

Sustainable Investing Policy

Principal Asset Management

October 2025

Sustainable Investing Policy

This Sustainable Investing Policy (“Policy”) aims to establish guidelines, principles and procedures for the social and environmental practices of Principal Asset Management Ltda. (“Principal Brazil”) in its business in order to measure and mitigate social and environmental risks and potential negative impacts arising from risks.

The objective of the policy is to formalize the processes and procedures adopted by the company, in order to protect not only the company, but also its partners, counterparts and customers, against potential socio-environmental risks.

It is important to mention that Principal Brazil, in addition to being a signatory to the AMEC (Association of Capital Markets Investors – Brazil) Stewardship Code, is also a signatory to the Principles for Responsible Investment (PRI). The PRI is a set of guidelines that aims to incorporate social, environmental and corporate governance issues in investment decision-making processes.

Context

In accordance with its principles and guidelines for best market practices, Principal Brazil seeks to contribute to development in a responsible manner and by promoting environmental, social and corporate governance aspects both in the company and in the funds managed by Principal Brazil. In order to protect its clients in the investment process, Principal Brazil carries out the control and evaluation of the companies in which its funds invest.

Principal Brazil values ethics, responsibility, transparency and guides its employees through internal policies and processes, including the Compliance Manual and Code of Ethics and Corporate Conduct, in addition to periodic training.

Increasingly, social and environmental responsibilities are being developed and Principal Brazil seeks to consider the impacts on the risks and returns of issuers of securities.

Principal Brazil is a member company of Principal Financial Group Inc. (PFG), which offers asset management, retirement services, and insurance solutions to institutional clients, businesses, and individuals worldwide.

Please see below some of PFG 2024 highlights:

- Supported approximately 12,049 diverse SMBs through product access programs, community development and financial education.
- Decreased our global scope 1 and scope 2, market-based GHG emissions by

19.6% between 2023 and 2024.

- Reached a score of 81% on our Global People Inclusion Index.
- Reached a score of 77% on our Employee Engagement Index.
- Provided access to sustainable investing training to all employees to empower them to understand our sustainable investment capabilities to better serve clients and customers.

For more information about these activities for PFG and Principal Asset Management, please visit the website: <https://www.principalam.com/us/about-us/esg>

Dedicated Governance

Principal Brazil has an internal Sustainable Investing Committee to address the issues related to the Stewardship Program and relies on the commitment of the leadership to ensure the necessary resources for the implementation and improvement of the principles. The members of this committee are:

- Eduardo Morais – Portfolio Manager Equities;
- Bárbara Rejani – Chief Legal and Compliance Officer;
- Daniel Almeida – Head of Research Equities;
- Luis Rodrigues – Portfolio Manager Credit;
- Rodrigo Ruiz – Head of Alternative Investments;
- Gabriel Lopes – Chief Risk Officer.

For more information regarding the members, please see Annex I. The committee meets on a semiannual basis. The materials used for discussion by the Committee are formalized and filed internally.

ESG Risk Factors

ESG factors include environmental, social and corporate governance aspects:

- Environmental factors: include climate change, resource optimization and preservation of ecosystems. Environmental risks are assessed in order to avoid losses resulting from environmental damage, threat of license expiration, among other factors.
- Social Factors: includes scope of work (diversity, equality, inclusion, training and professional development, compatible remuneration, employment, among others), safety

and health, responsibility to customers (responsible marketing, monitoring channels, technology, etc.), follow-up and monitoring of suppliers and subcontractors, among others.

- Corporate Governance Factors: ethics, integrity and principles, which include the rights of shareholders, governance bodies, transparency, leadership, manuals and policies, among others. Risks are weighed by assessing companies' decision making, checking public news, etc.

ESG Aspects in the Investment Process

In line with the ANBIMA Guide for Incorporating ESG aspects into investment analysis, Principal Brazil adopts different ways of incorporating such aspects in its analysis, depending on the fund and the investment strategy:

Equities:

The Principal Brazil equities team believes that the combination of a deep top-down analysis aligned with a fundamentalist asset choice will produce stable and significant alpha in the medium and long term. The quality assets to compose the portfolio must present (i) sustainable fundamentals, (ii) attractive valuation and (iii) triggers that can materialize the intrinsic value. During the selection process, the team conducts a complete and in-depth analysis of the covered companies, which includes visits / regular contact with management, competitors, customers and suppliers.

Among the sustainable foundations analyzed are: quality of management; alignment of interests; corporate governance; industry growth; industry fragmentation; competitive environment; and regulatory profile.

It is important to mention that in 2020 Principal Brazil chose to rely on MSCI ESG Data to improve the efficiency of its process of adopting ESG factors in the funds' investment process, assisting in the identification and monitoring of key risks from environmental factors and social aspects.

The reports and information made available by MSCI ESG Data allows the manager to assess the integration of ESG factors in invested companies. Among such data, it is possible to check, as mentioned on the provider's own website (www.msci.com/esg/reporting-services):

- *MSCI ESG Ratings Quality,*
- *Distribution and Momentum,*
- *Carbon Risk,*
- *Reputational Risk, and*

- *Governance Risk*

Negative Filter

Principal Brazil manages two exclusive vehicles that uses the negative filter strategy to analyze its assets. Among the sectors that are excluded from this portfolio are the sectors of smoking, alcohol, war, casinos and games.

Corporate Engagement

Corporate engagement is based on the use of investors' shareholdings to influence the company's strategy in adopting sustainable investing policies.

Principal Brazil seeks, through a friendly activism strategy, to add or unlock value for shareholders. It focuses on contributing to market communication, financial planning, controls and strategy, avoiding any conflict situations or interfering too much in the company's management. In this way, friendly activism does not interfere with divestment discipline.

Fixed Income:

Principal Brazil formalized its Private Credit Acquisition and Monitoring Policy, where it formalizes the rules and procedures for credit quality management.

Among the procedures mentioned in the Policy, the credit analysis of the assets that integrate or will integrate the portfolio of funds managed by Principal Brazil is made by the Structured Products team, and the decision to acquire assets and establish limits for counterparties taken by the Principal Brazil Credit Committee. Principal Brazil has a strict credit analysis process, aiming to assess the payment capacity of each counterparty. The issuer's industry and its comparative advantages are analyzed, and the analysis process is based on the 6C's of credit, described below:

1. Character: this is information regarding the nature, suitability and reputation of the client. Since this assessment is very subjective, it is possible to determine it by analyzing the debtor's intention to honor its financial obligations based on its history of punctuality in the payment of obligations;
2. Capacity: this "C" must provide information that makes it possible to assess whether the revenues and expenses allow the fulfillment of the obligations to be assumed. This criterion is based on aspects such as cash flow dynamics, business strategy,

organizational structure, operating performance, history of managers and indicators of liquidity and indebtedness;

3. Capital: information regarding the capital structure, indebtedness, liquidity, profitability and other financial ratios obtained through the Issuer's financial statements;
4. Collateral: it is the ability of the Issuing company or the partners to offer complementary guarantees for a given credit operation;
5. Conditions: refers to the Issuer's ability to adapt to conjunctural situations, to have agility and flexibility to adapt and to create defense mechanisms;
6. Conglomerate: information about the situation of other companies located in the same economic group and how they may affect the company under study.

Additionally, the acquisition of assets is only carried out after the Alternative Products team has had access to all the information necessary for the proper credit risk analysis for the purchase and monitoring of the asset. Since additional questions from the Committee may generate the need for additional documents, which will be requested from the Issuer or Issue Coordinators (as the case may be) by the Alternative Products team, and will be passed on to all members of the Committee.

The Alternative Products team, in conjunction with the Credit Committee, thoroughly checks each ESG factor of the issuer, which may affect the price of the asset being analyzed, before any purchase proposal. Some of these factors are:

1. Issuer industry;
2. Shareholder composition and shareholders;
3. Social impacts;
4. Sustainability;
5. Corporate governance standards;
6. Transparency.

Once all the variables have been evaluated, the Alternative Products team seeks to apply its best efforts to price the asset at what would be its “fair price” of acquisition, before offering it.

Best-in-class

The best-in-class is a positive filter model in which the evaluation of a specific sector or project is made and, based on this evaluation, a ranking is created. ESG criteria are selected as part of the analysis of the qualitative factors of the evaluated company.

Principal Brazil believes that there is a strong relationship between the implementation of ESG factors in companies and their long-term sustainable growth, which results in greater credibility with the market and lower credit risk.

In addition to the ESG factors, Principal Brazil also analyzes the following factors in the Analysis of Qualitative Factors in the Credit sector: regulatory environment, management (quality of the company's management team, time in the sector, professional management); market access (ability to access different sources of finance); results volatility (resilience and consistency of results / cash generation); sector (cyclicality of the sector and the company's position in the sector); and liquidity. Based on these factors and quantitative factors, an internal rating is performed, which allows the assessment of different companies using a systematic methodology, making it possible to differentiate between issuers and their risk contribution to portfolios.

Timber funds

Florestas do Brasil FIP Multiestrategia fund

Principal Brazil is co-manager of the Florestas do Brasil FIP Multiestrategia fund, which has investments involving 35,500 ha of eucalyptus plantations in 58,200 ha of rural properties, located in the states of Bahia, Mato Grosso do Sul and Minas General. In addition, there are Principal Brazil' alternative funds with investments in Eco Brasil Florestas S.A., which involves 35 thousand ha of eucalyptus plantations in 115 thousand ha of rural properties, located in the state of Tocantins. Therefore, we manage 70,500 hectares of eucalyptus plantations inserted in 173 thousand hectares of rural properties.

The management of these funds, structured in 4 forestry companies, follows a strict Corporate Governance policy, comprising a set of processes, standards, policies and regulations that determine the modus operandi of field and technical-administrative activities, considering the relationships with stakeholders (administrator, manager, quota holders, customers, technical-administrative and operational teams, suppliers, surrounding communities and regulatory bodies), providing technical management, administrative probity, transparency, operational efficiency and satisfactory financial performance of the business. Our objective is to guarantee the adherence of the principles involved in the established policies, rules and procedures, through mechanisms that allow any deviations to be detected, prevented and corrected, with a strong emphasis on business sustainability and return on investment (valuing assets forestry and to sustain the business).

Good governance practices are considered from the conception and structuring of the Investment and Participation Fund (FIP), with the general guidelines for managing it, with the respective obligations and rights of the main parties involved (Administrator; Manager;

Distributor; Shareholders) and Operational Team). It should be noted that the entire structure for structuring and managing our forestry investments follows the policy, rules and principles established by the Principal Brazil Compliance area. The Compliance area has the autonomy to assess any and all possible conflicts of interest in the acquisition, training and management of forest assets.

Among the controls adopted in the management of FIPs, we can highlight the following that are applied in investees:

- External audits - annual (accounting and certifications)
- Asset revaluation - annual
- Decision-making process (competences & approval) and Code of Conduct (Ethics and Posture in business dealings)
- Internal audits (controls: Customer Service / Satisfaction; Quality / Compliance of Products; Procedures / Financial Performance; Quality / Compliance of Processes (Team, Production and Socio-Environmental); Management / Documentation of processes; and Establishment / Monitoring of Goals)
- Management and Executive Reports - Operational and Economic-Financial Performance
- Production Planning: Multiannual and Tactical (Supply of Wood to the Market) and Operational (12 months - budget base for annual generation of operating / technical / administrative revenues and expenses)

It is important to note that, in addition to the focus on the financial performance of FIP, which is extremely important in business management, special attention is also paid to processes that impact the sustainability and longevity of the business. The management of forest assets is based on the sustainability tripod: economically viable, environmentally responsible and socially fair, which is why all the companies invested in our forest funds are certified with the FSC Seal - Forest Stewardship Council (Forest Stewardship Council - international).

The certification process for obtaining the FSC seal by investees involves a rigorous audit by companies accredited by FSC International, having public consultations and direct involvement with the main stakeholders (communities, suppliers, customers) and checks in the internal environment, standing out:

- employees - compliance with labor laws, working conditions, and practices related to occupational safety and health, which make it possible to deal proactively with adverse conditions such as the one recently experienced in the Covid pandemic;
- infrastructure - administrative and operational;

- field conditions - sustainable silvicultural management techniques;
- compliance with environmental legislation (Municipal, State and Federal levels) - Legal Reserve and Permanent Preservation areas in rural properties, use of chemical pesticides and other products; and
- legal condition of rural properties and land use.

The FSC is a voluntary certification of forest management that was developed internationally, according to the following principles: i) Compliance with laws and certification principles; ii) Ownership and right to use the land; iii) Rights of traditional communities (indigenous peoples, quilombolas, etc.; iv) Community relations and workers' rights; v) Forest benefits; vi) Environmental impact; vii) Management plan; viii) Monitoring and evaluation; ix) Forest of high conservation value; and x) Forest plantations.

This certification has two main categories, which are characterized by the forest management plan and chain of custody (covers from production to the destination of the products produced). An important point is that the principles and criteria associated with obtaining the seal comprise aspects intrinsic to the categories of Quality, Environment, Occupational Health and Safety, Social (internal public - employees and suppliers; and external - communities surrounding the enterprise), Use Legal da Terra (Legal Use of Land), among others.

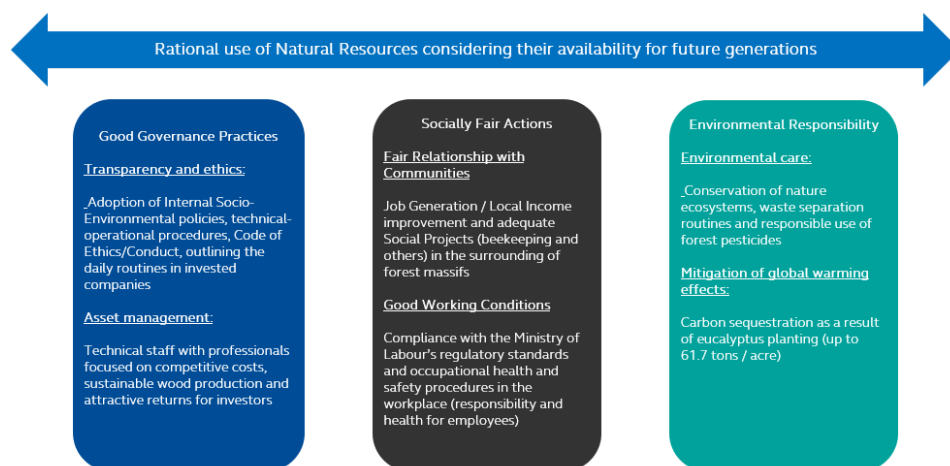
Another relevant point in forestry investments refers to carbon storage, which involves “carbon sequestration”, a process of removing carbon dioxide from the atmosphere. Forests offer great potential, in the short term, to remove CO² from the atmosphere. Unlike plants with short life cycles that die and decompose quickly, trees are individuals with long life cycles that accumulate carbon in their biomass, contributing positively to the global climate agenda, effectively contributing to actions to reduce the global warming process, where the increase in the concentration of CO² in the atmosphere is one of the main causes of the problem.

Claritas Timber FIP

In 2021, Principal Brazil launched the Claritas Timber FIP Multiestrategia fund, which has in its invested companies social object that allows the investment in forests of eucalyptus and/or other species, investments in forest areas that produce wood for industrial processing or other purposes: planting, maintenance and marketing of forests and/or related forest products; investment in rural properties for forest planting through leasing, rural partnership and/or acquisition of land and forests.

As stipulated in the fund's regulations, the invested companies and their operational controlling companies have the obligation to possess or commit to seek forest certification

from the FSC or another of equivalent notoriety. The search for such voluntary certification of international forest management demonstrates the commitment with the tripod of sustainability that is part of the fund's investment thesis:



Risk Analysis

In order to manage ESG risks, Principal Brazil portfolio managers have an obligation to seek the best execution for all securities transactions carried out on behalf of clients.

It is Principal Brazil policy to seek the best strategy for managed portfolios and funds and, therefore, considers a series of qualitative and quantitative factors, including ESG factors.

Principal Brazil, as a signatory to the PRI and adhering to the AMEC Code, takes socioenvironmental constraints into account in the asset valuation process, and in some cases may lead to the sealing of any asset.

As previously mentioned, the stock analysis process is divided into 3 parts: (i) qualitative aspects; (ii) valuation and (iii) catalysts. Among the qualitative aspects, the socio-environmental part is evaluated.

The sustainability-oriented questions are evaluated qualitatively during the process of analysis of the companies, through the reading of official documents such as reference report, contact with the administration and collection of information with other participants of the company's market, such as suppliers and competitors. After this qualitative analysis, this may reflect a higher discount rate or an explanation of a potential liability to be discounted from the company's valuation.

The risks and opportunities related to socioenvironmental aspects, as mentioned above, are initially dealt with in a qualitative manner, which can subsequently translate into a higher discount rate or explicit liability to be discounted from the company's valuation and in extreme cases investment ban. The analyst responsible for the company has the

responsibility to transmit the related risks and opportunities to the Investment Committee during the start of coverage and in the periodic updates.

For transactions involving credit risk from counterparties, the analysis is carried out by the responsible team and assessed by the Credit Committee. Such analysis considers the mentioned aspects, such as the issuer's sector, transparency, social impacts, corporate governance standards, among others.

Policy and Procedures for Exercising Voting Rights

Principal Brazil has revised its Voting Policy in order to update the requirements and principles that will guide Principal Brazil in exercising voting rights at general meetings of the investment fund it represents.

The Policy is strictly limited to the performance, as a manager, of Principal Brazil, not extending to “companies” (Funds) under direct or indirect control of third parties, who also exercise the investment fund portfolio management activity.

Principal Brazil exercises the right to vote at general meetings representing investment funds under its management, based on the interests of funds and shareholders with the care and diligence required by the circumstances.

Therefore, Principal Brazil votes in favor of resolutions that will give value to the assets that make up the fund's portfolio, seeking to consider the risks and returns of the assets.

To control the assemblies and votes, Principal Brazil has procedures, which include the use of a detailed internal spreadsheet with the funds that voted in the assemblies, the justifications in cases where the manager has not voted, the use of the Remote Vote Form and greater interaction with the custodian of funds managed by Principal Brazil for greater efficiency and effectiveness in representation.

The voting policy is available on the website <https://principalam.com.br/compliance/> Investors can also obtain a summary of the votes made by Principal Brazil at the meeting through the website <https://principalam.com.br/justificativa-de-voto-de-assembleias/>

Initiatives and Projects

In addition to the procedures described above, Principal Brazil participates in initiatives and projects to promote socio-environmental development, such as:

- Recycling: awareness and specific containers for recycling plastic bottles.
- Reuse of waste paper for drafts and notes;

- Incentive for reusing water bottles and non-disposable bottles;
- Reduction of volume of prints: Incentive for conscious use of papers;
- Use of economic lamps;
- Building installation: the company was concerned with sustainability issues when choosing its headquarters, opting for a building with a sustainability seal;

Characteristics of the building are:

- Optimization of external lighting for indoor areas;
- Reuse of water;
- Changing rooms and bike rack to encourage employees to use bicycles.

Principal Foundation

In 2016, we launched our volunteer initiatives funded by the Principal Foundation, an organization committed to providing philanthropic support for programs that promote financial security in the communities where Principal Financial Group operates.



Our mission is to inspire individuals to transform the reality in which they live. Our first project was "*Meu Dinheiro, Meu Negócio*" which remains active to this day. Its goal is to bring financial education and business knowledge to students in public schools across São Paulo. Nearly 13,000 students have already taken part in the sessions delivered by our employees and partner volunteers.

In 2024, we also organized the assembly of 700 food baskets, with the support of 80 volunteers. The initiative involved employees from Principal Asset Management in Brazil, voluntary partners, as well as representatives from the Principal Foundation and World Central Kitchen. The baskets were later donated to residents of the state of Rio Grande do Sul who were affected by the floods.

For more details about the Program, please visit: <https://principalam.com.br/esg/>

Voluntary Agreements

- Signatory to the PRI - to access the latest transparency report reported by Principal Brazil to the PRI, please go to: [Principal Asset Management | Signatory profile | PRI](#); and
- Adherent to AMEC Stewardship Code - to access the latest stewardship report submitted by Principal Brazil to AMEC, please go to: <https://principalam.com.br/wp-content/uploads/Relatorio-de-Stewardship-2024.pdf>

Policy Approval and Review

The Sustainable Investing Committee is responsible for the storage and revision of this policy.

[Annex I](#)

Biographies of Sustainable Investing Committee members



Eduardo Morais, CFA – Chief Investment Officer

Graduated in Economics from UFRJ (Federal University of Rio de Janeiro). He began his career in 1998 as an Equity Analyst and Portfolio Manager at Banco Matrix. In 2002, he joined Principal Asset Management in Brazil (formerly Principal Claritas) as a member of the equity fund management team. He currently serves as Chief Investment Officer and is a member of the Investment, Credit, Risk & Compliance, and Sustainable Investment Committees. Additionally, he is a member of the Board of Directors of AMEC (Association of Capital Market Investors), an organization dedicated to advocating for minority shareholder rights in Brazil.



Bárbara Rejani – Chief Legal and Compliance Officer

Attorney graduated from Universidade Presbiteriana Mackenzie, with a Master of Laws (LL.M) from Insper University, focused on Financial and Capital Markets, and an Executive MBA in Law: Management and Business Law from FGV. She began her career in 2011 at Banco Bradesco, where she remained for over three years. In March 2015, she joined Principal Asset Management, working in the Legal and Compliance departments. She currently serves as the Data Protection Officer (DPO), responsible for ensuring compliance with the Brazilian General Data Protection Law (LGPD). She is a member of the Risk & Compliance, Asset Allocation, and Sustainable Investment Committees, and also serves as Secretary to the Board of Directors and the Executive Committee.



Daniel Almeida, CFA - Head of Research Equities

Holds a degree in Mechanical and Aeronautical Engineering from ITA (Instituto Tecnológico de Aeronáutica). He began his career in 2003 at Banco Santander, working on the derivatives and arbitrage trading desk. In 2004, he joined Principal Asset Management (formerly Principal Claritas) as a Macro Funds Analyst with a focus on international markets. In 2005, he transitioned to the Equities desk, where he worked as an analyst covering domestic economy sectors such as education, retail, telecommunications, financial services, and insurance, among others. In 2017, he joined Parthenon Group as a Project Leader, focusing on M&A, restructurings, and go-to-market

strategies. In 2021, he returned to Principal Asset Management as Head of Equity Research in Brazil.



Luiz Christ, CFA – Fixed Income Portfolio Manager

Holds a degree in Mechatronics Engineering from POLI-USP, a Master's in Mechanical Engineering from Instituto Superior Técnico in Lisbon, and a Master's in Economics from FGV. He began his career as a trainee at Banco PAN, where he later became a corporate credit analyst. He continued in credit analysis at Banco Pine and Banco Santander. He joined Principal Asset Management in Brazil (formerly Principal Claritas) as a Credit Analyst and currently serves as a Fixed Income Portfolio Manager.



Rodrigo Ruiz – Head of Alternative Investments

Holds a Bachelor's degree in Economics from PUC-SP and a Master's degree in Finance and Economics from FGV-SP. He began his career in 2008 at Banco Santander as an analyst in Private Equity and Credit Funds. In early 2010, he joined BRL Trust, where he was responsible for the structuring and management of Private Equity and Credit Funds. In September 2010, he joined Principal Asset Management as part of the Operations team, where he served as Head of Operations/IT & Products until October 2020. He then joined the Alternative Investments team, becoming Head of the team in April 2023.



Gabriel Lopes – Chief Risk Officer

Holds a degree in Management Engineering from the Federal University of ABC (UFABC) and has built his career in the financial market through roles at globally recognized institutions. He began his professional journey at Itaú BBA, working in Wealth Management, before joining J.P. Morgan Asset Management in Brazil, where he expanded his scope to fund management and institutional strategies. Since 2020, Gabriel has been part of the Principal Asset Management risk management team, where he strengthened his expertise in investment funds, performance evaluation, and governance. In 2025, he was appointed Chief Risk Officer (CRO).



MOODY'S
LOCAL
MQ1.br (Excelente)



As informações contidas neste documento não devem ser divulgadas a terceiros sem o prévio e expresso consentimento da Principal Asset Management Ltda. ("Principal Asset Management"). As políticas descritas neste documento são destinadas aos Colaboradores da Principal Asset Management e compõe as diretrizes a serem seguidas por eles. O uso para qualquer outra finalidade bem como a reprodução das mesmas, parcial ou integralmente, sem a devida autorização da Principal Asset Management é expressamente proibida.