

PATRIA

Annual Responsible Investment Report

**Credit &
Public Equities**
2024

2024



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Active Ownership

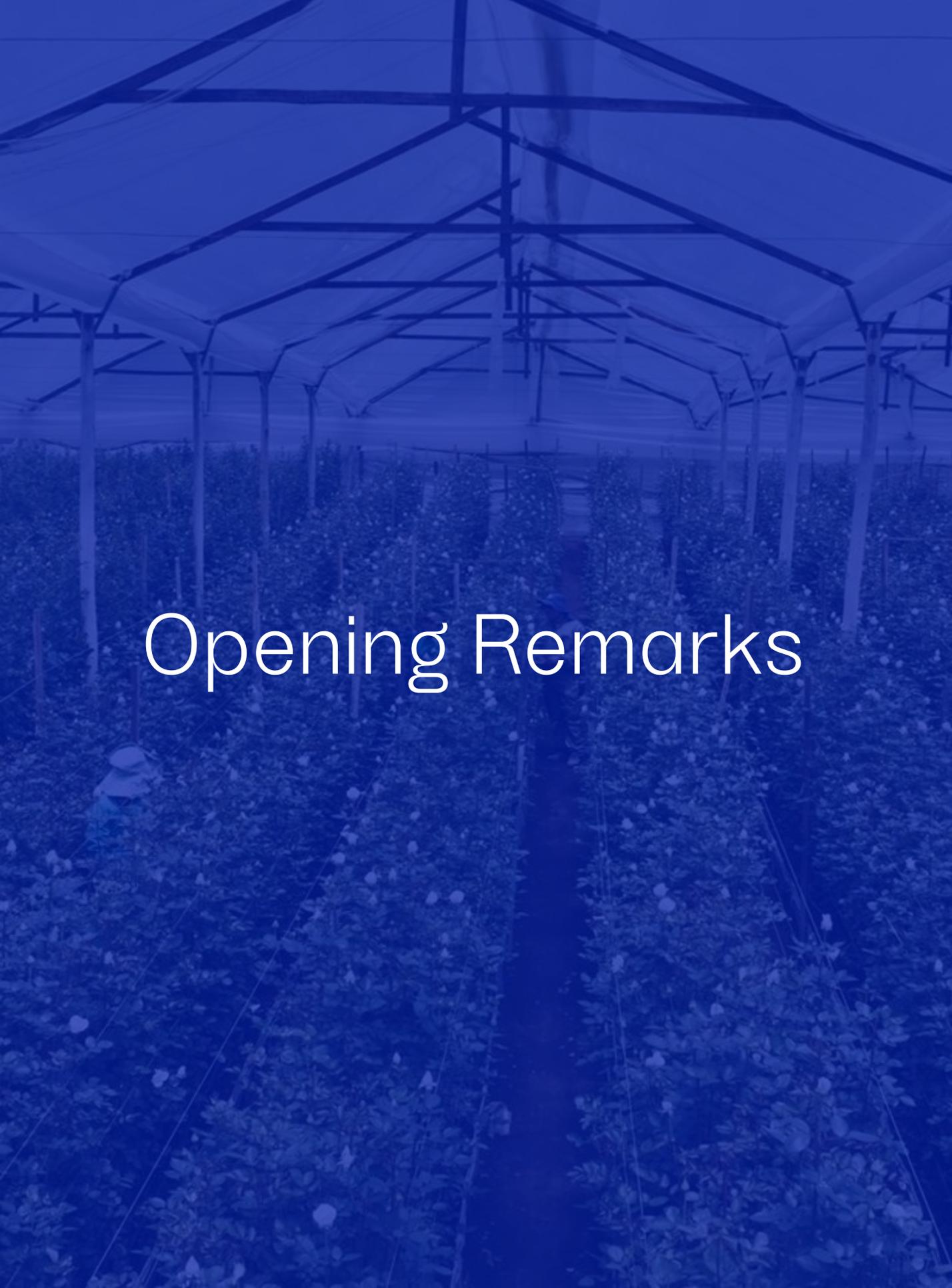
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A blue-tinted photograph of a large greenhouse filled with rows of plants, with the text "Opening Remarks" overlaid in white.

Opening Remarks

Our Message

Dear Clients,

In line with our long-standing commitment to transparency and responsible investing practices, it is our pleasure to present this year's overview of Patria's strategic progress in sustainability and governance for our credit and public equities strategies. As global markets continue to evolve, we remain convinced that creating long-term value requires a holistic approach—one that integrates financial performance with good governance, as well as meaningful contributions to the communities and environments in which we operate. At Patria, generating value beyond financial returns is a core principle that guides our investment philosophy. As a regional leader, we recognize the responsibility and opportunity we have to help shape a more resilient, inclusive, and sustainable future across Latin America. Our approach is rooted in three fundamental pillars that reflect both our heritage and our long-term vision.

Climate

We continue to actively support the global energy transition through strategic investments in renewable energy, water desalination, and reforestation—critical areas for environmental resilience in our region.

Economic Mobility

Through our portfolio, we promote upward socioeconomic mobility by expanding access to essential services such as healthcare, connectivity, and basic infrastructure. These efforts aim to strengthen social inclusion across the communities where we operate, contributing to improved quality of life and broader economic participation.

Good Governance

We firmly believe that strong governance is the foundation of sustainable performance. Across Patria and our portfolio companies, we implement best-in-class governance practices that ensure transparency, accountability, and active participation. This disciplined approach reinforces responsible decision-making and supports durable long-term outcomes.

As we move forward, our commitment remains clear: responsible investing is not just about doing good—it is about doing well while delivering positive, measurable impact. By combining disciplined investment processes with a deep regional presence and a long-term perspective, we continue to build a legacy defined by responsibility, performance, and opportunity.

We thank you for your continued trust and look forward to sharing another year of progress toward sustainable value creation.

Patria Investments

Milestones

Last years progress and 2024 achievements

2016

- First ESG Policy

2018

- First Asset Manager to sign the Principles for Responsible Investment (PRI) in Chile
- ALAS 20 Award: 1st place in the Responsible Investment category in LatAm
- Speakers at the PRI in Person

2019

- Fiona Reynolds (PRI's CEO) in our Chilean Annual Seminar

2020

- TCFD Supporter

2021

- CDP Signatory
- PRI collaborative engagement on water scarcity

2022

- Active role at the PRI's Credit Ratings Initiative in Barcelona (PRI in Person)
- Host for the PRI's in a Changing World event in Chile

2023

- Credit and Equities funds under EU SFDR Article 8
- Credit: Beginning of the most important climate engagement case
- Speakers at the PRI in Person

2024

- Successful closure of the most relevant climate engagement held for our credit funds. **Key sustainability outcomes achieved** such as a new energy transition plan from coal to ammonia for one of the largest energy firms in our portfolios alongside better sourcing and sustainability reporting practices
- Sustainability conversations of our ESG Team at the **PRI in Person in Toronto**
- Keynote speakers for the **PRI session on Credit and Responsible Investing** (LatAm and Spain)
- **ALAS 20 Award:** 2nd place in the Responsible Investment category (LatAm)



Funds Data

ESG Metrics

Each quarter, our Responsible Investment Team prepares RI Fund Reports that provide key insights into the Environmental, Social, and Governance performance of our largest strategies.

These reports provide comprehensive fund-level assessments, outline our ESG integration practices, and compare quarterly performance against benchmarks. **They focus primarily on: (1) ESG ratings, (2) EU SFDR Principal Adverse Impact indicators, and (3) our engagement initiatives.**

The following pages present the key metrics and trends for our flagship credit and public equities funds.

Listed below are the fund acronyms used in the charts throughout this chapter.

STATEGIES		FUNDS	ACRONYMS	BENCHMARKS
Corporate Fixed Income	High-Yield	Moneda Latin American High Yield	MLATHY	JP Morgan CEMBI Broad Diversified Latin America High Yield
		Moneda Latin American Corporate Debt	MLCD	
	Blend	Moneda Luxembourg Sicav-Latam Corporate Credit	MLCC	JP Morgan CEMBI Broad Diversified Latin America
Public Equities	Large Cap	Moneda Luxembourg Sicav-Latin America Equities	MLE	MSCI Emerging Markets Latin America 10-40 Net Return
	Small Cap	Moneda Luxembourg Sicav-Latin America Small Cap	MSC	MSCI Emerging Markets Latin America Small Cap Net TR

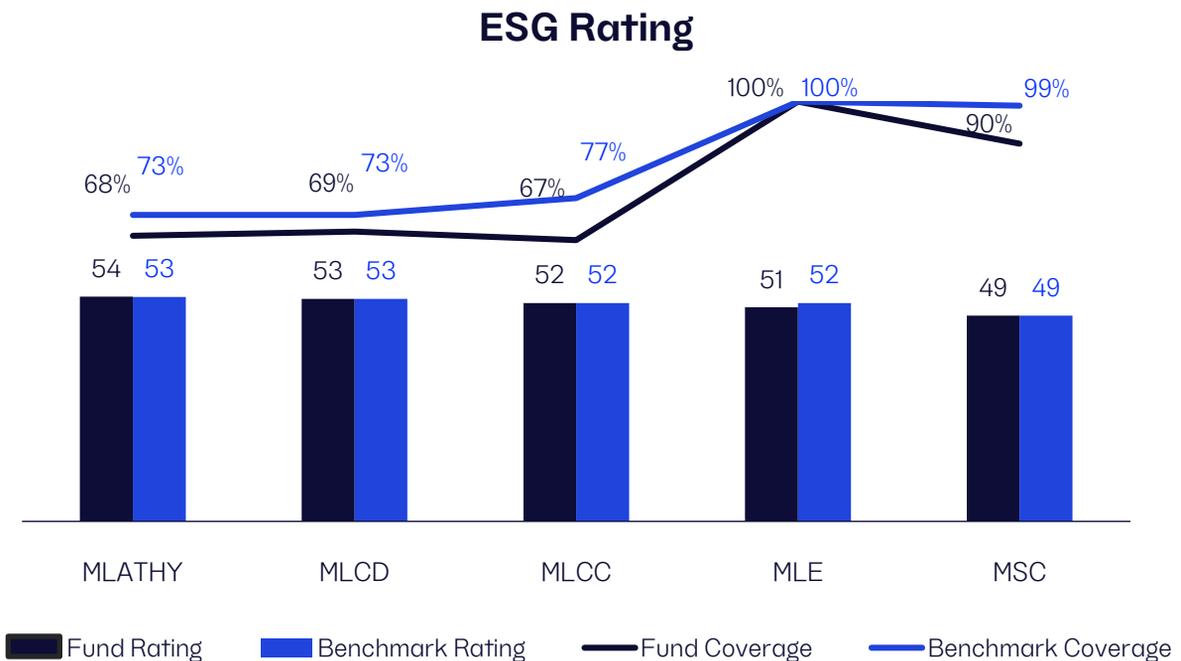
ESG Metrics: Ratings

No ESG lagging funds across public asset classes

ESG scores follow a 0–100 scale, grouped into letter categories: 0–29 (CCC–B, laggards), 29.1–71 (BB–BBB–A, average), and 71.1–100 (AA–AAA, leaders). Scores reflect issuer performance and exposure to sector-specific ESG risks. Our methodology averages internal and external assessments to determine each issuer’s score, using available data when one is missing.

Fund and benchmark ESG ratings—including E, S, and G pillars—are calculated by weighting each security’s score based on portfolio share, excluding sovereigns, also reporting the percentage of AuM covered by ESG research.

By the end of 2024, all SFDR Article 8 funds had ESG ratings close to their benchmarks, with both classified as “average” performance.



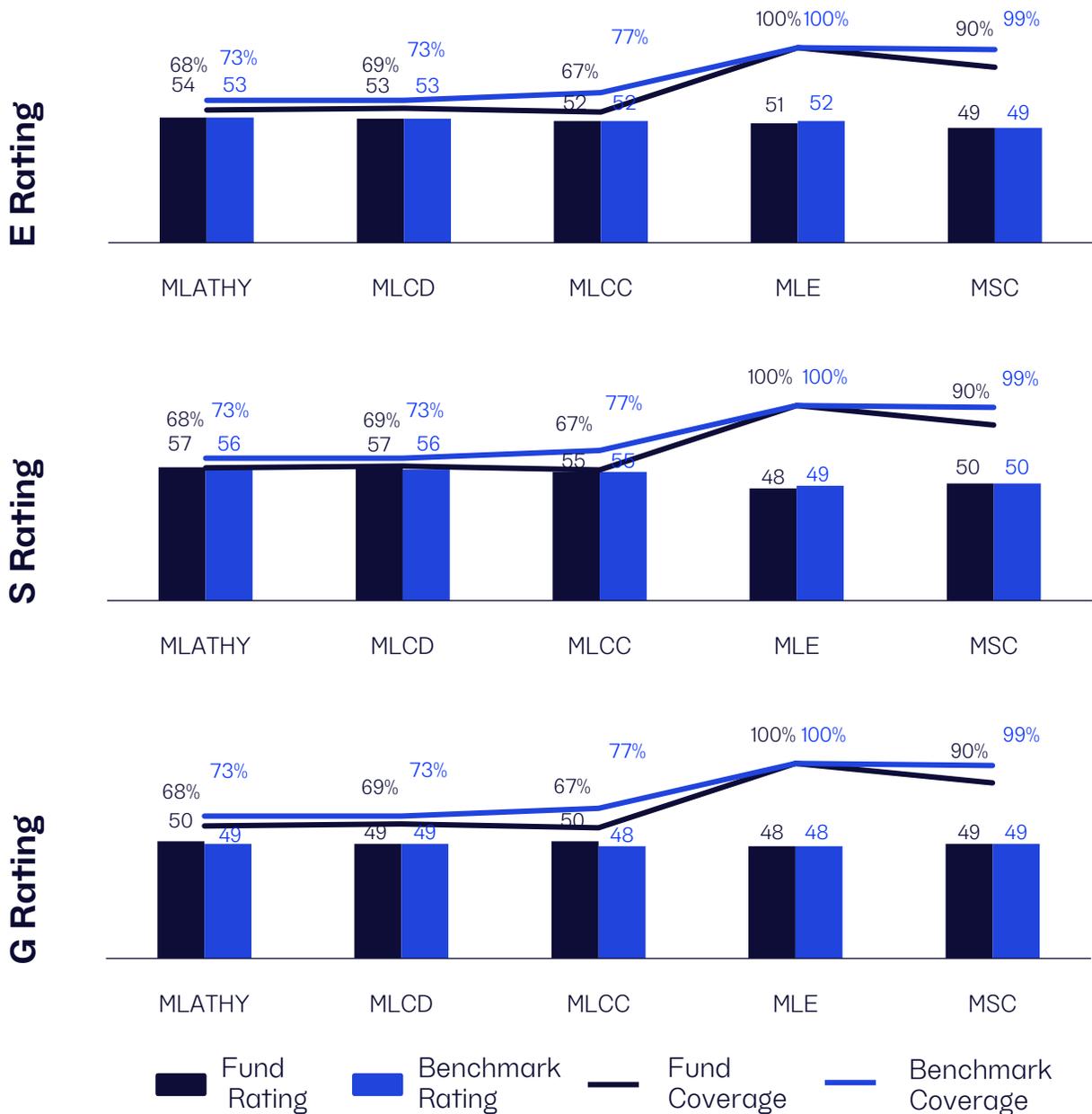
ESG SCORING

Leader		Average			Laggard	
AAA	AA	A	BBB	BB	B	CCC
100-86	86-71	71-57	57-43	43-29	29-14	14-0

ESG Metrics: Ratings

Similar performance across ESG pillars

ESG scores are broadly in line with benchmarks, though environmental and social pillars lag slightly due to exposure to carbon-intensive and socially complex sectors. **Governance stands out with stronger results.**



ESG Metrics:

Carbon Footprint (EU SFDR)

Principal Adverse Impact Indicators

In addition to ESG ratings disclosed in our quarterly Fund ESG Reports, we continue to incorporate the EU SFDR's Principal Adverse Impact Indicators (PAIs) under the Sustainable Finance Disclosure Regulation (SFDR). These indicators are designed to improve transparency around ESG-related fund data and reduce the risk of greenwashing by focusing on key sustainability metrics linked to each fund's ESG characteristics.

Our existing framework for measuring and reporting fund-level ESG performance—established in the 2021 Annual ESG Report—remained largely intact, though we've been consistently improving the funds' data coverage.

We place particular emphasis on PAIs such as carbon footprint, carbon intensity, and biodiversity impact, which serve as core indicators of our Article 8 funds' climate performance.

This year, we've also disclosed further details and trends around funds' UN Global Compact and OECD Compliance Mechanism data.

Carbon Footprint Analysis

The carbon footprint of each fund reflects the weighted average of greenhouse gas (GHG) emissions—covering Scope 1, Scope 2, and Scope 3—attributed to its investee companies. These emissions are expressed in thousands of metric tons of CO₂ equivalent (tCO₂e) per million euros of enterprise value including cash (EVIC), providing a normalized intensity metric across portfolios.

Among the fixed income funds, Moneda LatAm High Yield Credit (MLATHY) remained almost the same (2% variation), while Moneda LatAm Corporate Debt (MLCD) and Moneda LatAm Corporate Credit (MLCC) showed decreases of 14% and 5%, respectively. Overall, the trend across the debt funds was positive in terms of carbon footprint reduction.

Our equities strategies (large and small cap) had increases in their carbon footprints during the year. The large-cap fund recorded a 21% increase, whereas the small-cap fund grew by 31%, largely attributable to its higher exposure to extractive industries.

ESG Metrics:

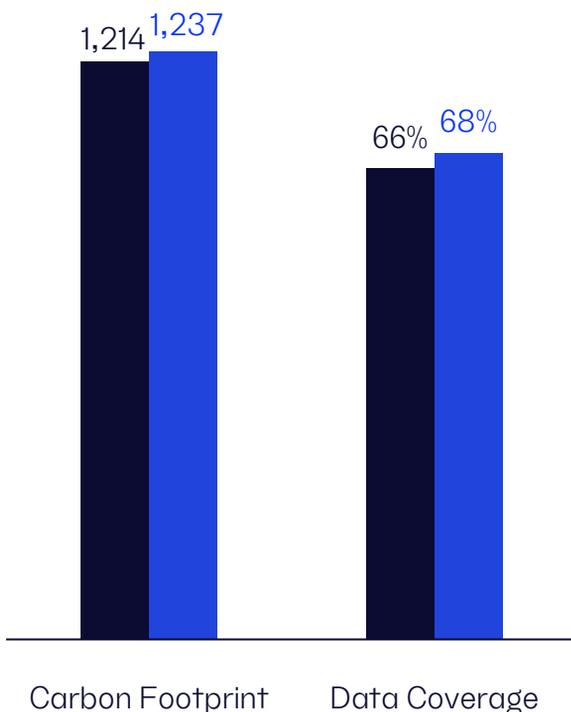
Carbon Footprint (EU SFDR)

Carbon Footprint: Credit

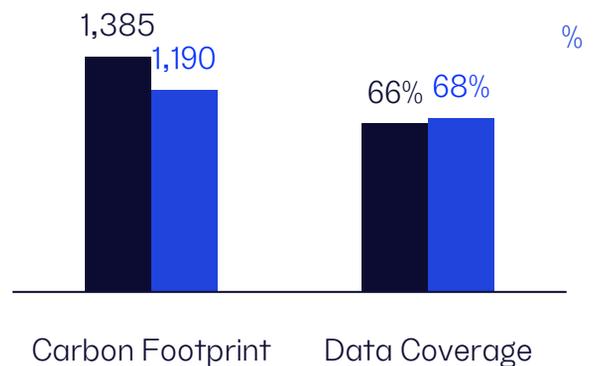
- **Moneda LatAm High Yield (MLATHY):** This year the fund had a minor increase of 2% mostly explained by six oil & gas companies and two airlines, representing a significant share of portfolio's emissions.
- **Moneda LatAm Corporate Debt (MLCD):** Similar to MLATHY, the top contributors sectors were oil & gas and airlines. However, the fund achieved a 14% decrease, marking an important positive trend this year.
- **Moneda LatAm Corporate Credit (MLCC):** The blend strategy showed a similar performance, achieving a 5% decrease in its carbon footprint YoY, but differing in its top contributors, with two major Brazilian iron ore producers among the top five.

Moneda LatAm High Yield

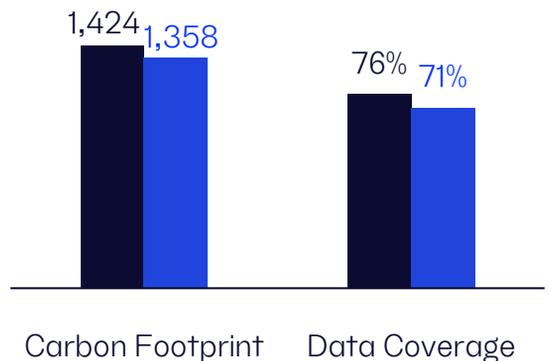
Th of CO2t/MM €



Moneda LatAm Corporate Debt



Moneda LatAm Corporate Credit



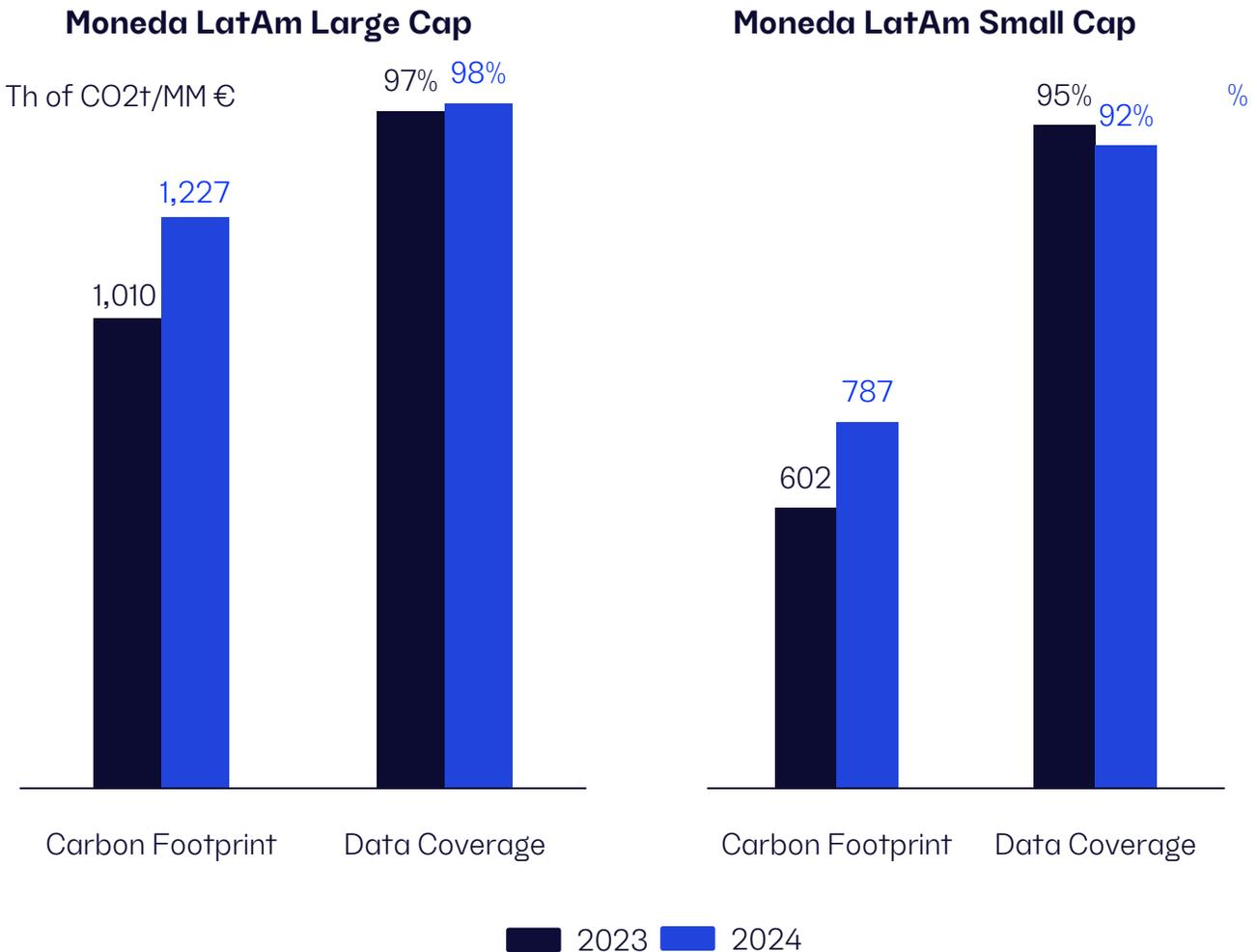
■ 2023 ■ 2024

ESG Metrics:

Carbon Footprint (EU SFDR)

Carbon Footprint: Public Equities

- **Moneda LatAm Large Cap (MLE):** The carbon footprint increased driven by higher exposure to carbon-intensive sectors. The main contributors were mining and metals, oil & gas, and cement. Ongoing monitoring and engagement remain essential in our transition risk management process.
- **Moneda LatAm Small Cap (MSC):** Similarly, the footprint increase in the case of the small cap fund was also driven by the allocation in oil and gas and chemicals.



ESG Metrics:

Carbon Intensity (EU SFDR)

Carbon Intensity Analysis

Carbon intensity reflects the weighted average of Scope 1 and Scope 2 greenhouse gas (GHG) emissions reported by the companies held in each portfolio. This metric is expressed in metric tons of CO₂ equivalent (tCO₂e) per million euros of sales revenue, offering a standardized view of emissions relative to business activity. For Scope 2 emissions, market-based figures are prioritized over location-based values to ensure consistency across reporting.

Across the credit funds, results are mostly positive. Moneda LatAm High Yield Credit and Moneda LatAm Corporate Debt, the two largest funds (in net asset value terms), achieved notable improvements, with carbon intensity decreasing by 17% and 18% respectively. In contrast, Moneda LatAm Corporate Credit recorded a 14% increase. These shifts compare favorably to benchmark changes—34% increase for Corporate Credit and 46% for both Corporate Debt and High Yield—highlighting the relative resilience of our portfolios on these matters.

In the equities segment, the large-cap fund recorded a 30% increase in carbon intensity, while the small-cap fund achieved a 27% decrease, outperforming its benchmark by 8%.

ESG Metrics:

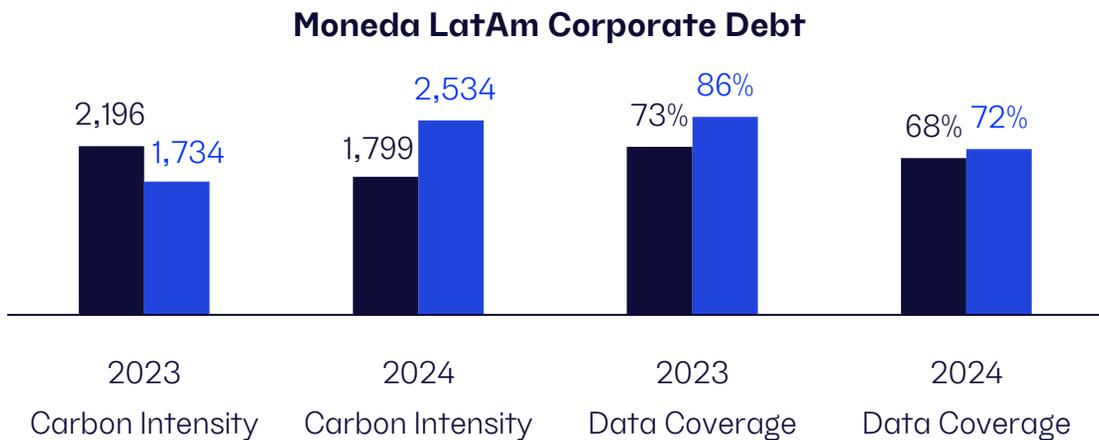
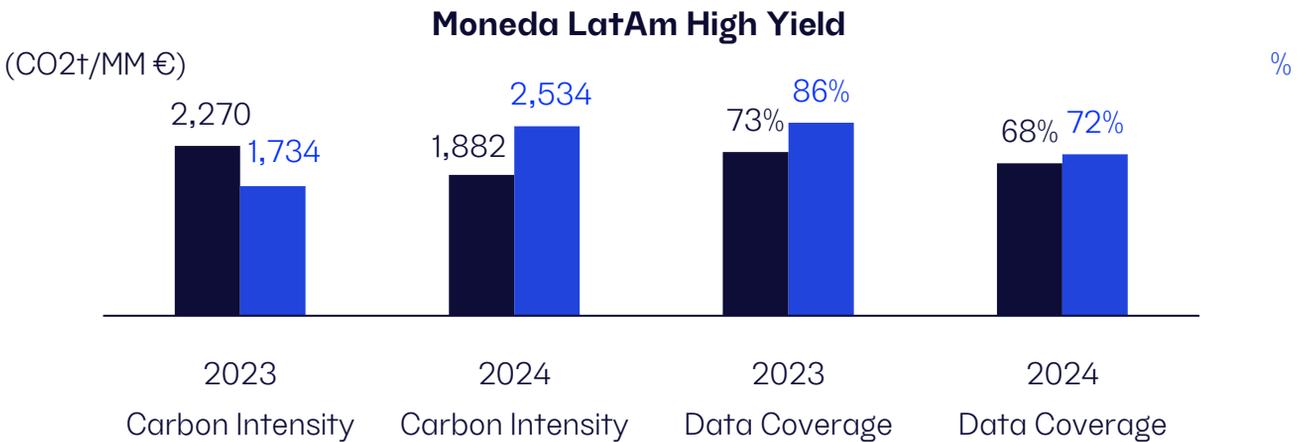
Carbon Intensity (EU SFDR)

Carbon Intensity: Credit

Both high-yield funds achieved notable reductions in their carbon intensities, with Moneda LatAm High Yield (MLATHY) down 17% and Moneda LatAm Corporate Debt (MLCD) 18%. Their allocations were similar, with both concentrating investments in energy and transport sectors.

Top contributors for carbon intensity closely mirrored those identified in the carbon footprint analysis, reinforcing the influence of these sectors.

The benchmark, in contrast, recorded a 46% increase in carbon intensity, largely due to its large exposure to oil & gas and mining companies, which dominate its top contributors.



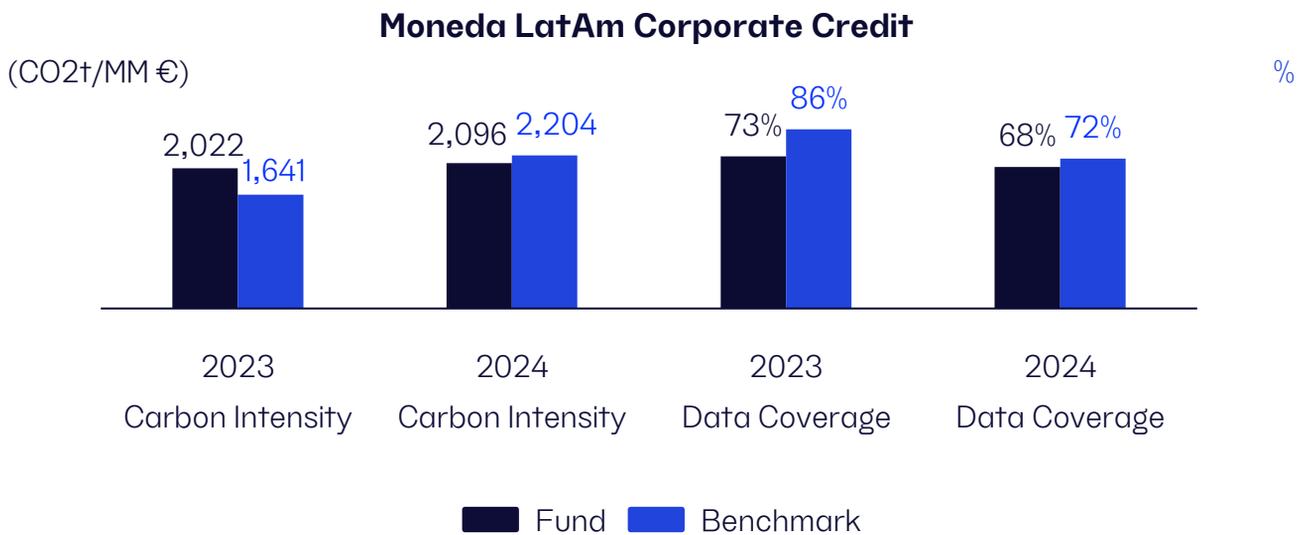
■ Fund ■ Benchmark

ESG Metrics:

Carbon Intensity (EU SFDR)

Carbon Intensity: Credit

The Moneda LatAm Corporate Credit (MLCC) registered a 4% increase in carbon intensity, which is significantly lower than the benchmark's (+34%). This relative resilience can be explained by portfolio composition: meaning a lower exposure to oil & gas, mining, and energy sectors than the index.

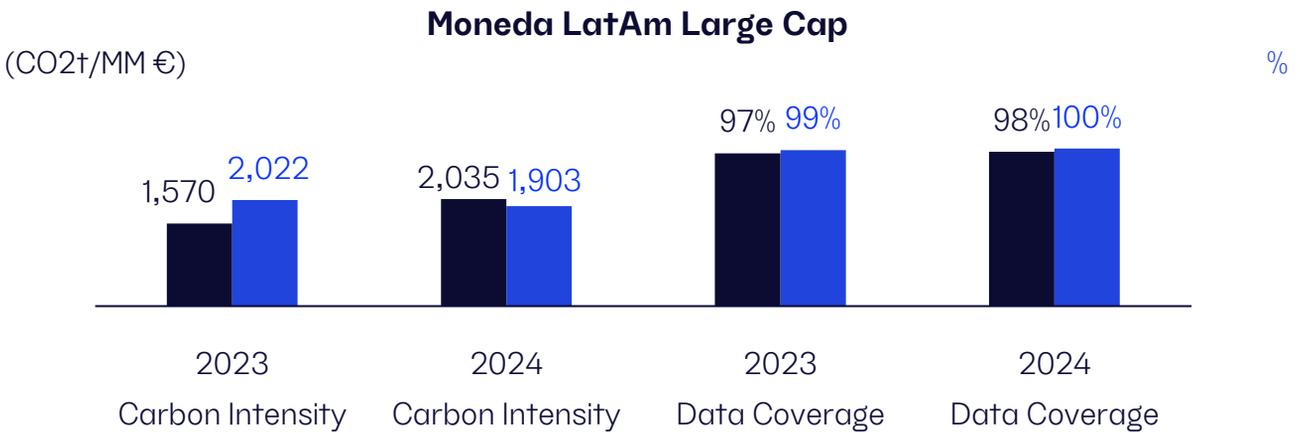


ESG Metrics:

Carbon Intensity (EU SFDR)

Carbon Intensity: Public Equities

- **Moneda LatAm Large Cap (MLE):** 29% increase in carbon intensity driven by the portfolio's exposure to mining and oil & gas sectors. The investments in cement and chemical producers further amplified the portfolio's intensity relative to the benchmark.
- **Moneda LatAm Small Cap (MSC):** In contrast, the small-cap fund achieved a 27% decrease in its YoY carbon intensity, outperforming the index by 8%. The improvement was linked to a more balanced allocation and reduced exposure to the most carbon-intensive sectors compared. While both portfolios share top contributors from mining and chemical sectors, the small-cap fund have higher allocations to sectors with lower emissions intensity such as tech and retail.



ESG Metrics:

Biodiversity (EU SFDR)

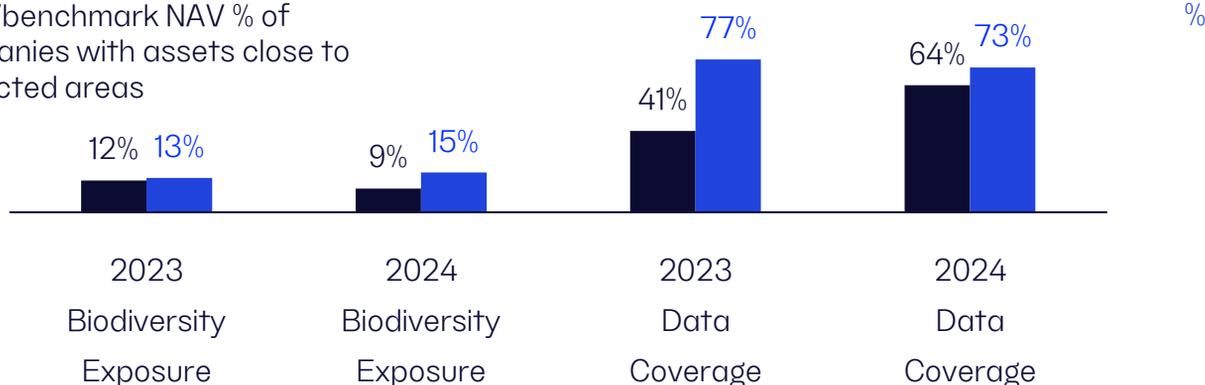
Biodiversity: Credit

Credit funds classified under EU SFDR Article 8 maintained limited exposure to companies operating in or near biodiversity-sensitive areas, with none exceeding 12% exposure and outperforming their respective benchmarks. A closer look at individual funds reveals:

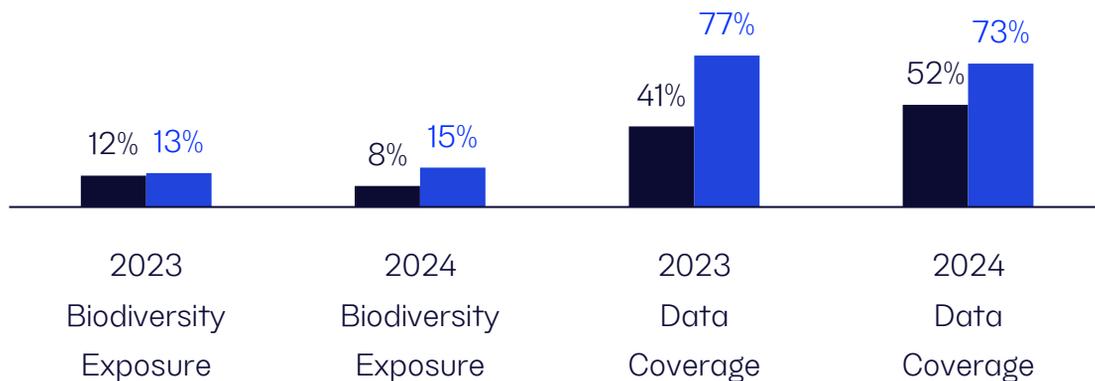
- **Moneda LatAm High Yield (MLATHY) stands out for achieving a 3% reduction in biodiversity exposure, alongside a 23% increase in data coverage.**
- **Moneda LatAm Corporate Debt (MLCD) holds the lowest exposure, with 8% of the NAV close to biodiversity-sensitive zones—7% below the index.**

Moneda LatAm High Yield

Fund/benchmark NAV % of companies with assets close to protected areas



Moneda LatAm Corporate Debt



■ Fund ■ Benchmark

ESG Metrics:

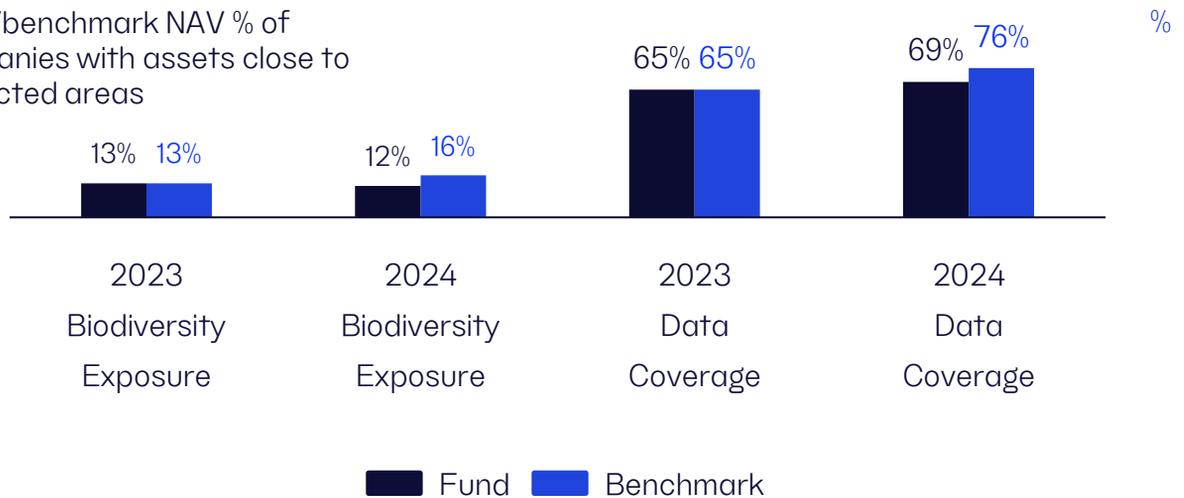
Biodiversity (EU SFDR)

Biodiversity: Credit

- **Moneda Corporate Credit (MLCC) recorded a 1% YoY reduction in biodiversity exposure, with data coverage remaining unchanged.**

Moneda LatAm Corporate Credit

Fund/benchmark NAV % of companies with assets close to protected areas



ESG Metrics:

Biodiversity (EU SFDR)

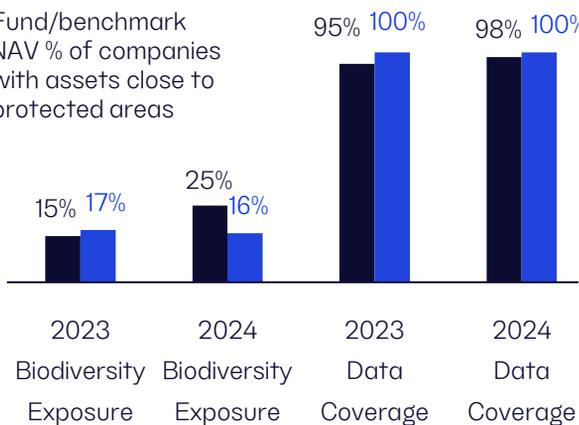
Biodiversity: Public Equities

For equities, biodiversity exposure increased across both large-cap and small-cap funds—MLE and MSC.

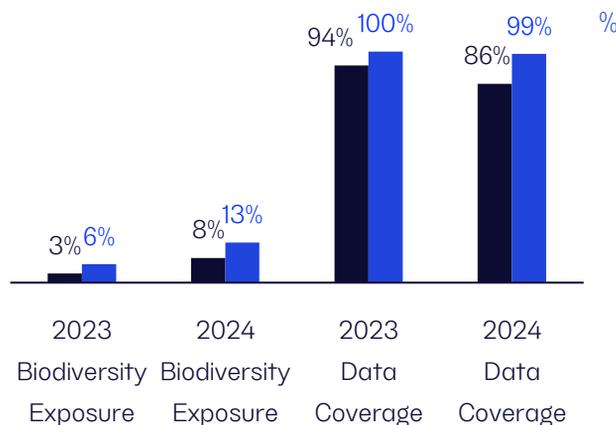
- **MLE (Moneda LatAm Large Cap) recorded an annual variation of 67%, positioning its biodiversity exposure 9% above the benchmark.**
- **MSC (Moneda LatAm Small Cap) biodiversity exposure increased from 3% to 8% YoY in 2024. Despite the increase, the fund's exposure remains 5% below the index.**

Moneda LatAm Large Cap

Fund/benchmark
NAV % of companies
with assets close to
protected areas



Moneda LatAm Small Cap



■ Fund ■ Benchmark

Case Study: Mining Firm



In 2024, one of our mining investees in the public equities' strategy reached a significant milestone in environmental stewardship. Demonstrating a strong commitment to sustainable practices, the firm reported that approximately **94% of its operational sites requiring Biodiversity Management Plans (BMPs) had successfully implemented them.** This achievement reflects not only a robust environmental strategy but also a high standard of transparency and rigor in ESG reporting — aligning with, and in some cases surpassing, internationally recognized best practices.

The organization advanced biodiversity management through **tailored site-level planning, science-based decision-making,** and collaborative conservation efforts. It engaged stakeholders to co-design restoration programs and published a transparent ESG Databook detailing methodologies and performance metrics.

ESG Metrics:

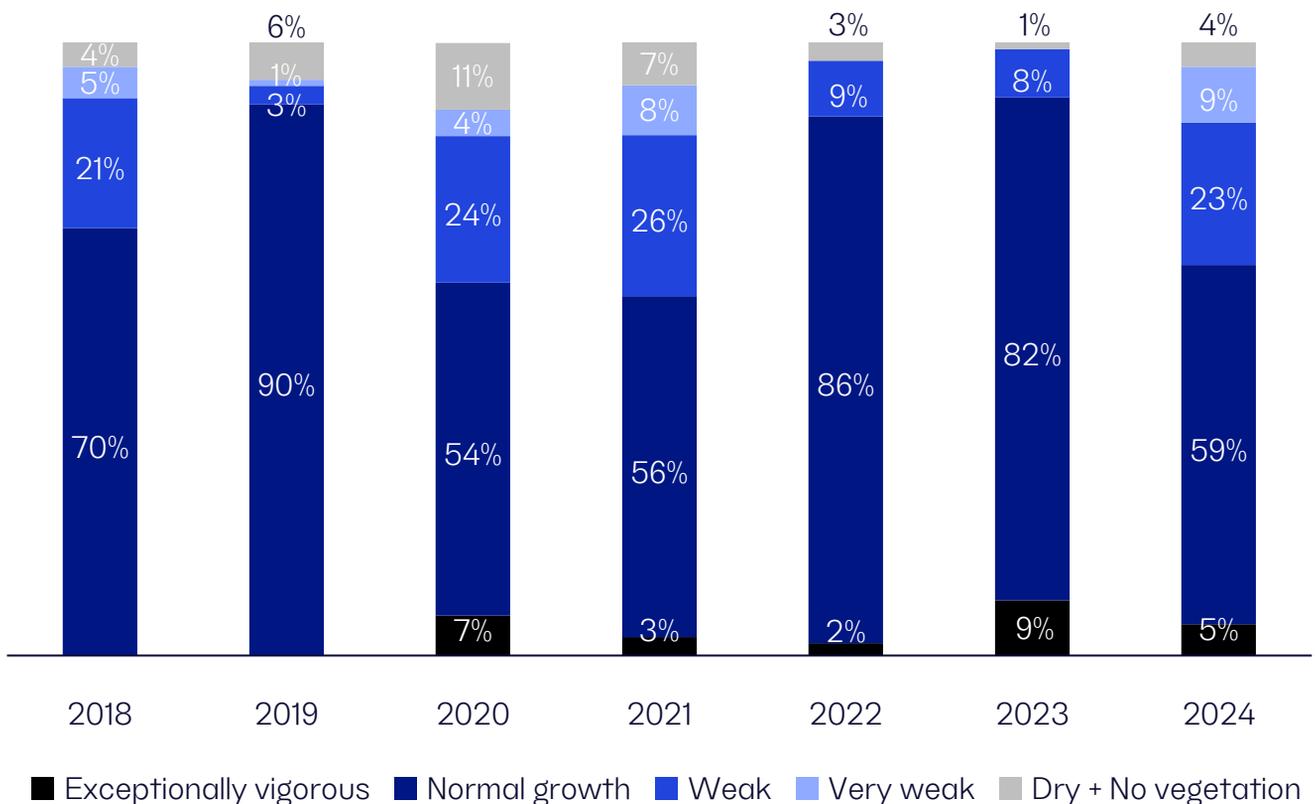
Biodiversity (EU SFDR)

Case Study: Chemical Firm



One of the world's leading chemical companies in our credit and public equities portfolios advanced its commitment to biodiversity conservation, particularly in areas with ecologically sensitive exposure. As part of its broader sustainability strategy, the company moved forward on:

- ✓ **Significant Growth in Environmental Investments:** Over the last years, the company has doubled its spending on biodiversity initiatives—from USD 16.5 million in 2020 to USD 33 million in 2024.
- ✓ **Environmental Data Transparency:** The company launched a digital platform that provides public access to both real-time and historical data on water usage and ecosystem monitoring at its primary operating site.
- ✓ **Stability in Vegetation Vitality Trends:** Annual assessments of vegetation are conducted along the perimeter of the same major operational sites. The 2024 data remains consistent with historical ranges, and no material risks have been identified.



ESG Metrics: UNGC & OECD Guidelines

UNGC & OECD Compliance Mechanisms: Credit

This indicator assesses whether a company has strong and public policies aligned with key principles of the UN Global Compact or OECD Guidelines — such as human rights, labor practices, or anti-bribery. It also considers the quality of mechanisms to monitor compliance or handle grievances. While the indicator touches on both governance and social dimensions, its emphasis on oversight, accountability, with strong intersections in social responsibility.

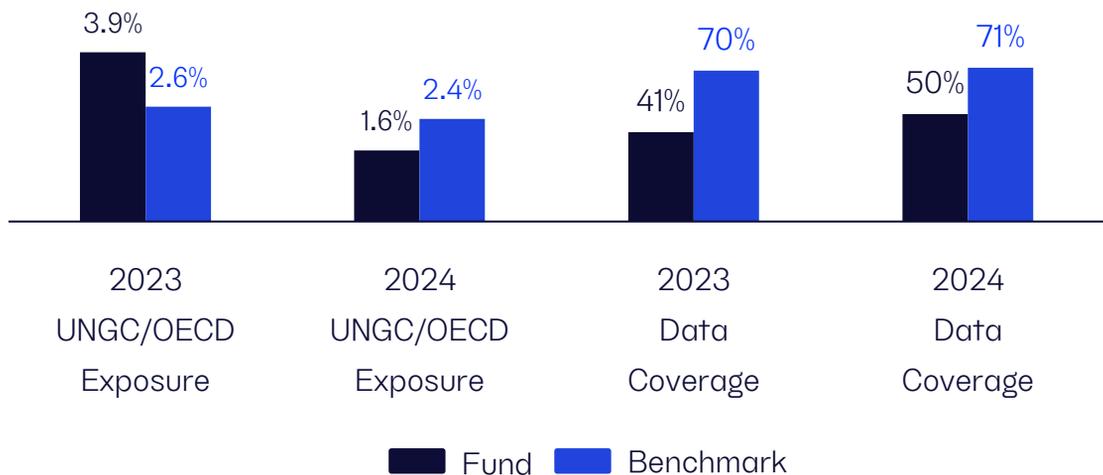
The percentages shown reflects the allocation in companies with lack of public evidence such as policies or details on the mechanisms to monitor this type of compliance.

Within our credit strategy, both Moneda LatAm High Yield (MLATHY) and Moneda LatAm Corporate Debt (MLCD) reduced their exposure to companies lacking public evidence of full alignment with UN Global Compact or OECD principles. Both funds outperformed its benchmark and improved in data coverage.

Moneda LatAm High Yield

NAV % of companies with lack of UNGC/OECD compliance mechanisms

%

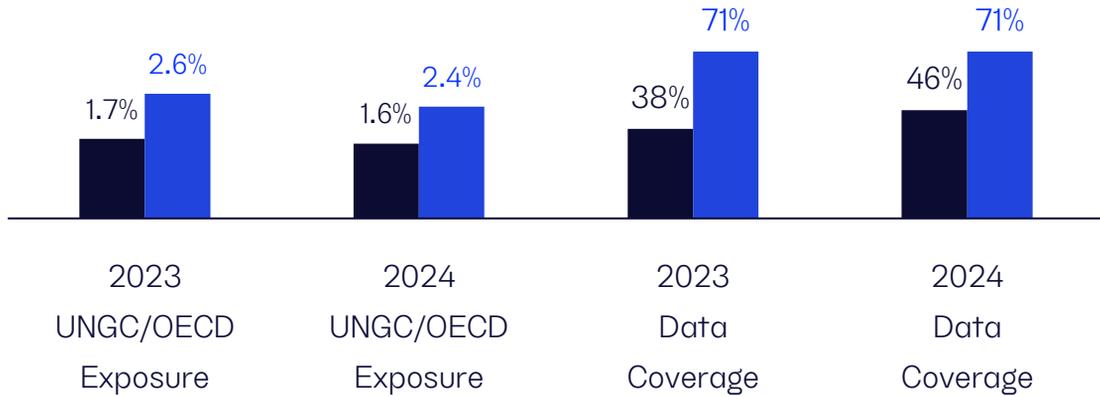


ESG Metrics: UNGC & OECD Guidelines

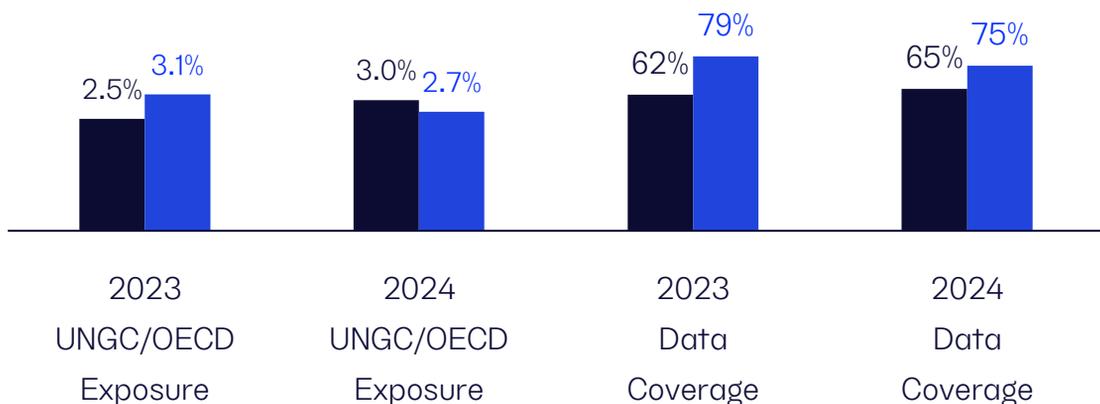
Moneda LatAm Corporate Debt

NAV % of companies with lack of UNGC/OECD compliance mechanisms

%



Moneda LatAm Corporate Credit



■ Fund ■ Benchmark

ESG Metrics:

UNGC & OECD Guidelines

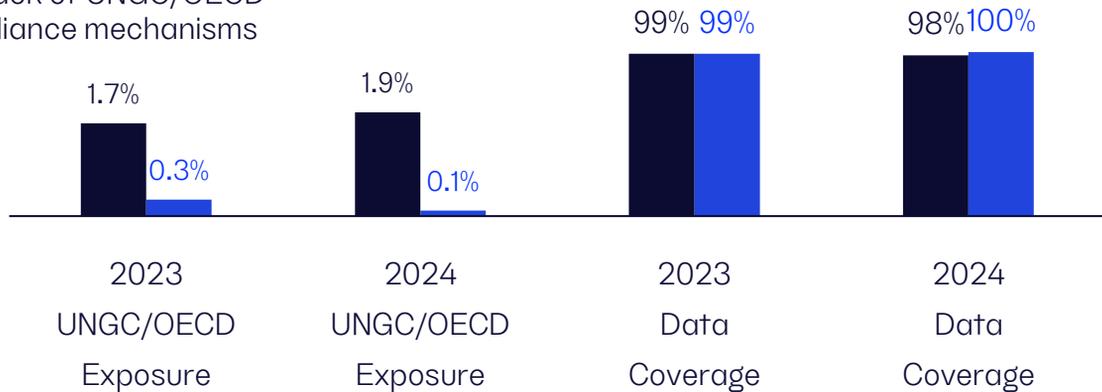
UNGC & OECD Compliance Mechanisms: Public Equities

For equities portfolios, **MLE maintains the lowest exposure to companies lacking UNGC or OECD compliance mechanisms**, supported by consistently strong data coverage. **MSC, reduced its exposure by 2.9%**, while its data coverage remained broadly stable year over year.

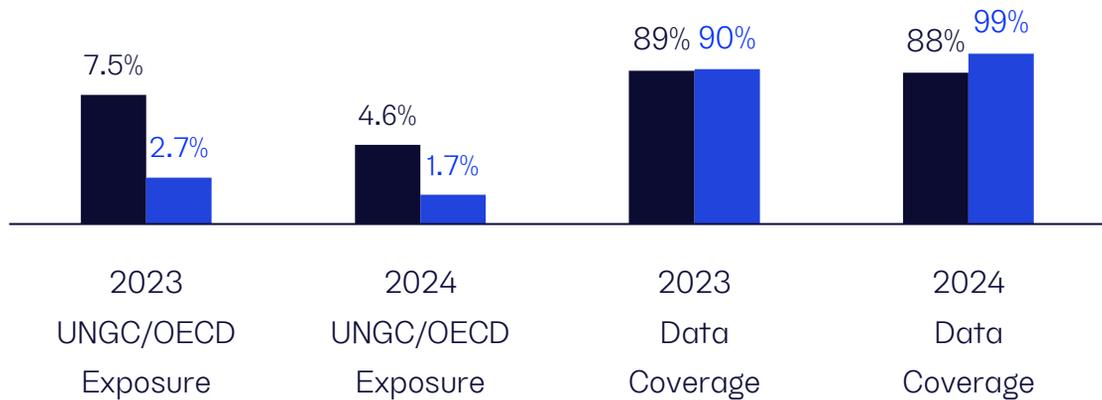
Moneda LatAm Large Cap

NAV % of companies with lack of UNGC/OECD compliance mechanisms

%



Moneda LatAm Small Cap



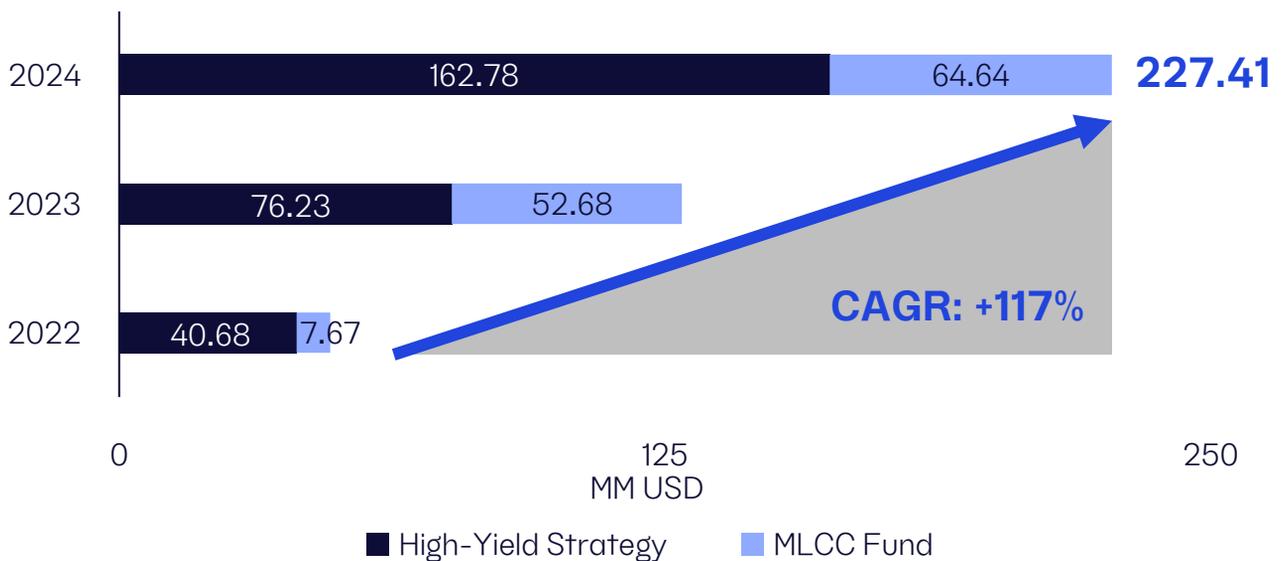
■ Fund ■ Benchmark

Sustainable Debt

Green, Social, and Sustainability-linked Bonds Allocations

In 2024, sustainable debt investments reached USD 227.41 million, representing a 76% increase compared to the USD 128.91 million recorded in 2023. These investments included green bonds, social bonds, sustainability bonds, and sustainability-linked bonds.

Triple Digits Increase

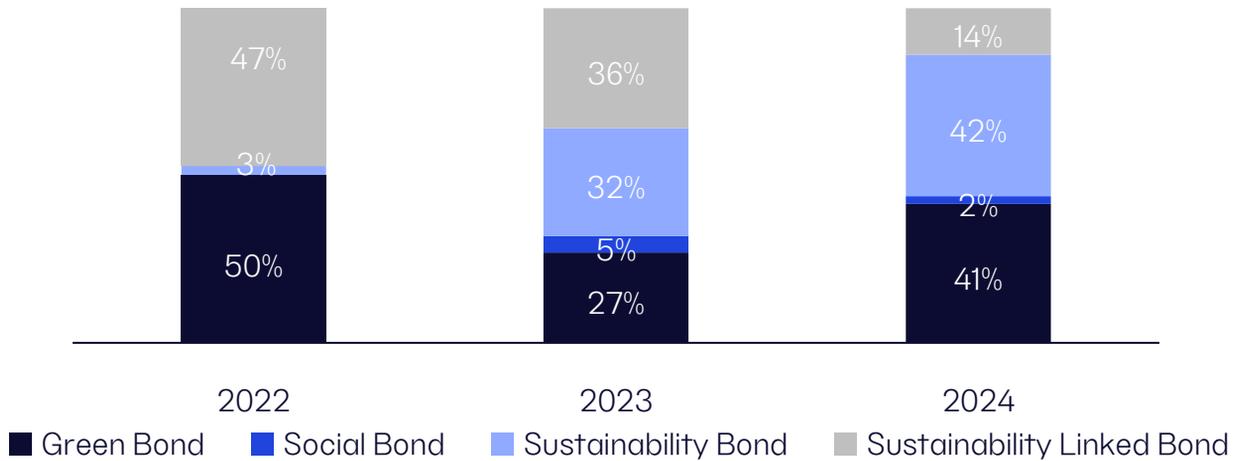


In 2022, sustainable bonds investments were concentrated in green bonds (50%) and sustainability-linked bonds (47%), with sustainability bonds making up the remaining 3%. By 2023, a more balanced mix was achieved as social debt increased reaching 32%. Sustainability-linked bonds remained the largest category at 36%, while green bonds share dropped to third place at 27%. **This year, green bonds rebounded to 41%, nearly matching sustainability bonds (42%), while sustainability-linked bonds experienced the sharpest decline, falling to 14%.** Social debt continued to represent the smallest share at just 2%.

In 2024, Patria's sustainable debt portfolio was largely concentrated in green bonds and sustainability bonds, which together accounted for over 80% of total sustainable holdings. Sustainability-linked bonds ranked third with a 14% share, while social bonds remained at the bottom with 2%.

Sustainable Debt

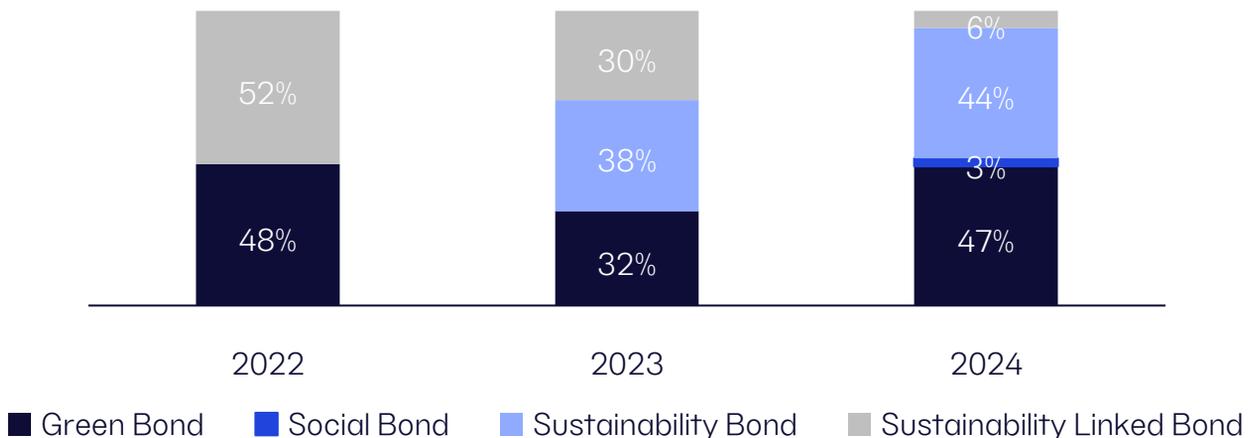
Across Funds: Sustainability Bonds Gaining Momentum



High Yield: Green Bonds Focus

This year, sustainable debt in the High Yield strategy was primarily allocated to sustainability bonds (44%) and green bonds (47%). Sustainability-linked bonds dropped to 6%, a sharp decline from previous years, while social bonds remained at 3%.

Green Bonds regained share, while sustainability bonds continued their upward trajectory, becoming a relevant component of the strategy. In contrast, sustainability-linked bonds fell from 52% in 2022 to 6% in 2024. Social bonds appeared only recently and remain negligible.

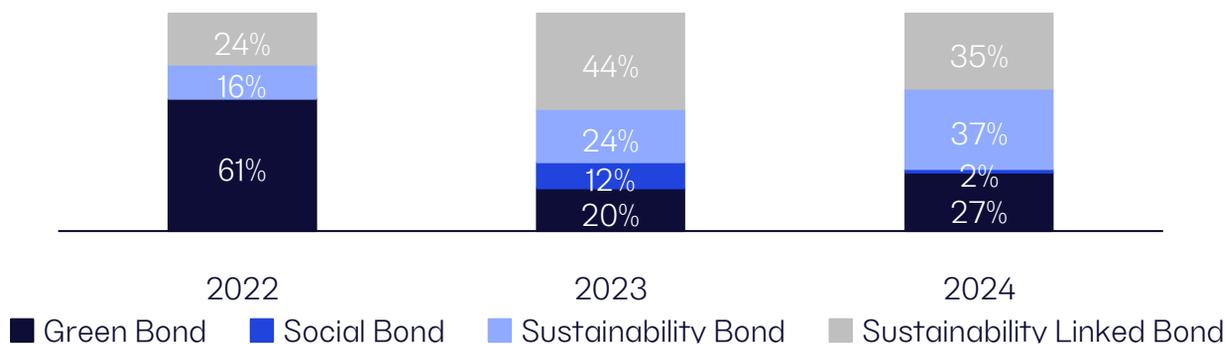


Sustainable Debt

MLCC Fund: Moving to a More Balance Mix

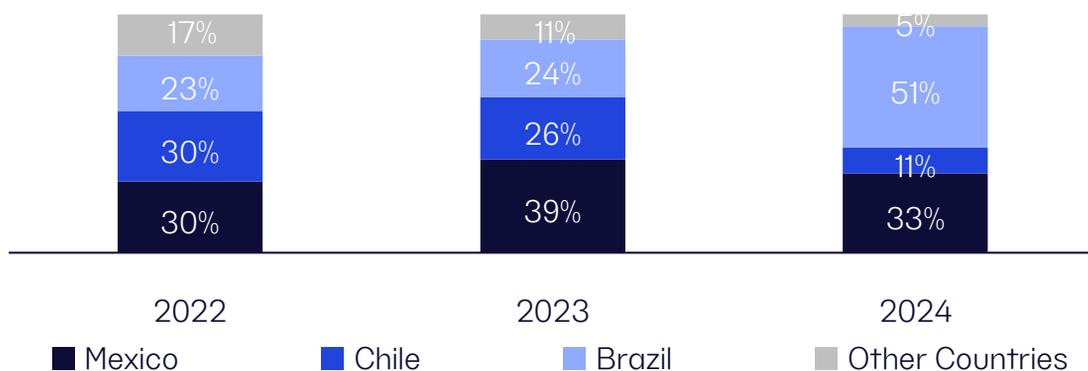
In the case of Moneda LatAm Corporate Credit (MLCC), sustainable debt allocation was mainly represented by sustainability bonds (37%) and sustainability-linked bonds (35%). Green bonds represented 27%, showing some recovery from the previous year, while Social Bonds were at 2%.

Over the past three years, the strategy shifted away from green bonds, from 61% in 2022 to 27% in 2024, while sustainability bonds more than doubled their share.



Since 2022, Brazil, Chile, and Mexico have consistently led the sustainable debt allocations. While Mexico previously held the top position—followed by Chile and then Brazil—in 2024 Brazil went from 24% to 51%. Mexican sustainable debt remained relatively stable at 33%, whereas Chilean sustainable bonds had the sharpest decline on their share, dropping from 26% in 2023 to 11% in 2024.

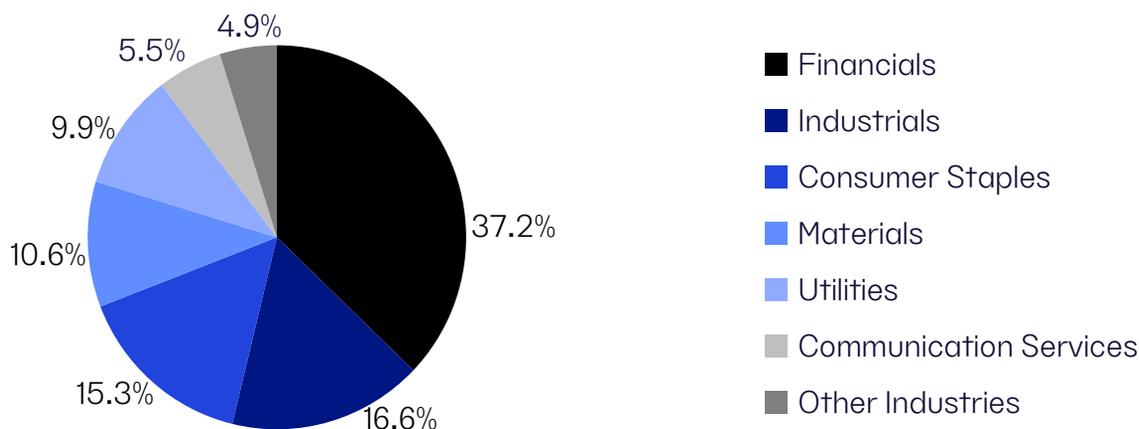
Country Level: Brazilian Dominance



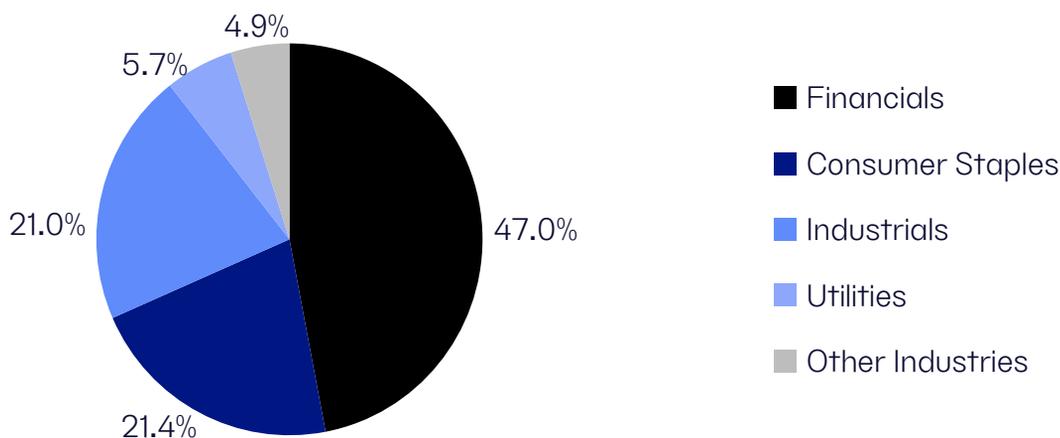
Sustainable Debt

The sustainable debt portfolio shows a strong concentration in Financials, which accounted for 37.2% of total holdings, followed by Industrials (16.6%) and Consumer Staples (15.3%). Materials (10.6%) and Utilities (9.9%) also represented meaningful shares, while Communication Services (5.5%) and Other Industries (4.9%) remain relatively minor contributors.

Sustainable Debt investment mostly represented by Financial and Industrial issuers.

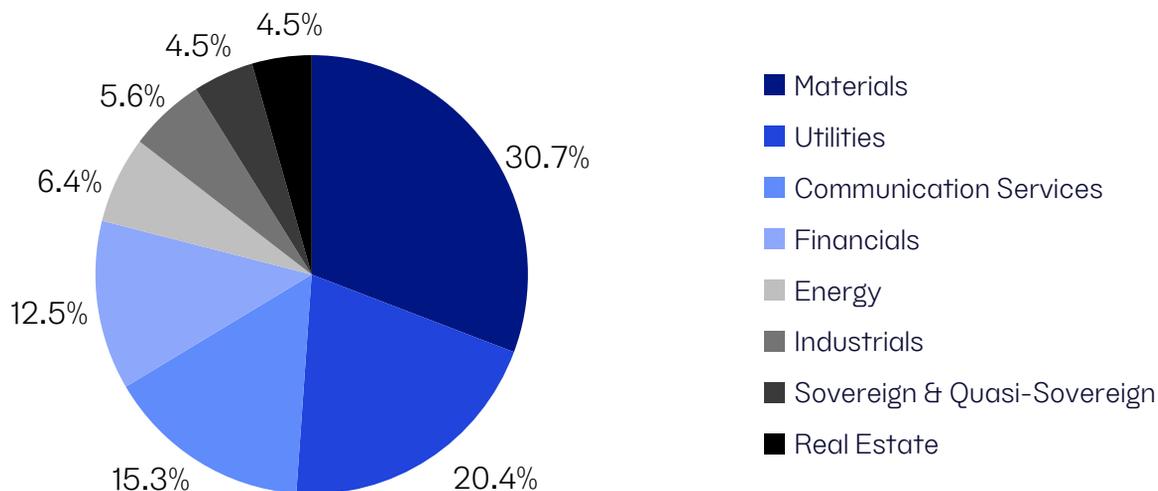


High Yield funds concentrating sustainable debt investments in Financial and Consumer Staples.



Sustainable Debt

MLCC Fund leaning to Materials and Utilities



Use of Proceeds Focused on GHG Emissions and Renewable Energy



Environmental matters continued as the key topics in terms of use of proceeds and sustainability targets, with GHG Emissions reductions and Renewable Energy clearly among the top matters. Social considerations also gained momentum, particularly SME Financing and Financial Inclusion as well as Access to Essential Services.

Sustainable Debt

Sustainable Bonds Takeaways

- ✓ **Bond Distribution:** Sustainable Bonds (42%), Green Bonds (41%), Sustainability-linked Bonds (14%) and Social Bonds (2%).
- ✓ **Regional Allocation:** In 2024, Brazilian sustainable bonds' share surged to 51% (up from 24% in 2023), Mexico remained stable at 33%, and Chile dropped sharply to 11%.
- ✓ **Industry Distribution – Main Sectors:** Financials (37.2%), Industrials (16.6%), Consumer Staples (15.3%), Materials (10.6%), and Utilities (9.9%).
- ✓ **Most Frequent Topics:** Emissions (9), Renewable Energy (8) and Water Management (6). Top social themes: MSE Financing and Financial Inclusion & Access to Essential Services (3 each).

Largest Sustainable Bonds Allocations

Renewable Energy – Costa Rica



- **Allocation (MM USD):** 25.9
- **Principal (MM USD):** 700
- **Coupon Rate:** 6.25%
- **Issue and Due Dates:** April 2021 – April 2029
- **Type of bond:** Green Bond
- **Topics:** Renewable Energy
- **Use of Proceeds:** Financing renewable energy projects—specifically six operational wind and/or solar power facilities—located in Honduras, Nicaragua, and Costa Rica.

Telecom - Mexico



- **Allocation (MM USD):** 25.5
- **Principal (MM USD):** 1,260
- **Coupon Rate:** 10.30%
- **Issue and Due Dates:** February 2024 – January 2034
- **Type of bond:** Sustainability Bond
- **Topics:** Renewable Energy, Energy Efficiency
- **Use of Proceeds:** Renewable energy, energy efficiency, digital inclusion, pollution prevention and environmentally sustainable management.

Sustainable Debt

Energy Utilities – Chile



- **Allocation (MM USD):** 25.27
- **Principal (MM USD):** 500
- **Coupon Rate:** 3.88%
- **Issue and Due Dates:** Apr 2024 – 2034
- **Type of bond:** Green Bond
- **Topics:** Renewable Energy, Energy Efficiency
- **Use of Proceeds:** Renewable energy generation projects (primarily wind and solar), transmission infrastructure, and energy efficiency initiatives, including the phase-out of coal-fired generation in Chile by 2025.

Chemicals – Chile



- **Allocation (MM USD):** 24.80
- **Principal (MM USD):** 1,000
- **Coupon Rate:** 6.75%
- **Issue and Due Dates:** Sep 2021 – 2051
- **Type of bond:** Green Bond
- **Topics:** Clean Transport
- **Use of Proceeds:** Financing projects related to clean transport through sustainable lithium production, supporting electric vehicle battery supply chains, and promoting environmentally responsible practices in resource extraction and processing.

Water Utilities - Brazil



- **Type of bond:** Sustainability Bond
- **Allocation (MM USD):** 21.87
- **Principal (MM USD):** 500
- **Coupon Rate:** 5.95%
- **Issue and Due Date:** Sep 2021 – 2031
- **Topics:** Water & Wastewater Management and Energy Efficiency
- ✓ **SPT:** Reduce energy consumption in water production/distribution and sewage collection/treatment by 15%
- ✓ **SPT Baseline Year:** 2021 (0.39 kWh/m³)
- ✓ **SPT Target Year:** 2030
- ✓ **Midterm Targets:**
2025: 7% reduction (0.36 kWh/m³)
2027: 10% reduction (0.35 kWh/m³)

Pulp & Paper – Chile



- **Type of bond:** Green – Sustainability-Linked Bond (GSLB). First South American corporate bond in international markets combining both characteristics (green and sustainability-linked)
- **Allocation (MM USD):** 16.34
- **Principal (MM USD):** 1,000
- **Coupon Rate:** 4.75%
- **Issue and Due Dates:** Jun 2023-2031
- **Topics:** GHG Emissions
- ✓ **SPT:** Reduce GHG emissions (scope 1 and 2) by 50%
- ✓ **SPT Baseline Year:** 2018
- ✓ **SPT Target Year:** 2030



Active Ownership

2024 Engagements:

Firm Level Overview

59

Engagements
Meetings

45 Engaged Companies

18 Industries and 5 Countries

Industries

- ✓ Chemicals
- ✓ Electric Utilities
- ✓ Materials
- ✓ Oil & Gas
- ✓ Pulp & Paper
- ✓ Metals & Mining
- ✓ Food
- ✓ Airlines
- ✓ Industrials
- ✓ Telecom
- ✓ Retail
- ✓ Tourism
- ✓ Highways
- ✓ Technology
- ✓ HealthCare
- ✓ Real Estate

Main Topics

- ✓ GHG Emissions
- ✓ Carbon Taxes
- ✓ ESG Capex
- ✓ Variable Comp Linked to ESG Targets
- ✓ Health & Safety
- ✓ Board & C-Level ESG Committees
- ✓ ESG-Related Legal Proceedings
- ✓ Community Relations

2024 Engagements:

Credit Case Studies

Electric Utilities - Chile



- ✓ **Company Description:** Coal-fired generation and sales company supplying energy to regulated, free (unregulated) mining-industrial, and commercial clients.
- ✓ **Engagement:** Recognizing the need for a financially sound and environmentally responsible energy transition in Chile—and taking into account our clients' expectations—our focus was to provide constructive feedback on their energy transition strategy, reporting practices, and their supply chain.
- ✓ **Outcomes:**
 - Energy transition plan: Commitment to shift from 100% coal-based generation to a 70/30 coal–ammonia mix, progressing further to 50/50 by 2033 in two of the company's five generation assets, and achieving a 50/50 mix across all plants by 2040.
 - Supply chain: Procure coal with the lowest possible emission factors when combusted.
 - Transparency: Publication of the company's first annual sustainability report.

Energy Services - Mexico



- ✓ **Company Description:** Drilling and extraction of oil, gas, water, and geothermal resources, offering services across the energy-infrastructure value chain.
- ✓ **Engagement:** Our Responsible Investment team held targeted engagement meetings with the CFO, CSO, and the Legal Director. These conversations focused on shaping the company's next set of sustainability goals and improving the quality and scope of its future sustainability reporting.
- ✓ **Outcomes:**
 - Goals: As scope 1 and 2 emissions are typically limited in this segment of the energy services industry, our recommendations concentrated on health and safety performance and governance enhancements. In particular, we emphasized the need for stronger incentive alignment and improved accident-prevention practices, given the local market's lagging safety performance relative to international peers.
 - Transparency: The C-level accepted recommendations and has begun implementing more robust sustainability monitoring systems and upgraded reporting processes.

2024 Engagements:

Public Equities

Waste Management and Energy - Brazil



- ✓ **Company Description:** Waste-management, bioenergy, and carbon-credit services. The firm also provides environmental engineering services such as remediation of contaminated and degraded areas, monitoring/diagnostics, and specialized industrial cleaning.
- ✓ **Engagement:** Aware of the unique sustainability solutions the company provides in the waste management industry in Brazil, we received the firm's Head of Sustainability Officer in our London office to provide in-person suggestions on their new sustainability plan as well as on their governance mechanisms to keep and potentially improve their financial and sustainability performance.
- ✓ **Outcomes:** The company integrated our suggestions on their reporting and upcoming sustainability goals.

Electric Utilities - Chile



- ✓ **Company Description:** Generation, transmission, and distribution of power. Its electricity generation comes from hydroelectric, thermal, and wind sources. It has an installed capacity of more than 5,000 megawatts and more than 100 generation units.
- ✓ **Engagement:** Given the greater relevance of climate-transition risks—particularly carbon taxation—in Chile (relative to other Latin American markets), we engaged with the company's Investor Relations and Sustainability teams to discuss the firm's exposure to these risks and its actions for potential amendments to national climate-related laws and regulations.
- ✓ **Outcome:** We encouraged the development of more robust reporting on climate-transition risk exposure, supported by scenario analyses that quantify potential carbon tax liabilities over the short and medium term. The firm welcomed these recommendations and plans to integrate them into its assessment for the next fiscal year.



Looking Ahead

Stewardship and Reporting

Short Term: Stewardship through Outcome-driven Engagements

Our investment philosophy relies on sustainability-related dialogues with the companies in which we invest. Through this commitment, we define our engagement priorities from three perspectives: first, by examining the most material climate, social, or governance challenges confronting our portfolio companies; second, by considering broader global sustainability mega-trends, such as climate-related risks; and third, by identifying companies that lag behind their industry peers on sustainable performance metrics, especially the EU SFDR Principal Adverse Impact (PAI) indicators, focusing on those related to climate and governance. With especial attention to these matters, our Responsible Investing Team will increasingly dedicate time and resources to engaging companies based on their carbon-related results within the SFDR's PAI framework as well as on their reporting practices and sustainability targets, aiming to achieve more sustainability outcomes in the years ahead.

Medium Term: TCFD Reporting

Consistent with our long-standing commitment to improve transparency around the way ESG factors are integrated into our investment approach, we will keep strengthening our climate-risk assessment practices to produce our first TCFD report in the foreseeable future.

Long Term: Collaboration with Clients and Stakeholders on Responsible Investing and SFDR Alignment

We believe advancing sustainability requires collaboration across the investment ecosystem. Since 2019, We have been an active member of several local and global investors initiatives, such as Sustainability Committee of the Chilean Association of Investment Fund Administrators (ACAFI) in Chile and the ESG Advisory Committee for Credit Risk and Ratings initiative led by PRI contributing to good-practice discussions and regulatory improvements.

As Patria's presence deepens in key Latin American markets, we will continue to play a proactive role—fostering peer collaboration, supporting transparency initiatives, and advocating for ways that drive sustainable investment practices across the region.

In alignment with the EU Sustainable Finance Disclosure Regulation, we intend to reinforce our position as a regional leader by offering new funds that comply with the most advanced sustainability standards and regulatory frameworks. Our structured approach to managing sustainability-related risks will enable us to classify more of our products under SFDR Article 8 in the medium and long term.



Appendix

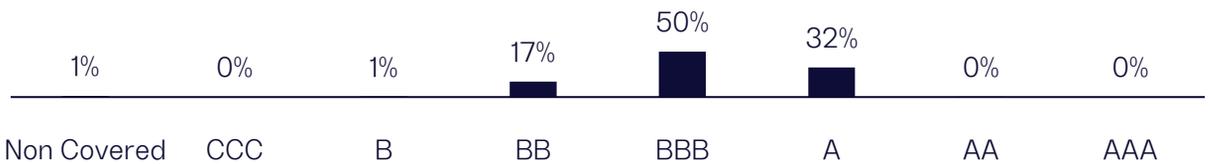
Fund and Issuer Cases

Fund Case - ESG Ratings Analysis

ESG Fund Benchmarking – Ratings & Coverage



Fund's ESG Rating Distribution



ESG SCORING

Leader		Average			Laggard	
AAA	AA	A	BBB	BB	B	CCC
100-86	86-71	71-57	57-43	43-29	29-14	14-0

Fund's Top 10 Issuers Positions Rated

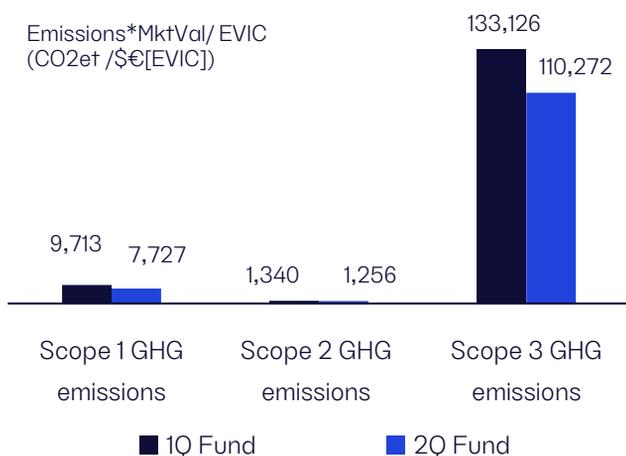
Issuer	%	Momentum	ESG Rating	E Rating	S Rating	G Rating
1. Banks - Brazil	6.14%	--	52.0	45.0	58.0	46.0
2. Diversified Financials - Peru	5.26%	--	54.0	78.0	46.0	58.0
3. Mining - Mexico	5.22%	--	33.0	29.0	36.0	33.0
4. Diversified Financials - Brazil	4.74%	--	43.0	38.0	41.0	48.0
5. Banks- Mexico	4.71%	--	64.9	65.2	59.3	66.3
6. Mining - Brazil	4.63%	--	51.4	45.1	31.8	64.8
7. Diversified Financials - Brazil	4.52%	↗	59.0	100.0	49.0	62.0
8. Real State - Brazil	3.98%	--	46.0	52.0	55.0	36.0
9. Retail - Mexico	3.55%	--	53.0	52.0	65.0	33.0
10. Retail - Argentina	3.34%	↗	61.0	97.0	54.0	66.0

Fund and Issuer Cases

EU SFDR Principal Adverse Impact Indicators Analysis

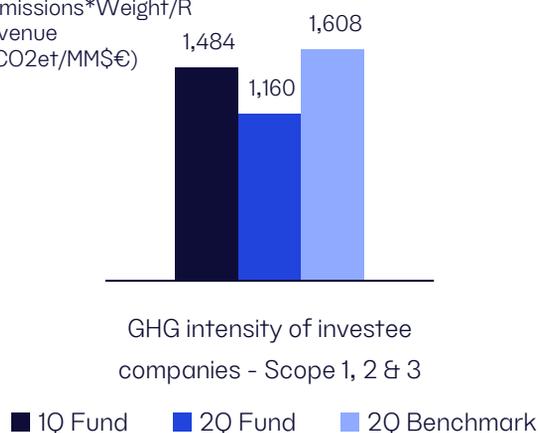
PAI 2: Carbon Footprint

Emissions*MktVal/ EVIC
(CO2et / \$€[EVIC])



PAI 3: GHG Intensity

Emissions*Weight/R
evenue
(CO2et/MM\$€)



Fund - Top 10 Emitters Rated by GHG (Scope 1, Scope 2 & Scope 3)/Sales (PAI 3)

Issuer	(1) GHG/Sales (tCO2/MM\$€)	(2) Weight (%)	(3) PAI 3: (1)*(2) (tCO2/MM\$€)
1. Mining - Brazil	11,247	4.68%	526.34
2. Oil&Gas - Brazil	7,062	1.05%	74.30
3. Industrials - Brazil	4,198	0.48%	20.14
4. Oil&Gas - Brazil	2,975	2.63%	78.15
5. Mining - Mexico	1,122	5.28%	59.27
6. Electric Utilities - Brazil	1,078	1.90%	20.45
7 Retail Company - Brazil	750	2.47%	18.53
8. Real Estate - Brazil	462	4.03%	18.60
9. Banks - Brazil	385	6.21%	23.87
10. Financials - Peru	349	5.32%	18.56

Discussion

The table ranks the companies based on their GHG-to-sales ratio. In this framework, Company 1 stands out with the highest emissions intensity, indicating it is the least carbon-efficient relative to its revenue. Regarding PAI 3 (the fourth column of the table), Company 1 contributed the most to carbon intensity within the portfolio. Company 4 follows as the second highest contributor. This outcome is driven by both companies having elevated GHG-to-sales ratios combined with a relatively high portfolio weight.

Fund and Issuer Cases

Issuer Case - Latin American Mining Company

Theme: Water Resource Management under High Water Stress Conditions

The issuer operates multiple mining sites in regions characterized by high water stress. Two major operational areas are undergoing significant investments to ensure long-term sustainability and regulatory compliance, particularly in relation to water sourcing and infrastructure.

Mining Site 1

- Received environmental approval to extend operations until 2051.
- Authorized to continue using its current water source (entirely continental) until 2028, while advancing studies to transition to seawater or alternative sources.
- The approved infrastructure includes a seawater intake system with a permitted flow rate of 500 liters per second.
- Total investment allocated for the operational extension is approximately USD 1.2 billion.

Mining Site 2

- Two major infrastructure projects are currently underway, with completion expected by 2027.
- These include the expansion of a desalination plant to 800 liters per second, doubling its current capacity.
- Additional developments involve the construction of a new concentrate pipeline and upgrades to tailings management facilities.
- The total investment for these initiatives is approximately USD 2.0 billion.

Water Strategy

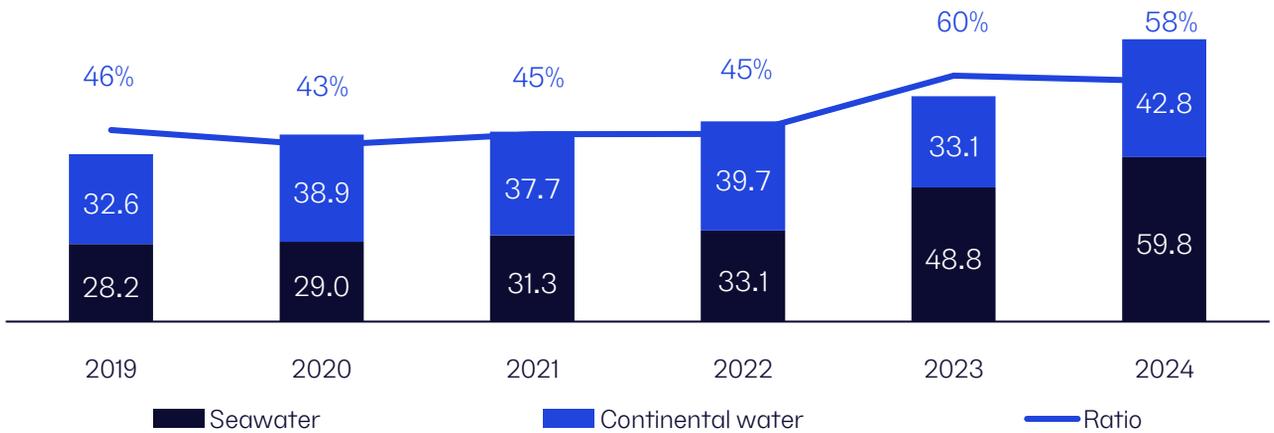
The issuer has set an ambitious target: **90% of water used should come from seawater and/or be recirculated**, once the expanded desalination plant at **Mining Site 2** becomes fully operational.

Recent trends show steady progress toward this goal.

- **Seawater Use:** Seawater withdrawals nearly doubled from 28.2 GL in 2019 to 59 GL in 2024, showing a clear shift toward sustainable sourcing.
- **Continental Water:** Usage remained stable, even declining slightly, despite rising overall demand.
- **Seawater Ratio:** Increased from 43% to 58%, indicating progress toward the 90% target.
- **Infrastructure Impact:** The 2024 spike in seawater use reflects the early impact of the expanded desalination plant at Mining Site 2.

Fund and Issuer Cases

Mining Division Water Withdrawals (GL)



Water Intensity Analysis

Water efficiency across the issuer's mining operations was assessed using the Coef (ML consumption/ton produced) indicator. The analysis shows that most sites are aligned with the national average projected for 2022–2030. However, Mining Site 1 presents a significantly higher water intensity, which reinforces its strategic importance within the issuer's investment plan—particularly regarding seawater infrastructure and operational improvements aimed at reducing water consumption.

Water Intensity by Operating Site vs. National Average

ML consumption / ton produced

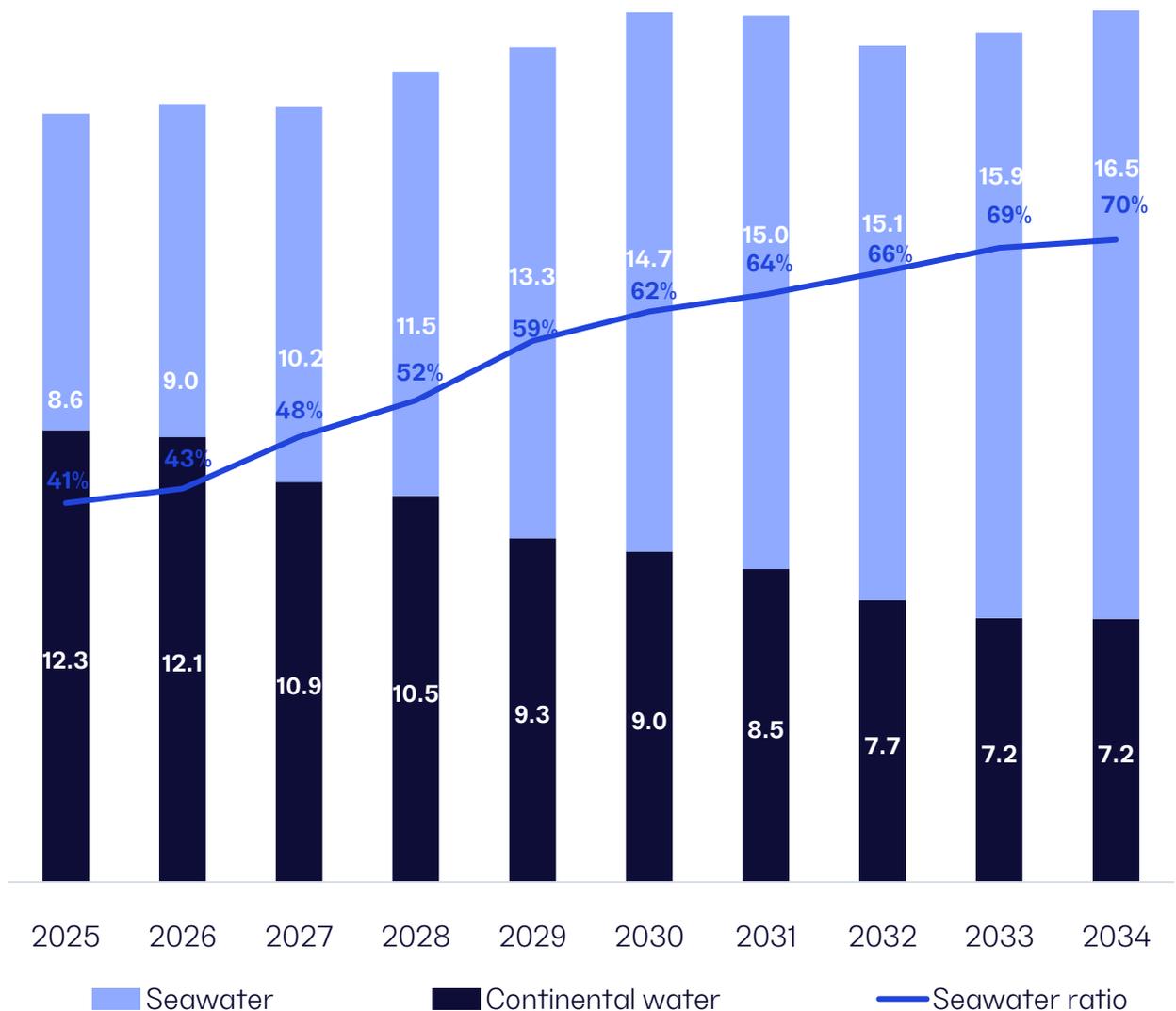


Fund and Issuer Cases

Outlook: Projected Water Sourcing Trends in Metal Production

Forecasts indicate a significant shift in water sourcing across the industry. The seawater ratio is expected to increase from 41% in 2025 to 70% by 2034, reflecting a continued move away from continental water use and toward more sustainable alternatives. This trend highlights the growing role of desalination and water reuse in future operations.

National Metal Industry Water Demand Forecast



PATRIA



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