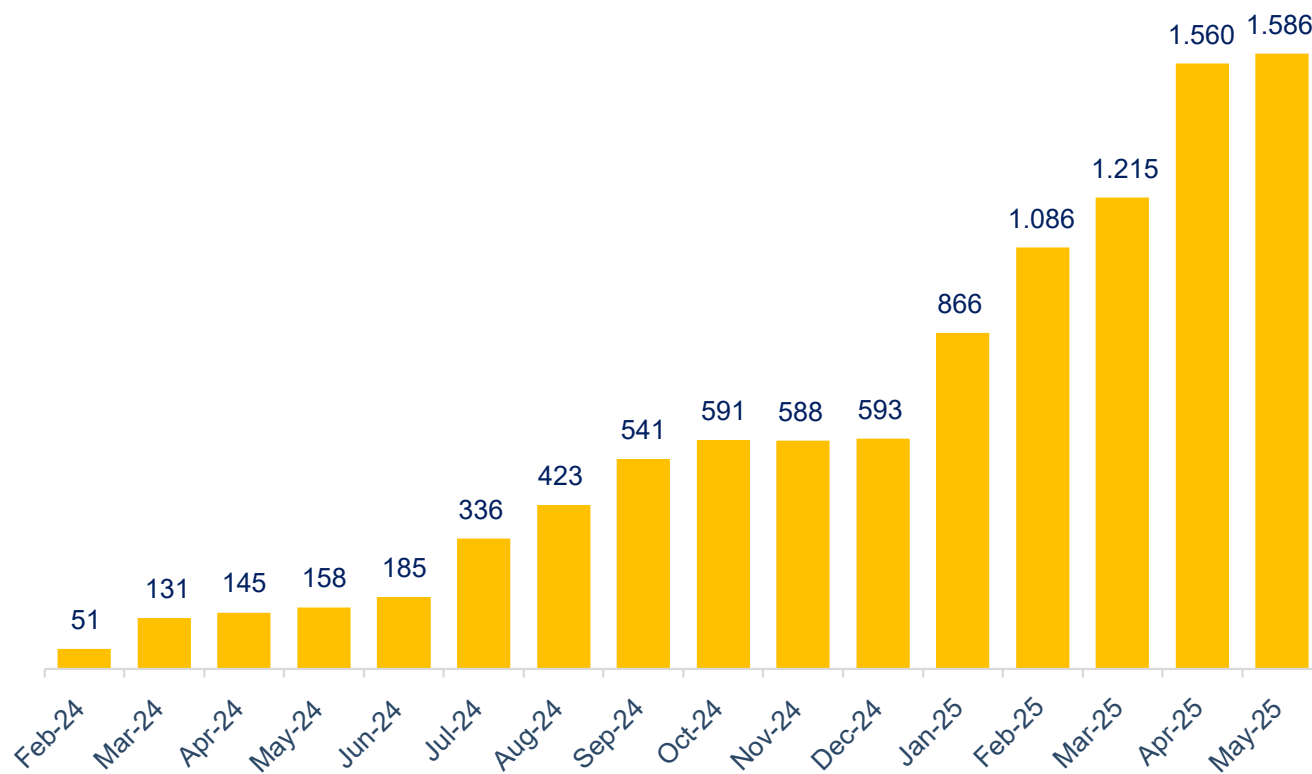
At Régia Capital, we recognize the opportunity and responsibility of working with the Global South. Sustainable investments are key to addressing climate, environmental

and social challenges. Transforming these solutions into robust investment thesis requires innovation, proper structuring, and collaboration with the public and private sectors. It is an ongoing process, based on transparency, risk management, and delivering consistent financial results. We remain committed to evolving, deepening our knowledge and supporting the development of investment models that contribute significantly to the climate and sustainability agendas.



Régia in numbers

Régia Capital's AuM (US\$ MM)

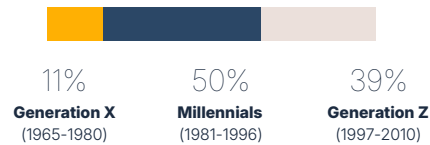


Source: Régia Capital

Our Team



39% Female



31

Average Age

Race Diversity

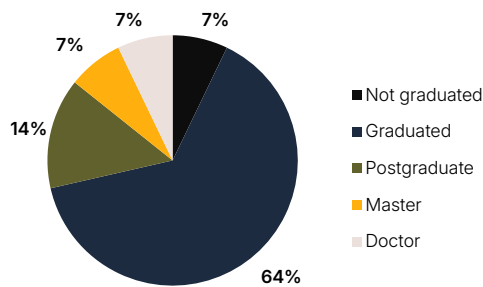
93% White
7% Yellow

28%
LGBTQIAP+

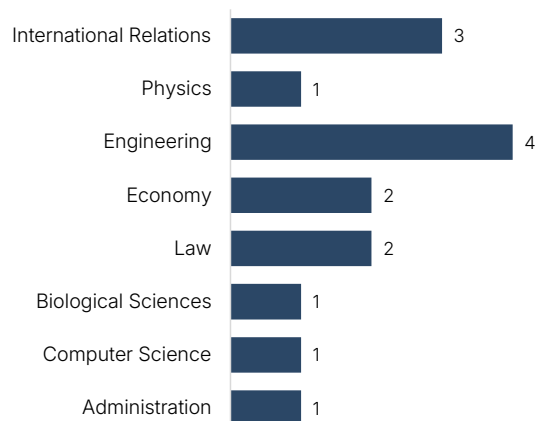
72%
Heterosexual

Average
length
of service

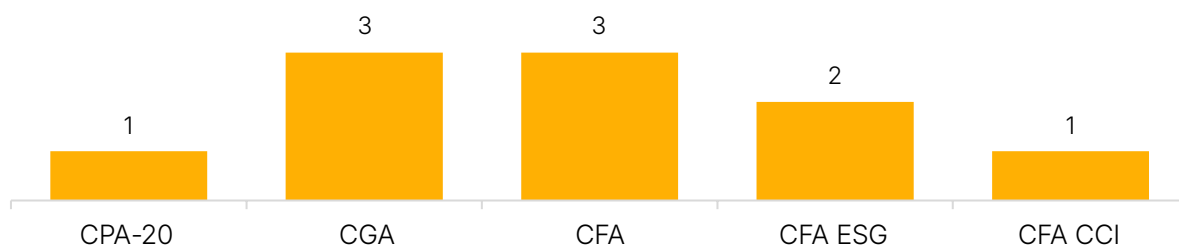
1 year



Graduation



Professional Certifications



Place of origin of the Régia team



Office

Rio de Janeiro: 18

6 states

Bahia, Ceará, Distrito Federal, Minas Gerais, Rio de Janeiro and São Paulo

*Based on 18 survey responses conducted in April 2025.

Source: Régia Capital

Events participations

We seek to be vocal in national and international forums about our performance and investment perspective.

Throughout the year, our team participated in several events, and we officially debuted as Régia Capital at the **COP16 of Biodiversity**, in Cali. We participated in six panels with key discussions on the importance of the financial sector in promoting the Kunming-Montreal Global Biodiversity Framework. We discussed topics such as TNFD's recommendations, tools for socio-environmental analysis and monitoring, and financial innovations, such as urban biodiversity credits.

We also participated in the event Reset Conecta: Climate Finance in Brazil – from millions to billions, where we discussed the change in perspective from observing non-financial externalities and the growing demand of more sophisticated capital structures development.

Another example was our participation in the Veja Negócios' Forum – Opportunities for Brazil in the Transition to Green Energy. During the panel discussion, we highlighted the importance of mobilizing capital by uniting the public and private sectors and the importance of regulating the Brazilian carbon market.



Julia Bretz, Portfolio Manager at BB Invest, Campo Grande, MS



Alexandre Muller, Executive Director, at Reset Conecta - Climate Finance in Brazil: From Millions to Billions panel.



José Pugas, Head of ESG at SME Finance Forum "Overcoming challenges and supporting SMEs in the Amazon region" panel.



Alexandre Muller, Executive Director, at Meeting of Investment and Pension Fund Professionals from Northern and Northeastern Brazil, on the panel Private Credit Outlook



Bruno Bernardo, ESG Analyst, at COP 16: TNFD Adoption Announcement panel



Stewardship

We believe that responsible investing involves the active use of the rights of shareholders and bondholders to encourage better corporate practices. Through engagement and voting, we seek to support companies invested in managing risks and opportunities related to sustainability, helping them to develop more resilient and future-proof business models.

Companies that adopt sustainable practices tend to stand out in the long term, both in competitiveness and in risk-adjusted performance. Therefore, representing the interests of our clients, we maintain a continuous dialogue with companies to reinforce their responsible business conduct and promote sustainable growth.

Engagement consists of building a strategic dialogue with investee companies to discuss environmental, social, and governance (ESG) risk management, as well as positively influencing corporate decisions associated with sustainable challenges. The exercise of voting at shareholders' meetings is an essential tool to reinforce our positioning, making clear that governance and business practices are aligned with responsible principles and with the generation of long-term value.

In this way, stewardship becomes a fundamental pillar of our sustainable investment approach, ensuring that our performance in the financial market reflects our commitment to building a more responsible and balanced future.

The first agreement that Régia Capital formally adhered to was the Brazilian Stewardship Code (CBS), demonstrating our commitment to the creation of sustainable long-term value and attention to the management and monitoring of securities held by clients.

The Brazilian Code establishes **7 principles for institutional investors**, in order to guide the fulfillment of their fiduciary duty to their final beneficiaries:

- I)** Implement and disseminate stewardship program;
- II)** Implement and disclose mechanisms for managing conflicts of interest;
- III)** Consider ESG aspects in your investment processes and stewardship activities;
- IV)** Monitoring the issuers of securities invested;
- V)** Be active and diligent in the exercise of their voting rights;
- VI)** Define criteria for collective engagement;
- VII)** Provide transparency to its stewardship activities.

The 2024 Stewardship Report presents the first steps in the implementation of stewardship in Régia Capital's activities.



Principle 1

Implement and publicize the stewardship program

Régia Capital formally adhered to the Brazilian Stewardship Code in January 2025. We believe that investors play an important role in the economy and society, involving the combination of financial return and positive impact on society.

The objective of the stewardship program is to ensure adequate care in the management of assets under management and the monitoring of securities, in order to generate and protect value for our clients. The various forms of engagement are part of this process, including the exercise of the right to vote at company meetings, where we fulfill the duty of seeking the best interests of our shareholders.

The governance of engagement is coordinated by the ESG area, with qualified professionals dedicated to managing

stewardship in the fund. Our participation in meetings is led by the Compliance team, with the ESG team and research analysts actively contributing to our exercise of the right to vote.

The Asset Selection Policy following environmental, social and governance criteria is detailed in the ESG Manual, including aspects related to the ESG methodology, ESG asset monitoring process, engagement policy and restrictive lists of investments in IS (Sustainable Investment) funds of the manager.

Transparency of stewardship activities is described in this report, our first such publication. The annual stewardship report of Régia is available on our website and on the online reports page of the signatories of the Brazilian Code.



Principle 2

Implement and disclose conflict of interest management mechanisms

The management of conflicts of interest at Régia has a well-structured process of mapping, mitigation, and solution, led and monitored by the Compliance area. In the Régia's Code of Ethics and Conduct, we explain the basic principles of ethics, conduct and behavior that must be observed by all employees (partners, associates, directors, employees, interns and service providers allocated to the company's premises) in the development of their duties and daily professional relationships.

The decisions made on a day-to-day basis must be aimed at the interests of the company and its customers, in order to avoid the influence of any personal bias that may qualify a conflict of interest. In case of any potential conflicts, employees should immediately communicate the fact to the Compliance area, which will evaluate the best measure to be taken as the case may be.

In any case, there are preventive measures practiced by Régia in order to avoid conflict situations, which are:

No employee, with influence over the decisions of Régia, and no close member

of the family of such employee, may hold any substantial interest, as shareholder or manager, in investee companies and suppliers of Régia, without the prior agreement of the Administrative, Ethics and Compliance Committee. On the other hand, if an employee or a member of his family has an equity interest in a competitor of Régia, the Compliance area must also be notified.

It is also not allowed to hire close people and family members of employees to avoid conflict and independence in decision-making and performance evaluations.

It is worth reinforcing that employees are not allowed to carry out activities outside of work that may compete with their activities in Régia. Employees are prohibited from participating in external business, paid or unpaid, and/or becoming a member of company boards of directors without the prior written approval of the Compliance area. Approval will be granted on a case-by-case basis, after consideration of potential conflicts of interest and any other relevant regulatory issues. All Employees must use the "Declaration of Secondary Activity" to request prior approval for the exercise of any external activities.

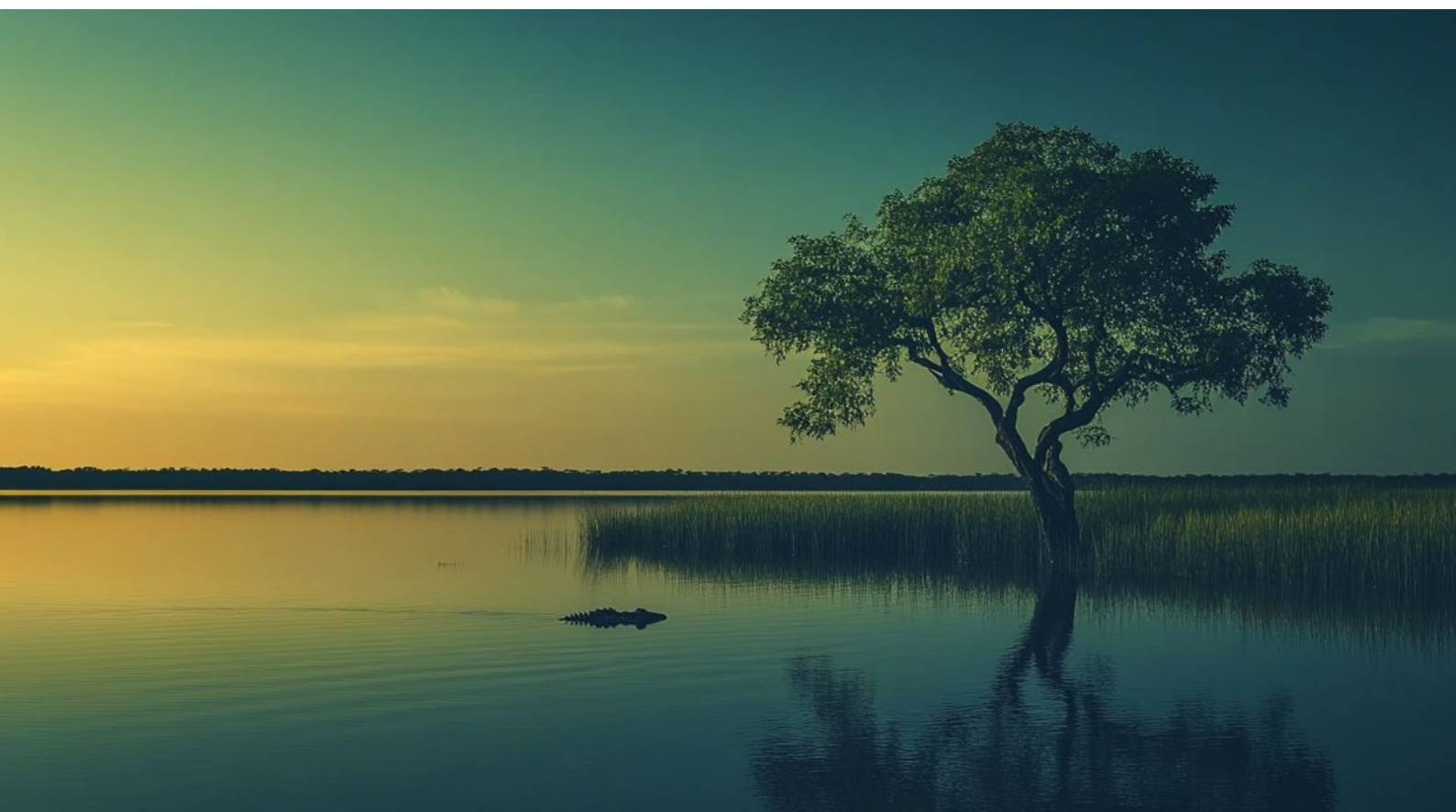


Still, Régia has a very strict policy regarding the acceptance of gifts. The biggest concern is the gift giver's intent in relation to the Régia employee and the maintenance of the independence of their judgment in decision-making. All gifts are registered by the Compliance area and, if they are above the values determined by the compliance area or, in the evaluation of the Compliance area, can potentially influence the independence of decisions, the Compliance area promotes their donation or internal raffle.

Our concern to act with impartiality and free of conflict is also verified in our activities within invested companies, such as in the exercise of the right to vote in meetings. When we choose to vote in the election

of a member of the Board of Directors or understand that it is worth appointing a new member, we hold a meeting in which the Compliance, ESG, Management and Analysis areas participate to verify the precedents of the nominee(s) and their autonomy in relation to any interest or connection that Régia may share with the said candidate.

Finally, it is worth mentioning that Régia promotes training and qualification to all new employees in order to obtain sufficient information about the main rules of ethics and conduct of Régia and its mechanisms for preventing conflicts of interest. The training is provided by the Compliance area, which must provide employees with didactic material, call list and certificate.



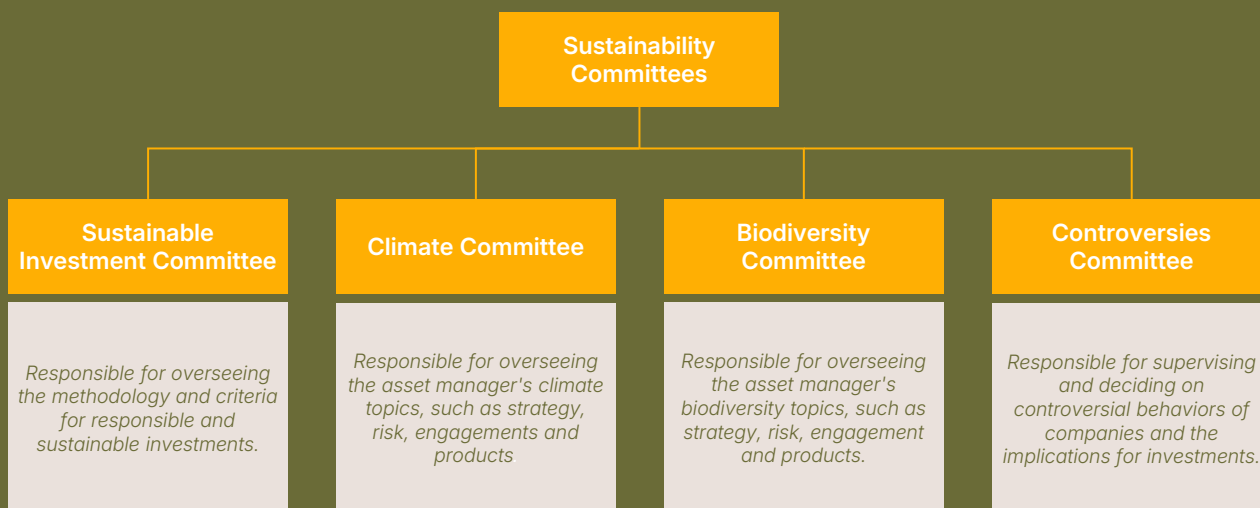
Principle 3

Consider ESG aspects in your investment processes and stewardship activities

Régia's ESG culture is transversal to all areas of the firm, with the Impact and Legacy Management Coordination responsible for its implementation. The team has a dedicated team of research analysts to evaluate investments from an ESG perspective, which is integrated into the processes of analysis of fixed and variable income assets and other strategies that may be incorporated by the manager.

The assets that are part of the portfolio of the IS funds (Sustainable Investment, according to Anbima's taxonomy) are approved as "ESG Assets", detailed later in the ESG integration topic.

For better management, the following responsible investment committees have been created:



The Chief Investment Officer of Régia takes part on the Climate and Biodiversity Committees, while the Head of ESG must be present on all Committees, with each Committee having a specific secretary to coordinate discussions. Members from different areas and levels of the manager

participate in the committees, such as the executive committee, board, managers and analysts.

The Committees meet periodically, at least once a year or at a shorter interval if necessary.

Régia's ESG integration is based on the methodology in which, for IS funds, the "ESG Assets" must contribute materially to the Sustainable Goals defined by the manager, not cause significant damage and have ESG frameworks (which will be detailed later).

Thematic fund assets do not necessarily need to be aligned with the first two criteria, but must follow the Restriction List (Annex I, ESG Manual) and have an ESG framework.

Alignment with our Sustainable Goals:

The internal Sustainable Goals defined by Régia are based on sustainable financing taxonomies, containing both environmental and social criteria for better adaptation to the Brazilian context.

In all, there are 12 criteria. 6 of which are directly related to environmental aspects and 6 are social, where an "ESG Asset" must contribute at least in a relevant way to one of these to be considered a generator of positive externality.

Figure I

Sustainable Goals

	Climate change mitigation		Accessible basic infrastructure
	Adaptation to climate change		Access to essential services
	Sustainable use and protection of water and marine resources		Affordable housing
	Transition to circular economy		SME Finance & Microfinance
	Pollution control and prevention		Food security and sustainable food systems
	Protection and restoration of biodiversity and ecosystems		Socioeconomic advancement, inclusion and empowerment

Basic accessible infrastructure: Safe drinking water, sewage, sanitation, transportation, and energy.

Access to essential services: Healthcare, education, vocational training, healthcare services, financing, and financial services.

Socioeconomic advancement, inclusion, and empowerment: Equitable access to assets, services, resources, and opportunities; fair participation and integration in the market and society, including income inequality reduction.



Regardless of whether an asset generates a positive externality, it must not cause significant damage to one or more of these objectives to be included in a sustainable investment fund (SI).

Do No Significant Harm (DNSH):

The concept of Do No Significant Harm, that is, of not causing significant harm follows the premise that an "ESG Asset" should not support or invest in economic activities that cause a significant negative impact on one of the sustainable objectives. To do this, we established the criteria that if an activity that causes damage represents more than 5% of the company's revenue, it will be considered material, which would make this company ineligible.

In addition, sustainable investment funds cannot invest resources in sectors and companies that we consider highly harmful to social progress and the environment, as specified in the ESG Manual Restriction List.

To contribute to decarbonization and decommissioning strategies for polluting assets, an issuer that has an activity that causes significant damage can be invested if it presents a robust transition strategy with limited use of resources to green activity that will directly contribute to its theory of change. To do so, the issuer needs to present a clear commitment to replace a business model based on dirty activity with green technology.

We also have specific criteria related to deforestation and respect for human rights,

described in our [Anti-Deforestation Policy](#) and [Human Rights Policy](#), available on our website.

To monitor the impacts, the assets of the IS funds must have a complete investment justification, such justification contains alignment with the sustainable objectives, controversies observed and a matrix of adverse sustainability impacts with the key indicators to be monitored.

In addition, the ESG analysis team completes the integration with sectoral ESG frameworks for a greater depth of the performance of environmental, social and governance factors of companies.

ESG Framework:

We have structured a methodology capable of capturing ESG indicators to support our analysis and choice of assets that will make up our portfolios.

We apply a set of questions (ESG Framework) that provides us with a more complete mapping of the stage in which the company is in terms of the treatment of its externalities and its current actions, as well as its short and medium-term planning.

This process is done taking into account international standards, such as the SASB (Sustainability Accounting Standards Board), which seeks to categorize which are the most sensitive topics for each sector, as well as indicators from the WEF (World Economic Forum), IFC (International Finance Corporation) and other relevant sectoral taxonomies.



After identifying these factors, we developed the proprietary framework, which is filled in considering quantitative and qualitative aspects and controversies. We use public information from the companies analyzed and independent sources. This process of analysis and completion of the frameworks is carried out based on the regular interaction of our management and analysis teams with the analyzed companies, which are the object of application of the framework, in order to allow them to adhere to the materiality of the companies/sectors.

We highlight that we are currently in the third version of our proprietary framework. When we started, we had the integration

of 2 sectors, covering 5 companies. At the end of 2024, the integration covered 46 distinct sectors and sub-sectors, with **193 companies assessed** (vs 41 sectors and 160 companies in 2023).

In parallel with the continuous improvement of the tool, we walk side by side with the manager's commitments. **Régia Capital is one of the few managers in the Global South that is a simultaneous signatory to the main global coalitions to combat climate change and deforestation**, such as the Investor Policy Dialogue on Deforestation (IPDD), Climate Action 100+, Finance Sector Deforestation Action (FSDA) Initiative, Finance for Biodiversity pledge and FAIRR Initiative.

Initiatives and commitments:



ESG analysis process:

In order for an asset to be investable, it must be approved by the screening of the ESG Manual Restriction List and, if the asset does not violate any of the items described, it becomes eligible to receive investments.

ESG integration for equities and fixed income assets follows similar processes. In pre-credit committee and pre-equity investment situations, if an ESG angle of the operation is checked, which is a possible alignment with Régia's theories of change and with the investment thesis of the funds is demonstrated, the ESG team initiates an alignment analysis with sustainable objectives and serious controversies.

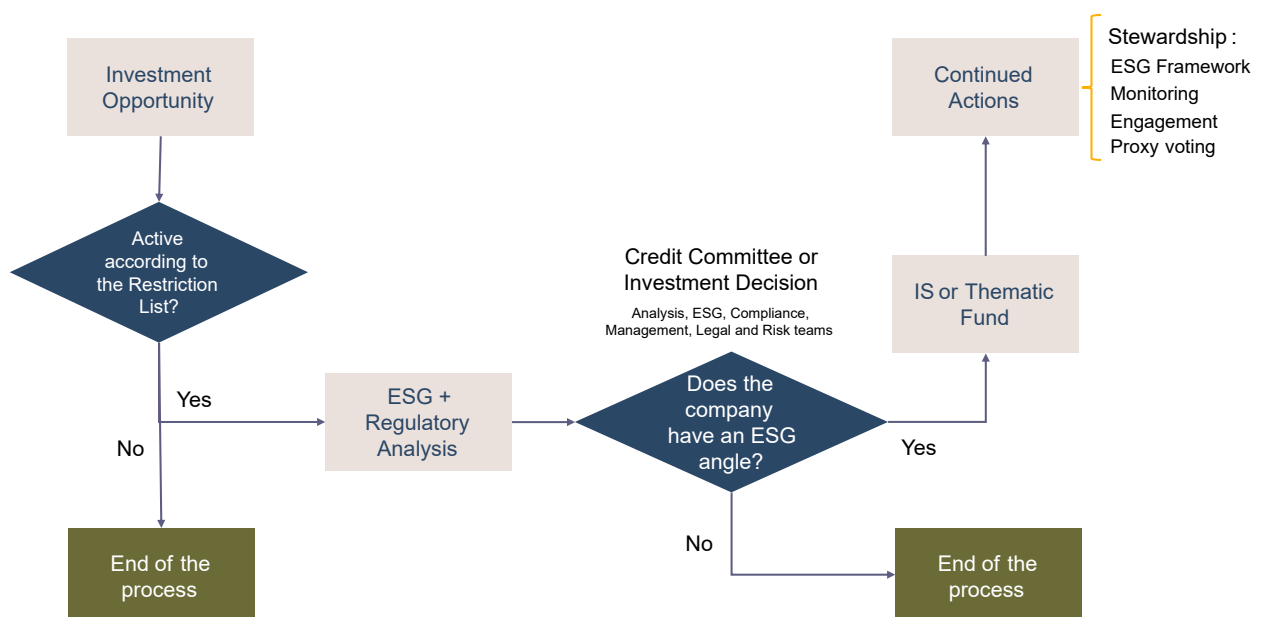
If aligned, without serious controversies and the investment is approved, a more in-depth ESG analysis process begins with proprietary ESG frameworks. After this analysis process, it then moves on to stewardship - monitoring and engagement of securities.

If the asset is not aligned for IS funds, it may be investable in thematic funds with ESG integration and stewardship.

The ESG framework should be updated at least once a year, or less frequently, whenever necessary.

Figure II

ESG Analysis Process





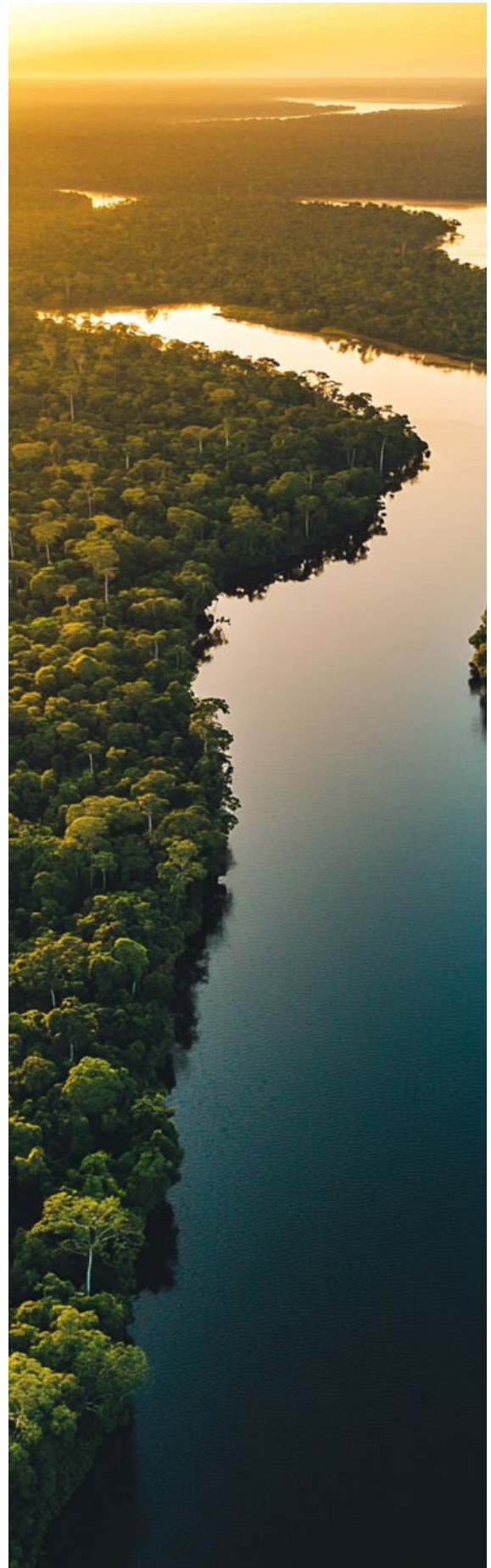
Limitations of the Methodology:

In a transition in the culture of information transparency scenario, most companies are still not prepared for the appropriate verification and disclosure of their externalities and critical indicators to categorize the materiality of adverse impacts that are transversal to them.

While we expect the absence of data to be a decreasing problem as ESG moves up the agenda of the financial market and the real economy, we have created methodological safeguards for this issue, preserving quality in our ESG Asset acquisition decision-making.

Acculturation

As a way to foster acculturation of ESG practices in the firm, we held discussion forums on related agendas, some of the topics addressed were: the relationship between Brazilian meatpackers and deforestation, the anti-ESG movement in the United States, environmental and social crimes associated with the world of fashion and carbon credits. Throughout the year we produced 9 discussion forums, with an average of 34 participants from different areas.





Principle 4

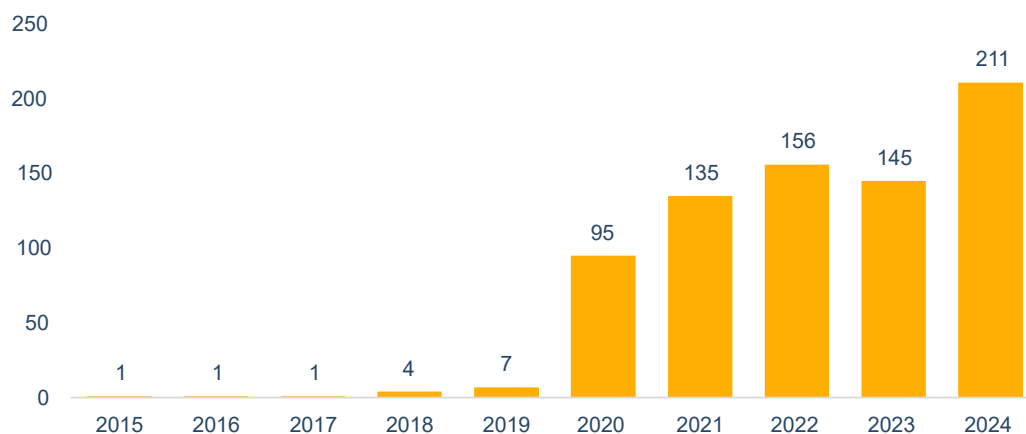
Monitoring the issuers of invested securities

The securities invested monitoring is constant, either by the analysis team, which has recurring interactions with the companies, or by the ESG team, when monitoring some specific environmental, social or governance aspect. This monitoring occurs periodically based on positive or negative subjects communicated to the market.

The analysis team seeks to have a close relationship with the investees, either by participating in earnings calls or directly in contact with the companies' Investor Relations team. Also, the team seeks to participate in conferences and side events to be updated on the financial performance of the companies.

In 2024, **211 credit committees** were held, where part of the committees held were to update investment cases. Employees from different areas participate in the committees, such as Credit, Risk, Compliance and ESG, where each area has its role and power of voice in the analysis of assets. In these spaces, aspects such as risk analysis of operations, solvency of borrowers, guarantees offered, market conditions and alignment with the strategy of the funds and the institution are discussed. In all, **88 committees were focused on assets with ESG biases.**

Total JGP and Régia Credit Committees





In addition, the ESG performance analysis of the invested assets is updated at least once a year in order to monitor the evolution of the indicators.

Controversies

If any company presents a discrediting news, a committee is created and the monitoring of this specific case begins. We will study and analyze the matter, interviewing different stakeholders to have a better opinion on the case and we will seek to contact the company for clarification on what happened, in order to give the company the opportunity to elucidate the facts and inform what measures are being taken to mitigate and so that the incident does not happen again. If the answer is not adequate, we may choose to divest the asset, and even place the company on our temporary exclusion list, depending on the severity of the event.

Case I

Throughout 2024, we closely monitored the practices of one of the companies invested by the IS funds, belonging to the healthcare sector. In January, media vehicles reported an increase in cases of non-compliance related to the lawsuit involving the company.

At the time of the controversy, the National Supplementary Health Agency (ANS) stated that there were not enough elements to start a formal investigation. However, as soon as we became aware of the case, we decided to conduct an independent investigation. To do this, we consulted three lawyers specialized in the subject, seeking to form a reasoned opinion and assess whether what happened could be characterized as an intentional practice. If confirmed, such a practice could represent a serious controversy, and could lead to the exclusion of the asset from the sustainable investment fund (SI).

In general, the lawyers consulted indicated that the non-compliance had been intentional, but attributed to the government restructurings carried out by the company. Emphasizing that the company had already resumed compliance with the injunctions. It was mentioned that judicialization in the sector is seasonal, with an increase in cases whenever there are changes in legislation.

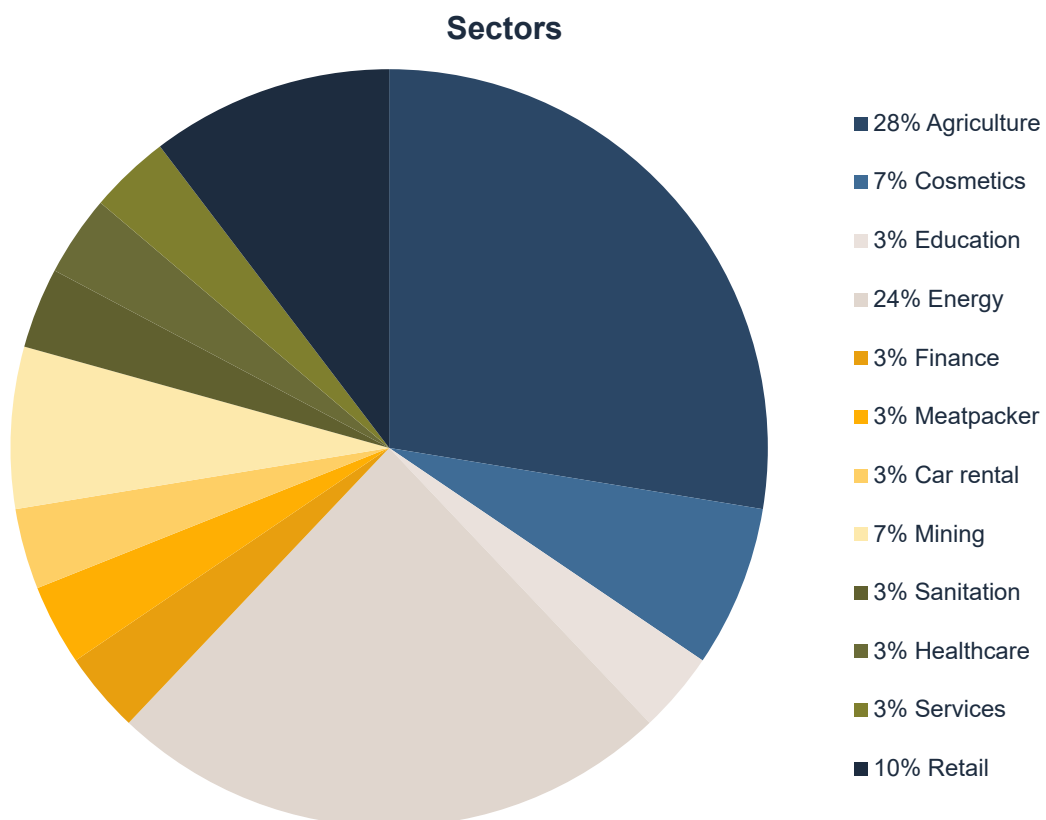
Since these conversations, other specific news emerged about fines imposed on the company, but which can be justified by the size of its operation. A relevant point observed

was that the company's sectoral indicators of service quality were aligned with the average of its peers.

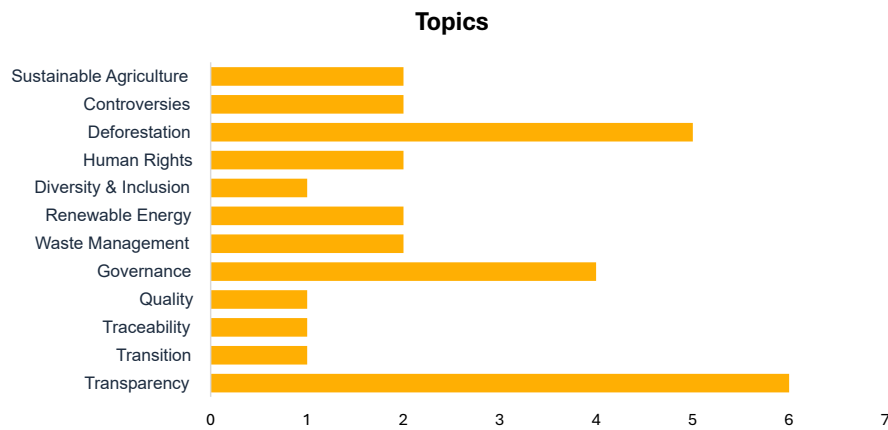
At the same time, the analysis team was in frequent contact with the company to update the financial models. In October, a new round of talks was held with experts on the subject to update ourselves on the situation.

As a result of these interactions and based on all the information collected, we conclude that the company remains eligible for investments. However, monitoring remains active to monitor possible developments.

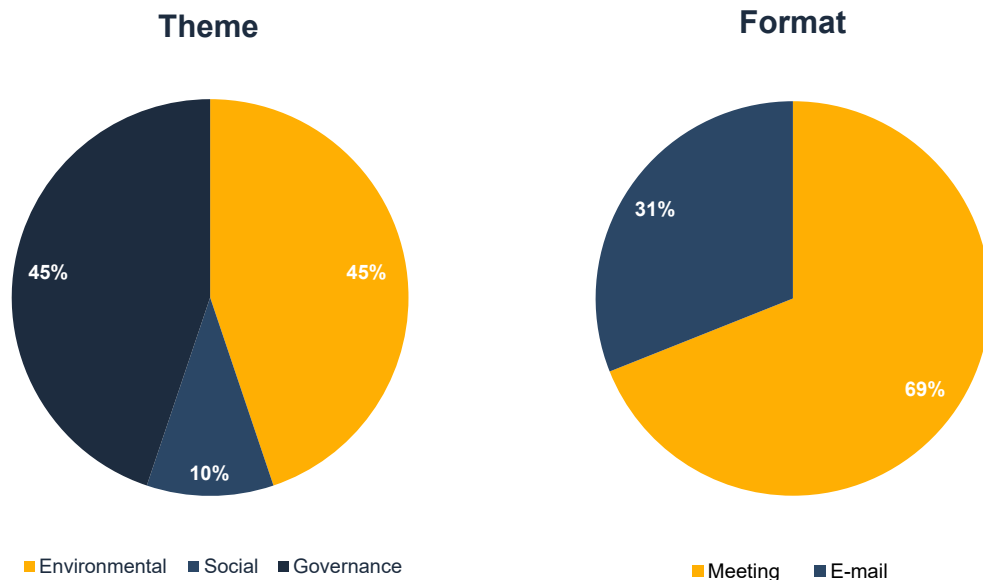
Individual engagements



Source: Régia Capital



Source: Régia Capital



Source: Régia Capital

One of the ways we monitor the securities invested is through the engagement of our team with the target company. Regarding individual engagements with companies, we had at least **29** interactions throughout the year. Most of these interactions took place through meetings (69%), with the topic of corporate transparency (23%) and combating deforestation (17%) being the main topics addressed.

Corporate transparency is essential for investors and other stakeholders to properly assess the risks and opportunities associated with companies, ensuring clear communication about social and environmental practices, governance, and financial impacts. In the context of deforestation, the relevance of the topic is due to its potential to generate material risks, both regulatory and reputational, in addition to



compromising the resilience of production chains and compliance with international sustainability standards. The growing demand for environmental disclosure and the need for robust strategies to mitigate

negative impacts reinforce the importance of these topics in Régia's engagements, allowing for more effective monitoring of companies' actions and encouraging the adoption of best practices.

Case II

In June 2024, a frozen vegetable products company arrived with an issue on the market and, as it is a land-intensive activity, our socio-environmental analysis team requested some data from the company to verify the compliance of its suppliers.

In this sense, overlaps were identified between the data sent by the company and the layers analyzed by the team, two with Indigenous Lands from the ANA (National Water and Basic Sanitation Agency) Metadata Catalog and three with Deforestation Alerts from MapBiomas Alerta. After identification, the data on the overlaps were sent for clarification, via e-mail, to the company.

Regarding the two suppliers that overlapped with Indigenous Territory, the company informed that they were no longer on the company's supply list. Since the suppliers no longer produced for the company during the period of the socio-environmental analysis carried out, any possible risks associated with the overlapping of areas, whether for the indigenous community or for the operation of the company analyzed, were disregarded.

In relation to the three deforestation alerts identified, the CPF and the IBAMA embargo certificates and labor debt certificates of the three suppliers that obtained overlaps in their territories were requested. Initially, the company clarified via email that one of the suppliers was no longer a producer of the company. Due to this, the possible risk related to this particular supplier has been ruled out.

Regarding the two remaining suppliers, the company informed that it would contact them to clarify the situation, since both had no record of irregularity in IBAMA's embargo certificates. In addition, no irregularities were detected in the field inspections previously carried out by the company's advisors.

Then, the company sent the justifications about the overlap found in the suppliers' territories. One of the suppliers had a Vegetation Suppression Authorization (ASV) for the area referring to the Deforestation Alert identified by the MapBiomas Alerta platform.

For our IS Funds, legal, illegal and uncompensated deforestation of high-risk forest commodities after December 31, 2020 is considered to cause significant damage, thus not allowing investment in assets that promote this type of deforestation.

Thus, the Deforestation Alert of the supplier that has ASV, even if it occurred after the stipulated cut-off date, is not considered critical because it is not about the production of critical commodities. Therefore, the possible risk associated with this overlap was ruled out.

Finally, regarding the third supplier that had overlap with Deforestation Alerts identified on its property, the company stated that it reoriented the supplier in accordance with the contractual clauses and the company's manual of good agricultural practices. The reorientation, according to the company, aimed to clarify that, before carrying out the lease, it is necessary to verify items such as the environmental regularity of the area. In this way, the company sent the supplier a term of notification of socio-environmental non-conformities, which specifies the non-conformity observed and its description, in addition to other details about what happened.

In addition, the Company stated that, for the next harvest, the supplier must change its planting location. According to the company, the producer informed that the owner of the area was in progress with the process of adjusting the suppressed area, with the responsible environmental agency. In addition, the Company stated that, for the next harvests, it will adapt its internal procedure to verify the areas to be cultivated through MapBiomass Alert before contracting.

As a result of the engagement carried out, the Company started to use the MapBiomass Alert Platform, which was not used prior to the engagement carried out by the ESG team. And, through dialogue between the ESG Team, JGP's Credit Area and the company, it was decided that the operation would take place in such a way that the use of funds from the issuance would be directed to all suppliers, except for the one that contained a Deforestation Alert inserted on the property without the presence of a Vegetation Suppression Authorization.

In order to offer our intellectual contribution to the development of the alignment of expectations between stakeholders with corporate strategies and practices, we participated in **6 surveys to update the materiality** of companies. They are: Assaí Atacadista, BTG Pactual, Frigorífico Concepción, Lojas Renner, Natura&Co and XP Inc. Materiality matrices are powerful instruments to guide the companies' strategy and can serve as a guide for the construction of annual and sustainability reports.





In addition to these contributions, our team has dedicated time to contribute **to 5 public consultations** in 2024. The first was organized by the CVM, this one on **CBPS Technical Pronouncement No. 01 and 02 related to the General Requirements for Disclosure of Financial Information related to Sustainability**. In it, we suggest the adoption of metrics and targets (including intermediate targets) for climate mitigation and adaptation, the disclosure of emissions associated with the Global Industrial Classification Standard (GICS) and asset and credit classes.

The second consultation referred to **Normative No. 100/2024 of the Central Bank** on the disclosure of the Report on Social, Environmental and Climate Risks and Opportunities by financial institutions. Our suggestions sought to increase this disclosure, so that it considers specific sectoral environmental and climate risks, diverse climate impacts (such as extreme temperatures and fires), the publication of net-zero emissions commitments in a standardized way, and data linked to legal and illegal deforestation.

The third was promoted by **B3** for an update of the Novo Mercado Regulation. In this case, we have positioned ourselves

for greater sanctions, compliance with governance controversies, limitation of the number of participation in Boards of Directors, and for the inclusion of the requirement of integrity and sustainability policies.

After participating once again in the pilot of the Science-based Targets Initiative (SBTi), we contributed to the consultation on the **FINZ Standard**, the methodological guide for the financial sector to develop net-zero targets. In it, we answer the questions requested by the guide and provide feedback aimed at the suitability of the requests to the reality of financial institutions in the Global South.

Finally, through Anbima we were able to contribute to **the Working Group on the chapter on Confronting Inequalities in the Brazilian Sustainable Taxonomy**. This chapter focuses on issues of gender, race, and regional/territorial contexts, and is a Brazilian innovation in the segment of national taxonomies. Our contributions included the suggestion for the inclusion of adoption in the indicators related to parental leave and the addition of a criterion related to the possibility of anonymity for reporting channels, which were addressed in the document available for public consultation.



Principle 5

Be active and diligent in the exercise of their voting rights

The exercise of the right to vote is an instrument of control and a way of fulfilling the duty of seeking the best interests of our *shareholders*.

Through voting, we intend to encourage the companies' management teams in which we invest to implement good corporate governance and responsible policies. We believe this practice will increase shareholder value in the long term, while encouraging responsible behavior in companies.

Our voting exercise is based on the widely accepted principles of the International Corporate Governance Network (ICGN), which provides a broad framework for assessing the corporate governance of companies. The ICGN principles provide scope for companies to be evaluated according to local standards, national legislation and codes of conduct. We also take into account company specifics and best practices when voting.

Our voting guide is available in Régia's [Voting Policy](#), which is reviewed at least once a year.

Given the new origin of the manager and the time needed to transfer the funds for the new firm, we did not have the

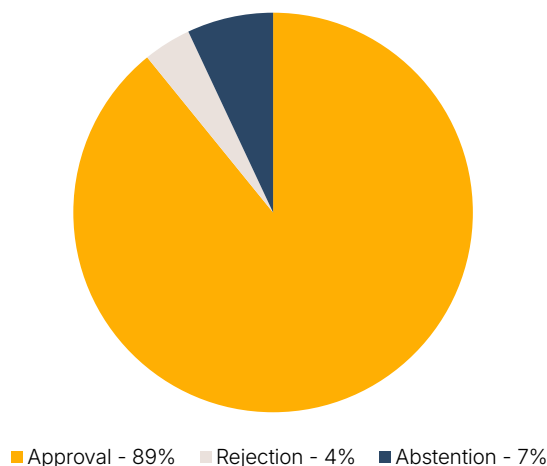
opportunity to exercise the right to vote in 2024 as Régia Capital, however, for the 2025 meeting season we will be active and diligent acting in accordance with the investment policy of the funds under management.

We will participate in all general meetings of securities' issuers that confer voting rights and our participation will be detailed in the manager's next stewardship report.

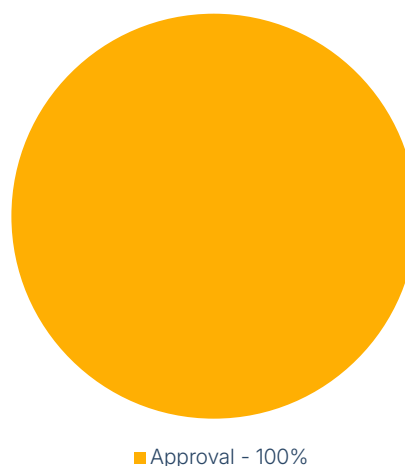
However, in 2024, Régia's team was responsible for voting at JGP and, as a result, **we participated in 33 meetings of publicly-held companies**. The votes cast by JGP were not a mere analysis of the management's proposal released in the 30 days prior to the meetings. The result of the manager's journey is the outcome of the continuous work of the analysis team in monitoring the investee companies, through periodic meetings, and the in-depth knowledge of their objectives and main strategies. Thus, we realize that evaluating the topics of an Annual General Meeting (AGM) or Extraordinary General Meeting (EGM) involves complexity, requiring contextualized monitoring of the investee companies to understand aspects such as the election of boards of directors or the definition of executive compensation.



Participation in AGMs



Participation in EGMs



Source: Régia Capital

We approved 89% of the matters of the ordinary meetings and 100% of the matters of the extraordinary meetings that we participated in 2024, this result was due to the understanding that the vast majority of the proposals were in line with the companies' strategies.

However, we rejected 4% of the articles presented due to misalignment with what we believe to be the best for the company's future, with emphasis on our **Voting Statement** presented at **Vale S.A.'s AGM** held on April 26, 2024:

As activist shareholders of the Company, we understand that it is of great importance to implement a compensation policy aligned with the strategy of creating value in the long term, covering its various fronts of action.

At last year's AEGM we had already raised the issue and described it below and we continue to position ourselves in the same direction.

Undoubtedly, we highlight the advances made by the Company over the last few years regarding compensation linked to

ESG criteria, having reached a percentage that stands out when compared to other companies in the sector, such as the inclusion of ESG goals for the CEO.

Nevertheless, we believe that the Company is in a position of sufficient maturity to implement even more assertive goals, linked to the full delivery of repairs related to the Mariana and Brumadinho accidents, which is a topic of high ESG materiality.

It is our understanding that the agenda continues to act as a detractor of value for the Company, and therefore its prompt

resolution should be of common interest between the controlling and minority shareholders.

Thus, we suggest the inclusion of the Comprehensive Reparation of Mariana and Brumadinho in the goals of the direct companies with a strategic position at

Vale, such as CEO, COO and CFO, as an increase to the current model.

We understand that the measure would be an important step to further strengthen the alignment of executives with the resolution of this situation, which has been going on since 2015 and 2019, respectively."

Thus, we believe that the meetings of publicly-held companies have a provocative role and, at these times, the manager positions itself in order to assume the role of "critical shareholder", even in companies with non-relevant percentages of participation. We understand that the Meeting is an opportune space to position ourselves before the market and the company on its duties and governance practices, as exemplified in the vote above.

In addition, we participated as creditors in **66 meetings by JGP Crédito**, with the main topics discussed being related to debt restructuring, breach of financial covenants, shareholder changes in the economic group, approval of hiring or replacement of service provider, approval of extraordinary amortization or change of guarantees.



Principle 6

Define criteria for collaborative engagement

We believe that inducing companies to the best ESG practices, supporting them in addressing their most critical issues, is more productive than simply excluding these companies from our investment portfolios.

The Engagement Policy at Régia focuses on topics that are material for issuers, such as climate change, deforestation and human rights, aligning return with positive impact. We guide our engagement actions on the best practices gathered in the Brazilian Stewardship Code and the PRI's Principles of Responsible Investment, in addition to the practices suggested by the public commitments and alliances of which the manager is a part.

The engagement protocol adopted follows two modalities:

- **Proactive Engagement:** Proactively seeks to identify material ESG topics and engage issuers in order to protect themselves from risks and generate value.
- **Responsive Engagement:** Triggered when discrediting information is reported and the team initiates a remedial engagement, which can lead to the exclusion of the investment.

The adoption of the protocols is carried out contemplating the following decision-making elements:

- Active Ownership level applied to the fund in which the asset was allocated;
- Sustainability risk profile of the targeted asset;
- Thematic investment and awareness-raising strategies;
- Emergence of controversies in the asset, in the sector in which it operates, in a geography relevant to its operations or in a material adverse impact on its externality matrices.

These engagements can be carried out collaboratively with other investors, and can be done by sending letters, exchanging emails, formal meetings, participating in meetings, etc.

If the engagement fails or does not receive a satisfactory response, the escalation policy comes into play.



Escalation Policy:

In case our initial engagement efforts with the company are not successful, we have adopted a structured escalation process to intensify our approach. This process follows the steps below:

1. Engaging with the Most Influential Stakeholder

If the company does not demonstrate openness to dialogue, we seek to involve other stakeholders with greater influence over the company, such as relevant shareholders, directors or strategic partners, to reinforce our concerns and encourage change.

2. Adjustments to the ESG Assessment

If engagement continues without progress, we make negative adjustments to the ESG framework score, reflecting the deterioration of the company's environmental, social, and governance aspects.

3. Vote against the Administration

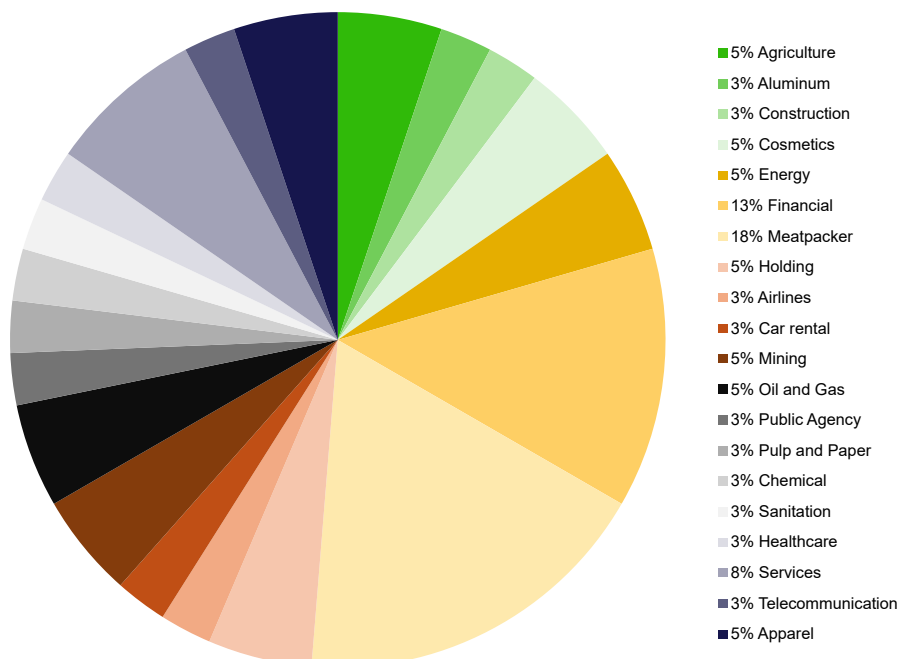
Depending on the severity of the case, we may exercise our rights as investors by voting against the company's management at shareholders' meetings, especially on issues related to governance and ESG risk management.

4. Disinvestment

If, after all attempts at engagement, the company continues to present controversial conduct and misalignment with our ESG expectations, we adopt divestment as a last measure.

In the event that the divestment occurs due to misconduct or lack of alignment with ESG criteria, we will make public the rationale behind the decision. This aims to signal our position to the market and reinforce the transparency of our decision-making.

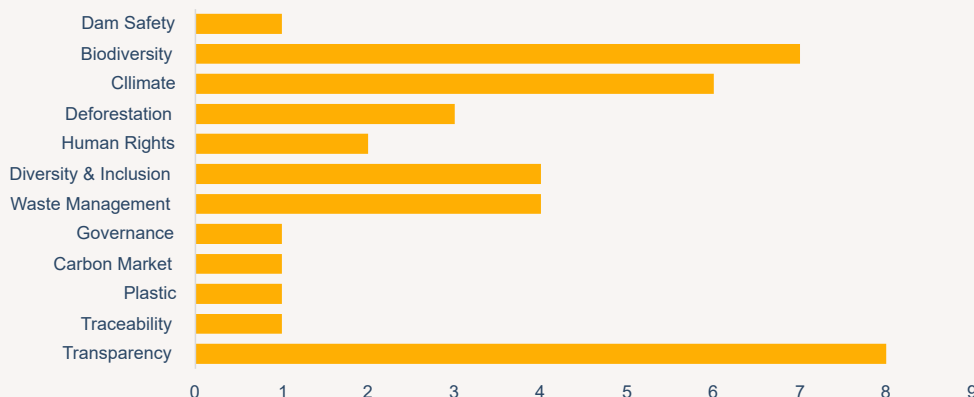
Sectors



Source: Régia Capital

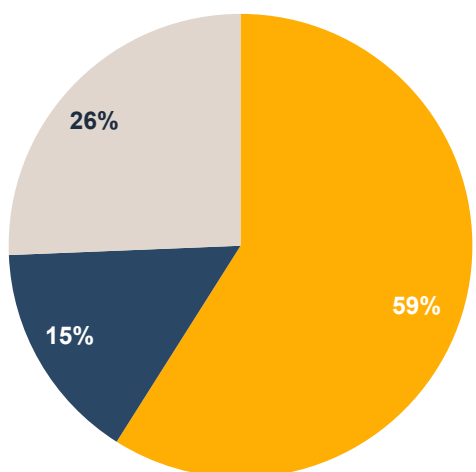


Topics



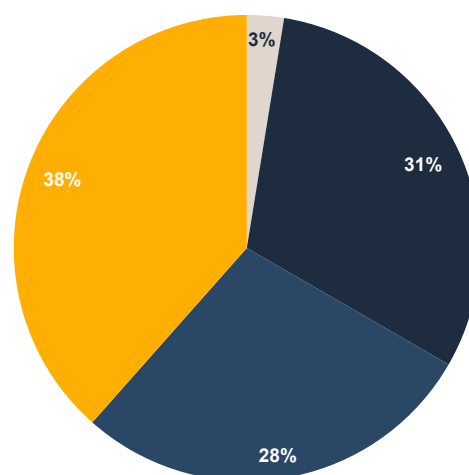
Source: Régia Capital

Theme



■ Environmental ■ Social ■ Governance

Format



■ E-mail ■ Letter
■ Online Meeting ■ In-person Meeting

Source: Régia Capital

In 2024, we had **39** collective interactions with companies and public agencies, with 38% of these exchanges taking place through face-to-face meetings, 31% through letters, 28% through online meetings, and 3% only via email. The main topics

discussed were related to transparency (21%) and issues related to the promotion of biodiversity (18%), with specific discussions regarding the fight against deforestation, accounting for 8% of the total collaborative interactions.



Collaborative initiatives



Régia joined the FAIRR Initiative in January 2025, which is a collaborative network of investors that seeks to raise awareness of material risks and opportunities in the global food sector.

One of FAIRR's fronts of action is through the collaborative engagement of its members with companies, politicians and stakeholders in the global food chain.

Multifaceted, multi-stakeholder engagement strategies are necessary for complex issues that impact all aspects of life and society. The fight against deforestation is a clear example of this, requiring the collaboration of several parties to find solutions that conserve these resources in a sustainable way, taking into account the impact on livelihoods and local and indigenous communities.

One of these campaigns is Waste & Pollution, which we joined from the first phase as JGP.

This engagement focuses on waste and animal pollution, identified as one of the main drivers of biodiversity loss by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES). In addition, these factors are strongly interlinked with climate change, water scarcity, and water quality. One of the main drivers of this problem is nutrient runoff from fertilizer use, including excessive or inappropriate use of

manure as fertilizer in areas of concentrated livestock production.

Nutrient-rich compost from animal manure and other organic waste is a valuable complement to chemical fertilizers, as the addition of these organic materials can help increase soil organic matter, contributing to soil health and structure. However, the intensification of meat and dairy production, combined with inadequate management of manure and animal waste, is a major contributor to the loss of nutrients in the environment, a planetary limit that has already been largely exceeded.

Currently in the third phase of the engagement, together with another 80 investors with assets under management in the order of US\$18.2 trillion, we continue to participate specifically in the engagement with BRF SA and JBS S.A.

In general, in relation to the companies engaged by the campaign, awareness of the TNFD framework is growing, but the implementation deadlines are still uncertain. Companies lack a comprehensive understanding of water pollution risks, both on the upstream and downstream side. Few actions are driven by a clear strategy to minimize pollution risks and nutrient circularity is gaining attention, but it is still seen more as a cost than an opportunity.



THE FINANCE SECTOR DEFORESTATION ACTION (FSDA) INITIATIVE

We listed JGP's **Finance Sector Deforestation Action Initiative (FSDA)** for Régia in February 2025, where we committed to eliminating deforestation and conversion driven by agricultural and forestry commodities (cattle, soy, palm oil, pulp and paper) from our investment and credit portfolios, seeking to reduce deforestation-related risks while supporting the transition to a sustainable agricultural sector.

We see this initiative as an essential part of enabling progress towards limiting global temperature rise to 1.5°C and reducing the overall systemic risks of financial markets associated with climate change, biodiversity loss and food security concerns.

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

As founding members of the FSDA and members of the initiative's strategic group, we have worked together with 30 other financial institutions, with a total of \$8 trillion under management, to achieve this goal.

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

The guide details a set of five main axes of engagement, based on FSDA's investor expectations of banks:

- Risk assessment
- Commitment and governance
- Customer Expectations
- Monitoring and compliance
- Disclosure

These expectations are backed by 19 metrics to support investor engagement with banks on deforestation and can and should be used by organizations that are not FSDA members.



Itaú

Industry: Commercial Banking

Régia status: Leader, + 7 Supporter Investors

Company responsiveness: Very good

Issues: Deforestation, Transparency, Human Rights

Context:

Our engagement with Banco Itaú by the FSDA began in 2023, where we were able to discuss the bank's commitments and procedures aligned with the Brazilian Forest Code to prevent the financing of deforestation through its operations. Our last meeting with the company focused on the FSDA's Expectations for Commercial Banks, in order to share specific recommendations for a deforestation-free portfolio and discuss how Itaú is positioning itself in the face of these expectations.

Results and next steps:

Itaú has two strategies to prevent deforestation in its operations, one through financial support, with the objective of making the standing forest a valuable asset, through the development of labeled products, and the other through a diligent risk assessment process.

During our last conversation, we presented the specific recommendations designed by the FSDA for banks to adopt deforestation-free practices and discussed how Itaú is positioning itself in the face of these expectations.

Itaú highlighted that it has updated its Climate Report, including new topics on agriculture, such as emission factors for crops and livestock, and analysis of

dependence and impact on nature. In addition, he highlighted the challenges to engage other players in the agricultural sector in the definition of environmental goals, reinforcing that the bank's isolated performance has limitations. The institution also mentioned efforts to connect its traceability policy with government guidelines and its compliance with the Brazilian Forest Code.

We questioned the bank about its approach to deforestation risk assessment, including on-site visits to rural high-risk properties. Itaú said it works with third parties to conduct these visits. In addition, it was suggested that information about these visits be included in the next Sustainability Report.

Other topics covered included environmental risks beyond the agricultural sector, such as mining and textiles, as well as the consideration of indirect impacts in the bank's risk analysis. The implementation of TNFD was discussed, with Itaú recognizing challenges in locating and mapping investments. The bank also explained that it uses certifications, such as RTRS and Bonsucro, in the risk analysis process, although they are not impeding criteria for granting credit.

We raised concerns about the challenges to achieving a deforestation-free credit portfolio, the influence of public policies, and the impact of the European Regulation against Deforestation (EUDR). Itaú said that the EUDR can accelerate traceability in Brazil, but that most agribusiness exports are still concentrated in the markets of China and the US.

As next steps, we share an analysis and practical examples of the bank's initiatives related to the topic and we will continue to monitor the bank's progress.



We also listed Régia to the **Investor Policy Dialogue on Deforestation (IPDD)** on February 25. IPDD is an investor-led sovereign engagement initiative that aims to halt deforestation in some of the world's most biodiverse and carbon-absorbing biomes.

In this context, we participate in the Brazil subgroup, which seeks a dialogue with associations and entities related to the government.

Within the scope of the IPDD, in September, we were one of the 16 investors totaling US\$ 4.1trillion in assets under management

that signed the 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 not yet ratified it, that is, the National Congress needs to approve it for it to be legally valid in the country. Ratification would demonstrate a concrete commitment to environmental protection, democracy and human rights.



We became members of the PRI (Principles for Responsible Investment) also in early 2025, following in the footsteps of BB Asset and JGP. With the support of the United Nations (UN), the PRI promotes responsible investment through six Principles, which are:

Principle 1: We will incorporate ESG topics into investment analysis and decision-making processes.

Principle 2: We will be proactive and incorporate ESG topics into our asset ownership policies and practices.

Principle 3: We will always seek to ensure that the entities in which we invest disclose their actions related to ESG issues.

Principle 4: We will promote the acceptance and implementation of the Principles within the investment sector.

Principle 5: We will work together to increase the effectiveness of the implementation of the Principles.

Principle 6: Each of us will report on activities and progress in implementing the Principles.

Committed to all six, participation in collaborative engagement initiatives is specifically encouraged by Principle 2. PRI coordinates collective engagements through CA100+, Advance and Spring, focusing respectively on climate, human rights and biodiversity, which we also adhere to through Régia.

A proud participant of:





A proud participant of:



Climate Action 100+ is an investor-led initiative to ensure that the world's largest greenhouse gas emitting companies take appropriate action against climate change, with the aim of mitigating financial risks and maximizing the long-term value of assets.

We became members of the initiative in 2020 and, since joining the initiative, we have acted as a contributing investor on three fronts of engagement with Brazilian companies, which are Vale S.A., Suzano S.A. and Petróleo Brasileiro S.A., with the role of the taxpayer being to proactively support leading investors in engagement.

On the engagement front with Petrobras, we had a virtual meeting in October with the Executive Management of Climate Change to discuss how the company's New Strategic Planning dialogues with decarbonization, capital allocation, and just transition.

With the launch of Phase 02 of CA100+ and the maturation of the engagement strategy, we took another step and became co-leaders of the engagement of a newly added target company, JBS S.A.

With the progress of engagement, in November we managed to hold a face-to-face meeting in São Paulo to discuss the initiative with JBS's global senior sustainability leadership. In order to be an introductory meeting, but important to create a relationship with the company, we were able to introduce the engagement group, ask questions about the initiative and deep dived into some of the company's projects aimed at more sustainable cattle production.

As for the next steps, we hope to explore sustainability topics in more depth. Our focus will be on reducing emissions, conserving ecosystems, and climate governance.



Net Zero Company Benchmark	JBS S.A.	Petrobras S.A.	Suzano S.A.	Vale S.A.
Ambition to achieve net-zero emissions by 2050 (or earlier)	Partially, it meets some criteria	Partially, it meets some criteria	Does not meet any criteria	Partially, it meets some criteria
Long-term reduction targets (2036-2050)	Partially, it meets some criteria	Partially, it meets some criteria	Does not meet any criteria	Partially, it meets some criteria
Reduction targets in the medium term (2027-2035)	Partially, it meets some criteria	Partially, it meets some criteria	Meets all criteria	Partially, it meets some criteria
Reduction targets in the short term (by 2026)	Does not meet any criteria	Partially, it meets some criteria	Partially, it meets some criteria	Partially, it meets some criteria
Decarbonization strategy	Does not meet any criteria	Does not meet any criteria	Does not meet any criteria	Partially, it meets some criteria
Capital allocation	Does not meet any criteria	Partially, it meets some criteria	Does not meet any criteria	Partially, it meets some criteria
Engagement with climate policies	Does not meet any criteria	Does not meet any criteria	Does not meet any criteria	Does not meet any criteria
Climate governance	Does not meet any criteria	Partially, it meets some criteria	Partially, it meets some criteria	Partially, it meets some criteria
Just transition	Does not meet any criteria	Partially, it meets some criteria	Does not meet any criteria	Does not meet any criteria
Climate Report	Partially, it meets some criteria	Meets all criteria	Meets all criteria	Partially, it meets some criteria
Historic emissions reduction	Does not meet any criteria	Partially, it meets some criteria	Meets all criteria	Does not meet any criteria

Source: Climate Action 100+, adaptação Régia.



Advance is a collaborative initiative led by the PRI, in which institutional investors seek to protect and enhance risk-adjusted returns by advancing human rights through investor stewardship.

We joined the initiative in 2023 to participate in the group focused on engagement with Vale and, later, we co-led this engagement in partnership with the

LAPFF (Local Authority Pension Fund Forum). With the support of three other investors, we held meetings with the company's Sustainability Department to discuss critical issues related to human rights, including the process of de-characterizing dams, community safety, the whistleblowing channel mechanism, and corporate governance.



Spring is a PRI's nature-focused stewardship initiative that seeks to address the systemic risks of biodiversity loss and protect the long-term interests of investors. Through this initiative, it is intended to contribute to the global goal of halting and reversing biodiversity loss by 2030. Spring aims to enhance corporate practices by driving positive real-world impacts while protecting and strengthening returns on investments.

With the official launch of the initiative in June 2024, we became part of six

engagement groups, acting as a collaborating investor in four of them and leading two.

As Spring progressed, and after a detailed analysis of the companies' performance and identification of gaps, three of these groups were able to establish contact with their target companies in 2024. These interactions focused on the presentation of the initiative, the clarification of doubts and the discussion of relevant topics, such as practices and projects aimed at the protection of biodiversity.

Petchem Investor Letter

Organized by Planet Tracker, in July we signed the declaration calling on petrochemical companies producing plastic polymers to take stronger action towards the circularity of plastics.

In all, 80 investors with a combined US\$ 3.7 trillion in assets under management signed the statement sent to 48 petrochemical companies, including Braskem.

The statement sets out the following expectations for companies:

- Transparently disclose, strategize and set clear targets for the transition to the

production of safe, environmentally responsible and sustainable plastics;

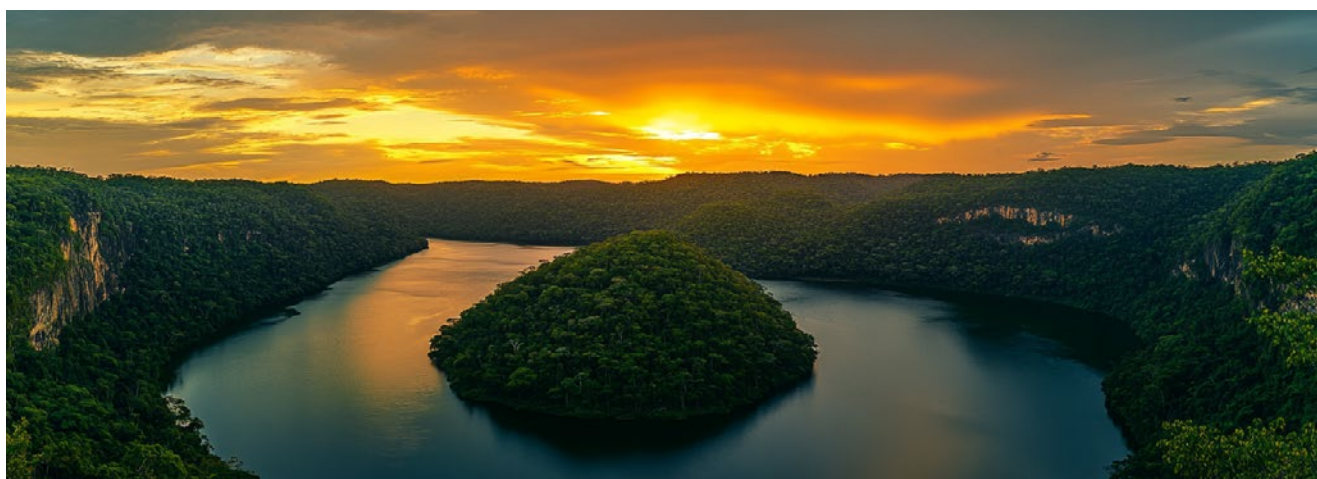
- Address polymers and chemicals of concern present in your products;

- Develop adequate infrastructure for the production of sustainable materials;

- Establish a governance dedicated to the theme;

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





Roundtables

To celebrate the new partnership focused on sustainable investments that gave rise to Régia, BB Asset and JGP organized a collective engagement with the investees of the IS funds in August 2024. The event took place in the format of thematic roundtables, providing a space for representatives of different sectors to share their experiences and challenges.

With the participation of **10 companies** from different sectors, the roundtables were organized by themes, with each day dedicated to a specific subject: Climate Change, Biodiversity and Governance. Each of these discussions was attended by renowned experts, such as Ana Siqueira (CFA Society Brazil), a specialist in corporate governance; Marcelo Billi (Anbima), diversity specialist; Maria Netto (ICS), climate specialist; and Paula Peirão (UNEP FI), a specialist in biodiversity.

"The Engagement Roundtable enabled a great exchange of knowledge and ideas with companies from different sectors. The companies noticed many common pains. In addition to identifying solutions that can be adapted to

the reality of each company. I highlight as the main message of the three tables the need for robust governance that supports actions related to the sustainability agenda."

— Jessica Sardinha, Corporate Sustainability Segment Advisor at BB Asset

"The engagement made in the Biodiversity Roundtable was a moment of great learning and exchange of experiences, discussing not only the challenges of understanding biodiversity risks and implementation in the different companies present, but also a rich moment to discuss the great opportunities that exist in Brazil and the region for the real economy and how to operationalize these opportunities."

— Paula Peirão, Associate Regional Coordinator for Latin America and the Caribbean at UNEP FI

"All the research we do with companies and financial institutions on the degree of maturity of their sustainability and diversity and inclusion practices always



points to a recurring gap: the lack of benchmarks. In this scenario, the roundtable with investee companies promoted by BB Asset not only put a magnifying glass on successful initiatives, challenges and barriers encountered by the companies, but also promoted a rich exchange of experiences and perspectives that is very important for the dissemination of good practices in the market, filling part of this gap."

— Marcelo Billi, Head of Sustainability, Innovation and Education at Anbima

This innovative format encouraged a constructive dialogue both between managers and between the companies themselves, allowing challenges from one sector to be explored as potential solutions for another. After three days of the event in São Paulo, we highlight the main conclusions of the thematic tables.

The **Climate Roundtable** highlighted the role of ESG ratings being considered crucial for fundraising and competitive positioning, despite the complexity and diversity of assessment methodologies. Companies face challenges in unifying reporting, adapting to regulatory changes, and responding to growing demands for transparency. It was concluded that, despite the advances, a more structured dialogue with the government and the sector is needed, as well as a more effective collaboration to address the challenges of the carbon market and climate risks.

The **Roundtable on Governance and Diversity** highlighted the need to integrate sustainability, diversity, and governance into companies' business strategies, with a focus on educating and preparing teams, engaging senior leadership, and aligning discourse and practice. Companies are facing challenges in implementing these practices, especially in social inclusion and adapting to new regulations, but recognize the importance of acting now to avoid setbacks. While the topic has gained momentum during the pandemic, it is crucial to stay focused and continually evolve, with governance and transparency being central pillars for ESG success.

The **Roundtable on Biodiversity** addressed central themes of COP16, focusing on the implementation of the Global Biodiversity Framework. The complexity of TNFD was discussed, especially the challenges related to the location of assets, and the difficulties in the traceability of supply chains, which have many links and lack dialogue between the various actors. The EUDR was highlighted as a regulation that will have a significant impact on some Brazilian companies. In addition, it was reinforced that, in order to achieve zero deforestation, landowners demand incentives to protect areas beyond the legal reserve. The role of investor engagement was emphasized as a determining factor for the internal agenda of companies. The greater complexity of biodiversity credits compared to carbon credits was also discussed, making the discussion of the market in general on the subject still premature.

Advocacy

Global Investor Statement to Governments on the Climate Crisis

Another way to position ourselves and contribute to change was by signing the Global Investor Statement on Climate Crisis, promoted by The Investor Agenda.

Presented to governments at COP29 in Baku, Azerbaijan, the declaration signed by 651 financial institutions with about \$34 trillion of assets under management encourages an integrated government approach to achieve a climate-resilient economy with net-zero emissions by 2050 or earlier. To achieve this goal, the declaration calls on governments to implement policies in five critical areas:

- Adoption of comprehensive public policies throughout the economy;
- Implementation of sectoral strategies, especially in the sectors with the highest emissions;
- Addressing the challenges related to nature, water and biodiversity, which contribute to and stem from the climate crisis;
- Mandatory climate-related disclosures throughout the financial system; and
- Facilitating increased private investment in climate mitigation, resilience and adaptation activities in emerging markets and developing economies.



Principle 7

Provide transparency to your stewardship activities

We anticipate the deadline established by the regulation of the Brazilian Stewardship Code for new signatories with the publication of this first stewardship report of the Régia. It reflects our commitment to the initiative, consolidating and offering transparency on our investment process and the activities carried out throughout 2024. The document is available on our website to increase transparency and will also be published on the [website of the Brazilian Stewardship Code](#).

We are also committed to disclosing the impact of our investment activities on climate and biodiversity. To this end, we will publish an integrated report following the recommendations of the TCFD and TNFD, consolidating our performance in the first year of operation.

In addition to the reports, we provide complementary materials on our investment approach on our website, such as the ESG Manual and the Voting Policy, mentioned above.

We value transparency in the corporate environment and encourage companies to be open about their activities and disclosure of information. Thus, we adopt the same posture in our performance in the capital market, assuming responsibility as managers of third-party resources.

Throughout the year, we seek to share our vision and contribute to the development of the market through participation in events, whether in face-to-face conferences or webinars, as well as interviews and articles in media outlets.

Our team devotes significant time to these initiatives, participating in panels on investment strategies and global events, such as PRI In Person and the Conference of the Parties (COP). This interaction allows us to absorb new ideas, keep up with trends and best practices, and exchange experiences with other professionals to discuss challenges and solutions. In addition, this active engagement enables us to contribute to relevant discussions, helping to influence market directions and policies.



José Pugas, Head of ESG, at SME Finance Forum "Overcoming challenges and supporting SMEs in the Amazon region" panel



Next Steps

Our commitment to a sustainable future is based on active engagement, transparency and accountability in the exercise of the right to vote.

We believe that constructive dialogue is a powerful tool for driving positive change in society and the environment, encouraging more responsible and resilient business practices.

To generate sustainable value in the long term, it is essential to adopt an approach that considers all stakeholders, combining solid governance, social inclusion, and respect for the environment. Proactive action with companies directly contributes to the strengthening of best governance practices in the country, increasing the resilience of businesses in the face of possible economic challenges.

In Brazil, a country of great socioeconomic and environmental diversity, investors play a crucial role in building a fairer society, promoting equal opportunities, environmental responsibility, and high standards of corporate governance. With commitment and determination, we continue to advance on this trajectory, reinforcing our adherence to the Brazilian Stewardship Code and other initiatives that improve our investment process and contribute to a more sustainable and equitable future.



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