



2020 ESG+I Annual Report

March 31, 2021



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FOREWORD

This annual ESG+I report reflects the performance of Aqua’s Fund II portfolio companies in 2020. Despite this difficult year, we are proud to report that all Fund II companies delivered meaningful value creation while continuing to work towards a more sustainable approach to doing business:

- Every single company increased its net equity value after capitalizations;
- No capital was drawn to sustain companies not only to deal with the pandemic, but also to support their major rate of growth and investments. In fact, M&A was partly financed from portfolio companies;
- In spite the Brazilian Real’s continuous weakness, the portfolio generated strong gross returns in Dollars and we project that soon enough, net in Dollars as well;
- The pandemic had a mixed impact on the portfolio, although most of the companies managed to perform well regardless.

On the sustainability side, 2020 was marked by the development and implementation of our Positive Impact Agenda focusing on gender diversity, resource efficiency and fight against climate change.

As you will see in this new version of the ESG+I Annual Report, we have adjusted the content and format to make it more insightful and easy to read. We hope you enjoy this new layout and welcome any comments you might have to improve it further.

Our vision and strategy

Aqua Capital’s ESG and Positive Impact (“ESG+I”) vision is to generate value for all its stakeholders by enhancing positive environmental and social impact in its portfolio companies, contributing to the sustainable development of the agribusiness and food sectors while addressing food security issues.

Our ESG+I strategy to achieve such vision is embedded in the approach to operations and includes the following objectives:

- Reduce risks and prevent adverse impacts;
- Enhance positive outcomes of the business we invest in;
- Engage with and seek recognition of our stakeholders for our efforts;
- Continuously seek to learn and improve.

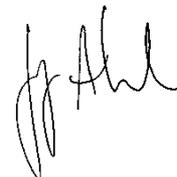
Since its inception, ESG has been integrated to Aqua Capital’s investment process. During 2020, we have moved from “ESG as compliance/risk mitigation” to a more holistic approach that includes “**Sustainability and Positive Impact as an essential pillar of value creation**”. We believe that the adoption of **rigorous ESG + Positive Impact principles** allows us to build enduring relationships with partners, suppliers, customers and other stakeholders, while **driving additional value creation**. Our Positive Impact Agenda is focused on promoting diversity and resource efficiency projects within our portfolio companies. This is being led by two internal teams focused on diversity and sustainability with the assistance of our ESG Operating Partner and a new professional who joined the ESG Team in November last year, who focuses on identifying and analyzing resource efficiency projects within our portfolio companies.

By working very closely with our companies to manage this extremely challenging time, we have realized that the COVID-19 pandemic has only strengthened the case for long-term

sustainability and sustainable investment theses in the Ag & Food sectors and beyond. This is where we have been focusing our effort and resources.



Sebastián Popik
Managing Partner, Aqua Capital



Jorge Ahumada
Partner, Aqua Capital

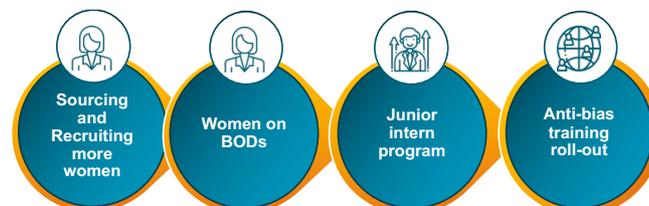
Diversity

In 2020, we elevated our approach of **diversity to a new level**. In order to go beyond measuring indicators (e.g. number of women in the total work force and in management, ratio of wage parity and promotion by gender, number of women on boards), we **set objectives for 2021 including:**

- **Female candidates sourcing:** At least 1/3 of the candidates for managerial positions in our companies should be women;
- **Women representation on BODs:** At least one woman on the board of our companies by the end of 2021;
- **Anti-bias training:** Implementation of anti-bias training for Aqua Capital and its companies.

As at the end of 2020, we are proud to report that:

- Over 30% of senior management positions at Aqua are held by women and on average, 20% of senior management professionals reporting to the CEOs of our Fund II’s companies are women and 16.5% for Fund I;
- We are gradually implementing the new goal of female representativity on the boards of directors. Our companies, Grand Cru, Geneseas, Rech Agrícola, AgroGalaxy, Biotrop and Puravida, already sum nine women on their BODs and we are actively searching for female talent for the other companies’ boards;
- 100% of the Aqua team received anti-bias training by an external specialist and we plan to roll out the training to 100% of senior portfolio company managements during 2021;
- Early 2021, Aqua has become a member of the 2X Challenge initiatives initiated by major development financial institutions to promote gender-lens investing.



Recognizing that in Brazil, as in many other countries in the world, the individuals of color are widely underrepresented in Private Equity, Aqua Capital has also launched, in January this year, a junior trainee program that is providing the opportunity for twelve people of color to integrate with Aqua Capital and portfolio companies’ teams. As part of the integration process, each of the selected individuals will

receive additional on-the-job training provided by the Aqua Capital team and external professionals.



Sustainability

In addition to driving our positive impact agenda by promoting diversity, we have also **focused on enhancing resource efficiency projects** within our companies, with the onboarding of an experienced professional 100% dedicated to identifying and analyzing financially sound resource efficiency projects. We see this step as a clear way to contribute to the sustainable development of the agribusiness and food sector while, at the same time, generating accretive value for our stakeholders.

Since the initiative was launched in November last year, we have identified and analyzed four resource efficiency projects, including:

- Yes' cell wall extract project, which consists in using cell wall extract as an input for a biological product, resulting in reduced waste and effluent volumes and lower GHG emissions, while generating a gross IRR of 89%. The project started being implemented in 2020;
- Yes' Borá Plant project, which consists in replacing LPG with biogas as a source of heat when steam from the adjacent sugar cane mill is not available, allowing reductions in GHG emissions. The financial impact will depend on the price Yes is able to negotiate with the biogas providers. If the project is viable, Yes expects to initiate operations with biogas in Aug-2021;
- Lac Lélo project to install a new whey dryer in its industrial plant in Sao João do Oeste (SC), enhancing the whey product offer, while bringing environmental benefits by recirculating water in the main production system, thus reducing demand from the public utility. The equipment is expected to start operating in Mar-2022 and Lac Lélo submitted the environmental license application in Mar-2021;
- The implementation of new devices to save cleaning water in Lac Lélo, with estimated water savings of 10.8k m³ p.a. and a 168 tons of CO₂ p.a. reduction in GHG emissions.

Our Broader Involvement in the Community

Since 2017, Aqua Capital has been a corporate sponsor of the **Black Jaguar Foundation**, one of the largest reforestation projects in Brazil aimed at the reforestation of a corridor of 2,600km between the Cerrado Savannah and the Amazon in cooperation with farmers.

While reforesting or maintaining the original vegetation in the corridor, the Black Jaguar foundation supports farmers to ensure they comply with national regulations with regards to preservation of permanent protection areas and legal reserves. Additional benefits of implementing the restoration project in farmers' properties include improvements in soil quality, microclimate, biodiversity, natural pollination and water availability.

From Oct-2020 to Mar-2021 (planting season), the Black Jaguar Foundation planted a total of 80k trees; they expect to get to one million trees during the next season.



www.black-jaguar.org

2020 OVERVIEW

Major 2020 highlights and accomplishments

1- Management of the COVID-19 Pandemic. COVID-19 has been and still is a global health emergency. The security and health of our team, portfolio companies' staff and customers have been a priority for us since the very beginning of the outbreak. Our discipline and credibility enabled us to act decisively to navigate the situation – for instance, at one point or another during the first wave, over 25% of our workforce of over 6,000 was placed in preventive quarantine. After a relatively calm end of the year, as of Mar-2021, Brazil is bracing for a new and potentially large COVID infection wave. With the Brazilian variant now widely spreading across the country, and representing between 30% and 70% of new cases depending on the state, infections and deaths are nearing all-time highs, and growing at a fast pace. While vaccination is proceeding faster than in most countries, it is still at a relatively early stage and far from having any short-term impact. Since early February, in line with the start of the second wave in Brazil, we have been experiencing an increase of cases and in the numbers of employees quarantined, reaching 51 and 154 respectively as of March 12. We have requested our portfolio companies to double their efforts to limit further contaminations. On our monthly ESG+I monitoring calls with portfolio companies, we have been checking that companies were deploying the COVID prevention protocol, defined with the help of the Aqua's HR team, appropriately to ensure they address specific needs of each company.

2- Use of the ESG Dashboards as a visual analytical tool to track the progress of our portfolio companies with regards to the implementation of their respective ESG+I action plans and as a tool to communicate with senior management. During 2020, we presented a report on the evolution of such dashboards to the boards of directors of several of our companies, highlighting the key outstanding items that needed short and medium-term decisions. These discussions helped aligning further the senior management with Aqua's ESG+I agenda and we will keep engaging with senior management and our companies' boards on ESG+I topics as needed.

3- Addition of the Positive Impact Agenda (PIA) as a pillar of our sustainability strategy to enhance value creation alongside our solid ESG risk management process. The PIA currently focuses on two main themes, diversity and inclusion and resource efficiency and climate action, and we intend to conduct a formal materiality exercise in 2021 to ensure we continue to address key themes.

4- Training provided on climate change and GHG emissions inventories to improve the reliability of our portfolio companies' GHG inventories and help them define

reduction objectives and transition to a low-carbon economy. We contracted a specialized consultant in Sep-2020 to train and assist AgroGalaxy, Ultracheese and Geneseas, our greatest GHG emitters to implement this initiative, with good results. The three companies provided in 2020 GHG emissions figures much consistent than in the previous years.

5- Recruitment of a **dedicated analyst (Nov-2020) for the ESG team** essentially focused on identifying and analyzing **resource efficiency projects within our portfolio companies.**

6- We initiated the **ESG assessment of our portfolio using a well-recognized external consultant Ecovadis** (www.ecovadis.com), starting with the AgroGalaxy companies (Rural, Agro100 and Grão de Ouro) which all obtained the Bronze Medal. Ecovadis provides each company with an extremely insightful score card, highlighting the gaps and priorities the companies should focus on to improve their scores and what needs to be prioritized.



7- As signatory of the **UN PRI**, we completed our first **UN PRI report for the 2019 period** and will complete the 2020 report by April 30 this year. The reported information is publicly available on the UN PRI website.

8- We were short-listed for the **LAVCA ESG 2020 Award for our company Yes** (final outcome to be announced in April) and were included in their 2020 ESG Deal Book. More information on the specific case is available at: <https://lavca.org/dealbook/>.

9- Finally, we achieved **relevant progress in terms of ESG risk prevention at our portfolio companies** (refer to the next section for more information).

Priorities for 2021

Our priorities are reflected in the ESG+I Team Business Plan for 2021, which is focused on managing the growing risks associated with the expansion of our portfolio companies as well generating value within our portfolio companies through the implementation of our Positive Impact Agenda.

ESG Risk Management

1- To ensure that new company added to the portfolio as well as add-ons to existing companies address key priorities in their Environmental and Social Action Plans (ESAPs) and start developing their Environmental and Social Management System (ESMS).

2- To continue to support AgroGalaxy companies integrate their ESMS and ESG policies, and address priority items in their ESG agenda, such as measures to avoid risks of clients and suppliers associated with deforestation, implementation of their highly hazardous chemicals substitution plans, and the publishing of AgroGalaxy first sustainability report.

3- As we grow, to ensure capacity of the ESG organizational structure in all portfolio companies, to complete the implementation of key ESAP action items and ESMS, to improve performance scores in their ESG Dashboards and to

work autonomously and report proactively to the Aqua ESG+I team.

4- Assessment of our remaining companies by an external party (EcoVadis) and based on the gap analysis provided, implementation of an action plan to improve their scoring.

5- To include a climate change risk analysis to the ESG due diligence for new platforms and add-ons when appropriate.

Positive agenda

1- **To achieve the objectives set for Gender Diversity and Inclusion**, both at Aqua Capital and portfolio companies and finalize the revision of Aqua Capital's Code of Conduct and Ethics to reflect our stronger commitment to this highly important topic.

2- **On the resource efficiency side, to identify, analyze and start implementing six resource efficiency projects** that generate both a meaningful environmental impact and an IRR above 20%.

3- **Set targets for the reduction of the GHG emissions intensity at the portfolio level.**

4- **Set up Aqua Capital ESG+I Steering Committee** to refine and overview the implementation of our ESG+I Policy and Strategy as well as establish the objectives to be achieved at the Aqua and portfolio companies' levels.

SDGs FRAMEWORK

Via the implementation of its ESG+I strategy, Aqua Capital is contributing to the United Nations' Sustainable Development Goals (SDGs), focusing on six SDGs:



SDG 2 – Zero hunger and Food Security

Examples of impacts and initiatives include:

- Safer and more sustainable food and animal feed products (e.g. Yes sustainable animal feed allowing a 100% absorption of nutrients by animals and reducing waste).

SDG 5 – Gender Equality

Examples of impacts and initiatives include:

- Women representation on the Board of four portfolio companies and 20% of female managers in Fund II responding directly to the CEO.

SDG 8 – Decent work and Economic Growth

Examples of impacts and initiatives include:

- Direct economic value to the Brazilian economy (R\$5,360m in 2020).
- Operations in rural and remote cities in Brazil, generating employments in these areas. More than 55% of all new jobs created since Aqua acquisition were generated in

121 municipalities with less than 200k inhabitants, most of these in rural areas.

- Generation of new jobs: 559 new jobs in 2020, despite the pandemic.
- 78% of employees from Fund II companies receives a health plan, 55% life insurance, and 50% meal vouchers. For Fund I, it is 77%, 92% and 87% respectively.
- Implementation of strict labor and occupational health and safety standards.

SDG 9 - Industry, Innovation, and Infrastructure; and SDG 12: Responsible Consumption and Production

Examples of impacts and initiatives include:

- Provision of services to enhance agricultural productivity and reduce the environmental footprint (e.g. Grão de Ouro “Ourotec” program to empower farmers to boost productivity; AgroGalaxy services to ensure correct usage of ag inputs; Lac Lélo’s work with milk suppliers to enhance productivity of over 500 milk producers, helping families to remain in rural areas).
- Biological ag inputs better for the environment than traditional chemical fertilizers (e.g. Biotrop biofertilizers with proven productivity results and avoidance of CO₂e emissions).
- Provision of services to enhance agricultural productivity and reduce the environmental footprint (e.g. Fertiláqua creating the PCP 360 plants program).
- Safer and more sustainable food and fish feed (e.g. Geneseas certified antibiotic-free tilapia; Aquafeed producing animal feed with higher content of digestive proteins and less residues in water, sold in part to Geneseas).

SDG 13 - Climate Action

Examples of impacts and initiatives include:

- Providing training for our portfolio companies to improve the measurement of their GHG emissions using the GHG protocol tool, aiming at better emissions management and reduction.
- Identifying opportunities to improve resource efficiency (e.g. energy efficiency projects related to replacement of cold chambers motors in Comfrio; use of electric energy from the free energy market ensuring 100% of energy from renewable sources in several operations at Comfrio and Geneseas).
- Understanding climate risks (e.g. Rural: support to producers to adapt to climate risks via credit and insurance counseling).
- Identifying opportunities for resource efficiency (e.g. Rural: replacement of half of its vehicles by more efficient cars, control of fuel consumption and monitoring – telemetry, in 98% of its cars, implementation of state-of-the-art technology in dryers at their grain silos, with recirculation of heat and reduction in energy consumption, substitution of lamp bulbs for led ones) and the four resource efficiency projects mentioned previously.

Aqua Capital’s portfolio companies’ alignment with SDGs

Platform / SDG	2 ZERO WASTE	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Comfrio	•	•	•			•
Fertiláqua	•	•	•	•	•	•
Grand Cru		•	•			•
Geneseas	•	•	•		•	•
Aquafeed	•	•	•	•	•	
Yes	•	•	•	•	•	•
AgroGalaxy	•	•	•	•	•	•
VetBr	•	•	•			•
Ultracheese	•	•	•	•	•	•
Biotrop	•	•	•	•	•	•
Rech	•	•	•			•
Puravida	•	•	•	•	•	•



COMPANIES OVERVIEW – YES

Yes is a biotechnology company engaged in the development and commercialization of innovative and differentiated animal feed additives solutions. The company serves the Brazilian market and exports to over 35 countries. The company provides natural and antibiotic-free solutions derived from sugarcane yeast and chelated organic minerals to enhance animal nutrition and health. Its comprehensive product portfolio is well positioned to meet the growing demand for high performance and sustainability, including food safety, animal welfare, enhanced gut health and environmental sustainability. Yes has an annual production capacity of over 16.5k tons out of its two industrial plants adjacent to sugar cane mills in the state of São Paulo and also operates a warehouse/distribution center located in a leased property in Lucélia and a commercial and administrative office in the municipality of Campinas, both located in state of São Paulo.

During 2020, Yes products were also manufactured in a sugar cane mill located in Novo Horizonte (state of São Paulo) and another in the state of Espírito Santo (close to Vitoria's port) and its production reached a total of 29.0k tons. In addition, the company used third-party operated storage facilities located in Cascavel (State of Paraná).

Yes had 225 FTEs (full-time equivalent employees) at the end of the reporting period, an increase of 23.3% y/y. Since Aqua Capital's investment, 68 new jobs were created.

Yes' main E&S impacts and risks are related to chemicals management, proximity to Bioenergia tanks and boiler (Lucélia plant), fire risks and fire permits, water use and effluent management, and occupational health & safety (OHS) risks, including employees' exposure to dust, work at heights and confined spaces.

Improvements in ESG Performance

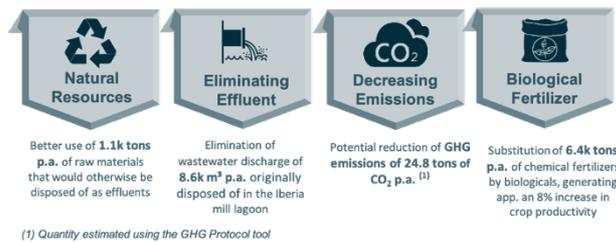
Yes improved its ESG performance in 2020 as reflected in its ESG Dashboard (displayed page 8), particularly as regards to the completion of its ESMS, wastewater management, health and safety and transport safety.

Resource Efficiency projects and positive impacts

Cell wall extract from wine

The production of yeast cream generates a by-product (wine), usually sold to the sugarcane mills adjacent to Yes' plants, which extract its alcohol content to produce ethanol and irrigate their sugarcane crops with the remaining effluents (vinasse). Yes developed a project to extract the cell wall contained in the wine and use it as a raw material to produce biological fertilizers and animal feed in the Borá plant, thus removing the solid part of the effluent originally sent to the sugarcane mill. The project generated an Ebitda of R\$665k in 2020, generating an IRR of 89% and a major environmental positive impact.

Positive Environmental Impacts

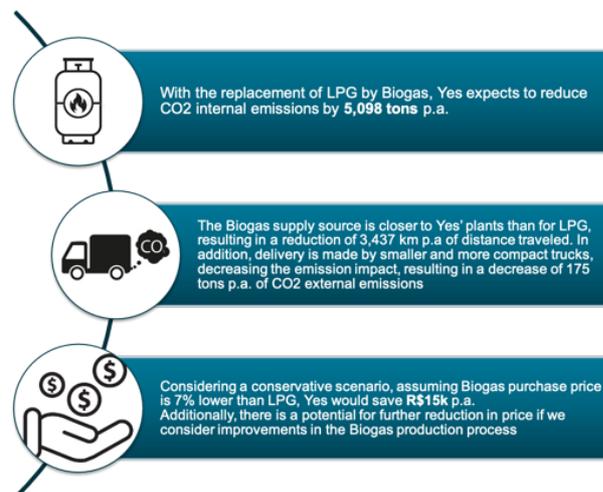


LPG replacement for Biogas

Under normal conditions, Yes uses steam supplied by the sugarcane mills adjacent to the plant as a source of heat for its dryers. In 2019, to ensure production continuity when the mills experience problems or stop production in the low agricultural season, Yes installed LPG-fired boilers. Recently, Yes' team identified a potential environmental and financial gain in replacing the use of LPG with biogas supplied by a sugarcane mill located in Narandiba municipality. If the project is approved, which will depend on the price the biogas negotiated with its suppliers, the construction of the Narandiba biogas plant is expected to be concluded in Aug- 2021, with an installed production capacity of 750,000m³/day, enough to ensure a safe flow of fuel supply for Yes.

Biogas is a renewable gas generating lower carbon emissions and less pollutant, originated from the decomposition of organic waste (vinasse) from the sugarcane processing.

Estimated impact of the switch to biogas:

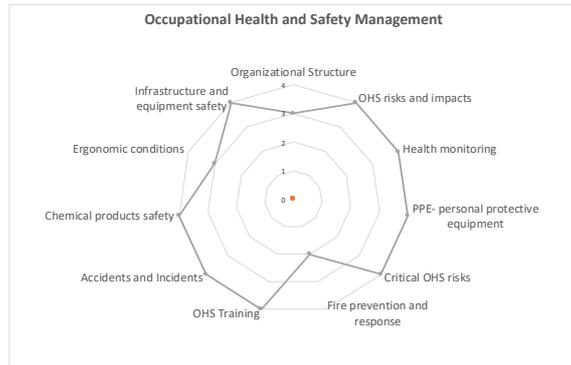
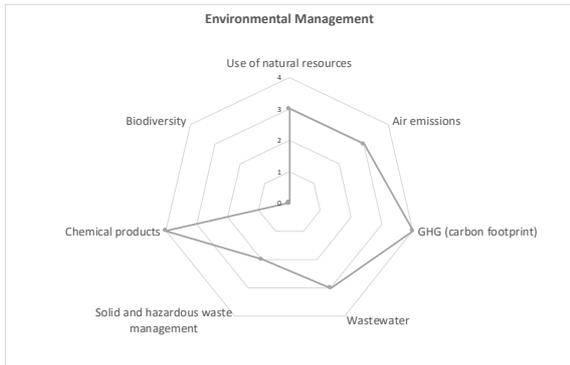
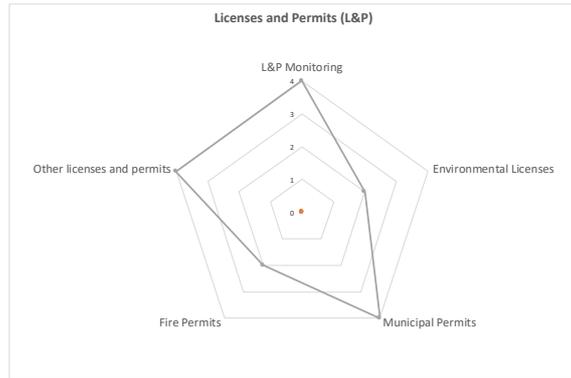


Yes' 2020 major highlights and achievements (extract)

EcoVadis: In February 2021, Yes was awarded with the Silver Medal from EcoVadis CSR rating (Corporate Social Responsibility) for the third consecutive year. Yes obtained scores above its peers regarding environmental, labor and human right practices, sustainable supply and ethics and conduct, but yet needs to improve its management system documentation, adherence to external initiatives and reporting to obtain the 65 points required for the Gold Medal. The company also renewed its GMP+ certification, FAMI QS and Feed & Food Safety certificates by the Union of Animal Feed Producers.



YES' DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020



YES CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> Production increased 132% since inception, permitting the production of safer animal proteins. Yes contributes to reducing antimicrobial resistance by offering alternatives to the use of antibiotics in animal husbandry. The company implemented strict quality control measures and was granted international and domestic certifications (e.g., GMP+, FAMI QS, Ecovadis Silver, Feed & Food Safety, and the Green Patent seal) by independent bodies, attesting the company's commitment to quality, sustainability, and safety in multiple links of its production chain. 	<ul style="list-style-type: none"> Production growth rate in volume was 27% in 2020 (29K tons of product). 	<ul style="list-style-type: none"> Maintain existing certifications and obtain Ecovadis Gold. Maintain 2020's volume production growth.
Gender balance 	<ul style="list-style-type: none"> Gradual increase in the number of women as a percentage of total full-time employees (FTE) from 14% in 2016 when Aqua acquired Yes to 23% as of December 31, 2020. The percentage of total female managers increased from 13% to 40% over the same period. There are yet no women directors or on the board, but 86% of managers who respond directly to the CEO are currently women. The gender wage ratio for management positions is 0.9 (average salary of women close to the average salary of men in the same positions) but the gender ratio of promotion (0.7) is yet low. Aqua is working with Yes to improve this. 	<ul style="list-style-type: none"> Growth of 8.3% of female FTE in 2020. Of the 40% female managers, the majority of them reports directly to the CEO. 	<ul style="list-style-type: none"> Goal to source at least a third of women as candidates in any senior position recruitment process. Have at least one woman on the BOD of the company.
Decent work and Economic growth 	<ul style="list-style-type: none"> ESMS aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. 68 new FT jobs created (increase of 143%) since Aqua's investment. 100% of employees receive the company's standard benefits (meals voucher, transport, health plan, educational support). 100% of employees receive a health plan (includes close family members), with the company subsidizing between 50% and 80% of the cost, with the lower salary ranges benefitting from the higher level of subsidy. Various initiatives to improve transport safety (routing, procedures, training, awareness campaigns). Compliance with the PNE program (inclusion of people with disabilities). 	<ul style="list-style-type: none"> 43 new FTE were added to the payroll of the company in 2020. R\$85.7m of direct economic value distributed in 2020, an increase of 13.1% y/y. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue and Ebitda growth above 30%.
Innovation and Responsible Production 	<ul style="list-style-type: none"> In 2018, the company developed Yes-mycNIR, an exclusive tool for on-line monitoring of the presence of mycotoxins in grains used for animal feed. The technology allows the quick and efficient detection of up to six mycotoxins in raw materials used in animal feed using the Near Infrared (NIR) methodology, allowing to limit waste of grains and minimize the negative effects of toxins in animals. Product and technology development partnerships with recognized Brazilian universities (USP, UNICAMP, UNESP, University of Santa Maria and Federal University of Viçosa, Federal University of Santa Maria). The use of Yes' organic mineral additives in broiler diets improves weight gain, feed conversion, and mineral retention. With better mineral absorption, fewer natural resources are needed to raise broilers and reduction of animal excretion, which in turn decreases soil pollution. 	<ul style="list-style-type: none"> Yes implemented new technology to extract the cell wall from the wine as a byproduct and use it as a raw material for biological fertilizers and animal feed with financial and environmental gains (less effluent and reduced GHG emissions). 	<ul style="list-style-type: none"> Obtain the operational license for the cell wall equipment in order to use it to its full capacity.
Climate Action 	<ul style="list-style-type: none"> Since 2017, Yes has started monitoring the use of energy and its greenhouse gas (GHG) emissions using the GHG protocol tool developed by the World Resources Institute. 	<ul style="list-style-type: none"> MoU with a Brazilian alternative fuels' company to replace its energy source (LPG) for biogas, generating fewer GHG emissions Implementation of the cell wall extract project, estimated to reduce GHG emissions by 28.4 tons of CO2eq p.a.. 	<ul style="list-style-type: none"> Implementation of the project to switch from LPG to biogas if it makes financial sense.

COMPANIES OVERVIEW – AGROGALAXY

AgroGalaxy is Aqua Capital’s ag input retailing platform, created in Oct-2020 with the merger of Rural, Agro 100 and Grão de Ouro. Activities include fertilizers, crop chemicals, seeds, and foliar fertilizers retailing; soybean seeds processing, grain handling and a range of services such as technical assistance to producers conducted by a network of expert sellers. The companies that form the holding include:

Rural: ag input retailer acquired in 2016, headquartered in Goiania and with 29 operations located in different municipalities in the states of Goiás, Mato Grosso, Pará, Maranhão and Tocantins, Brazil. The company started implementing its ESAP in Jan-2017.

Sementes Campeã (Campeã): acquired as an add-on to Rural in 2018. The company processes and commercializes soybean seeds and grains, with operations in Água Fria de Goiás and head office in Formosa, both in the State of Goiás, Brazil. The company started implementing its ESAP in Sep-2019.

Agro100: formed by the companies Agro100 (acquired in 2017) and Agro Ferrari (acquired in 2018 as an add-on to Agro100). The company is headquartered in Londrina, state of Paraná, and operates from 60 units (including stores, 17 grain silos, one distribution center and two seed processing plants) in the states of Paraná, Mato Grosso do Sul and São Paulo, Brazil. The company started implementing its ESAP in Jan-2018.

Grão de Ouro: with head office and distribution center in Alfenas, and branch operations in 14 municipalities in the south and southwest of the state of Minas Gerais and one new unit in the state of São Paulo, Brazil. The company started implementing its ESAP in Jan-2019.

Currently, AgroGalaxy serves 14.9k producers in an area of 7.9k ha.

AgroGalaxy had 1,457 FTEs (full-time equivalent employees) at the end of the reporting period. Since Aqua Capital’s investment, **507 new jobs** were created.

AgroGalaxy main E&S impacts and risks are related to chemicals management, transport safety, OHS risks in silos, risks associated with the operations of clients and suppliers (e.g. deforestation).

Improvements in ESG Performance

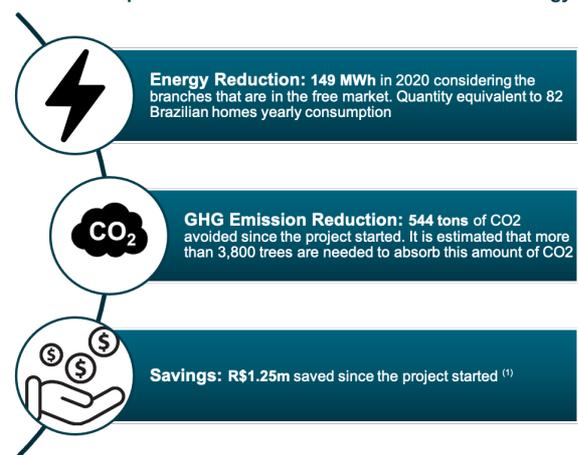
AgroGalaxy companies improved their ESG performance in 2020 obtaining better scores in their ESG Dashboard (displayed pages 12-14), particularly with regards to the development of their ESMS. All AgroGalaxy companies made progress to meet requirements for topics such as labor and working hours and client risks management, but still face challenges to address certain risk related to the clients’ and supply chain management.

Resource Efficiency Projects and positive impacts

Use of renewable sources of electricity

Nine sites at Agro100 acquire energy directly from the free market, a specific system to acquire energy from renewable sources. Besides the savings of R\$1.25m, the switch to this new system allowed the company to decrease its energy use and consequently reduce its GHG emissions (Scope 2 emissions for these sites are close to zero). Four additional sites are currently waiting for the local energy supply company approval to migrate to the free market in 2021.

Estimated impact of the switch to renewable sources of energy:



Notes: (1) From July 2017 to December 2020.

Support to farmers for an efficient use of ag inputs

- Agro100’s Acerte100 program supports farmers to use ag inputs more efficiently. Its action plan includes visits to farms, training, and replacement of equipment (e.g. spray nozzles), which can reduce around 30% of losses of product during spraying. In 2020, more than 400 visits were made to farmers by the Agro100 technical team and more than 4k units of spray nozzles were sold. In addition to the savings generated by the reduction of 20% in the use of products, we have also estimated that, using ag inputs more efficiently allows to reduce the use of water by 80%. In the same line, Grão de Ouro’s Ourotec program that focuses on farmers’ training and empowerment, by promoting the use of new ag input technologies and the monitoring of farm equipment, resulted in 327 visits conducted with 700 farmers trained in 2020 despite the pandemic.

AgroGalaxy’s 2020 major highlights and achievements

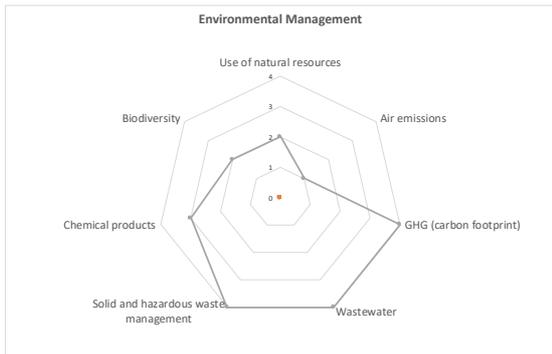
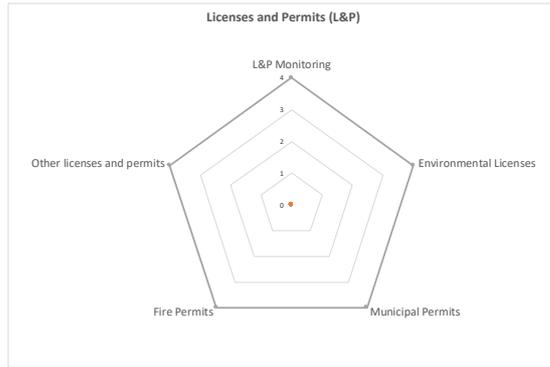
Significant changes from the previous reporting period include:

- **Client’s risks:** as part of their credit policies to prevent transactions with clients associated with serious environmental and social infractions, such as forced and child labor and deforestation, AgroGalaxy companies worked in 2020 to make the clients’ checking processes more efficient. Rural’s credit personnel used to manually review documents and search public databanks to understand if clients were

blacklisted for environmental embargoes or involved with forced labor. To improve the efficiency of the process, in Nov-2020, Rural hired the services of a company that uses GIS technology and technical expertise to review and monitor its client's CPRs (Cédula de Produto Rural), a title that accompanies transactions in the barter operations. Rural completed the review of 90% of all the CPRs related to soybean transactions in 2020, is working to complete 100% of the CPRs for corn in 2021 and targets to complete the review of all producers by the end of 2022. A team of lawyers also support AgroGalaxy to deal with the clients identified in the process as not fully compliant. For operations in the South of Brazil, AgroTotal retained the monitoring services of three different providers for a similar pilot project. As of Jan-2021, AgroTotal had reviewed 10% of its client base .

- *Substitution of extremely and highly hazardous chemicals:* After concluding an expert study to review the classification and to suggest substitutes for products containing substances classified as extremely or highly hazardous (according to WHO criteria) conducted jointly by Agro100, Rural and Grão de Ouro, the companies concluded their plans to gradually replace formulations containing Methomyl, Beta-Cyfluthrin, Zeta Cypermethrin and other products for less hazardous ones or by biological products within five years (20% yearly from 2021 to 2023). The companies adopted measures to protect the environment and health and safety of their employees and clients against the potential negative impact of these substances.
- *Health and safety:* AgroTotal, Grão de Ouro and Campeã faced challenges to conduct improvements to ensure full compliance with regulations NR-10 (Electricity) and NR-12 (moving parts). In 2020, Grão de Ouro completed the implementation of the NR-10 requirements in all sites (R\$ 150k Capex) but additional improvements will be implemented in the lighting systems in four units and in wiring in the main warehouse to ensure safety. AgroTotal completed 95% of the improvements at 11 silos to comply with the fire norm NPT-027 (that overlaps partially with regulations NR-10 and NR-12) and prepared an action plan and detailed budget to gradually implement pending recommendations. Costs per unit were originally estimated in R\$2m per site and a contractor is refining this estimation. Campeã implemented 43% of the improvements to meet NR-10 requirements. We are closely monitoring the status of the improvements with the aim for the three companies to be fully compliant by Jul-2021.
- *Ecovadis:* In Nov-2020, the AgroGalaxy companies were awarded with the Bronze Medal from Ecovadis CSR rating consultant. AgroGalaxy companies obtained scores above their peers (top 26% of its sector) for their environmental, labor and human right practices. Key areas for improvement include management system documentation and supply chain management. Based on the gap analysis provided by Ecovadis, AgroGalaxy has produced an action plan that will be implemented during 2021, before the next assessment.

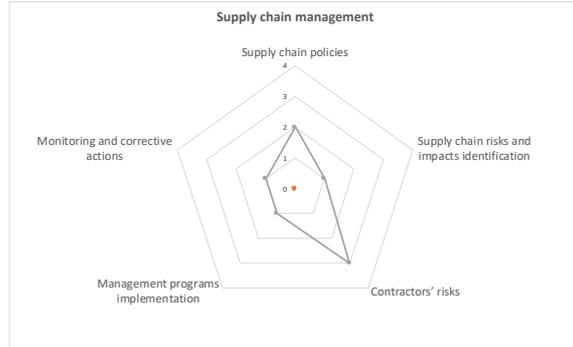
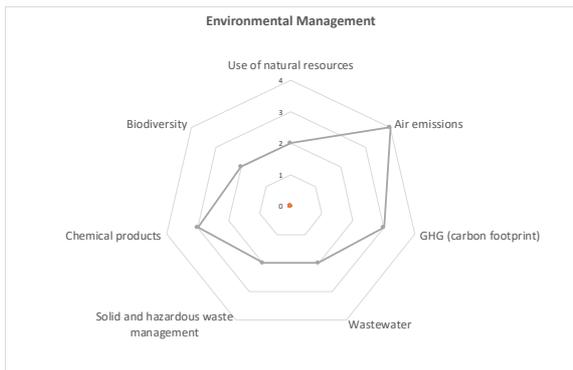
RURAL'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

Dec-2020

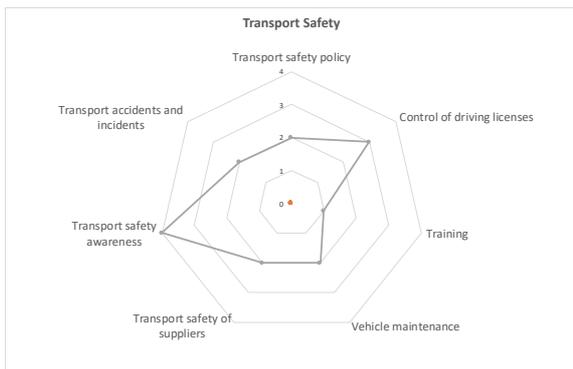
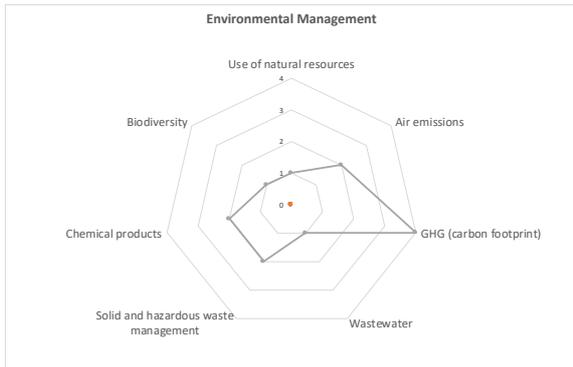
AGRO100'S DASHBOARD (AGRO100 AND AGRO FERRÁRI) DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020

GRÃO DE OURO'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020

AGRO GALAXY CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> AgroGalaxy covers an area of more than 8m ha and 14.6k producers. Supports farmers to enhance production: programs Agro100's Acerte100, Grão de Ouro's Ourotec and Rural's SIRB program (see below the section Innovation and Responsible Production for more information) related to productivity and use of biological products. 	<ul style="list-style-type: none"> 357 professionals have provided on site and remote support to farmers to enhance production in 2020. 	<ul style="list-style-type: none"> Implement AgroGalaxy Foundation with the objective of providing financial resources and partnerships to boost scientific research regarding productivity and sustainability of the agriculture in Brazil, including food security and Safety
Gender balance 	<ul style="list-style-type: none"> 26.5% female employees and 31.2 % of all new jobs since investment are female jobs. Growth from 3% to 16% of female managers. Gender wage ratio for management positions is 0.9. 	<ul style="list-style-type: none"> 40% of managers who respond directly to the CEO are female. One woman joined the BoD. The new AgroGalaxy COO is a woman. 	<ul style="list-style-type: none"> Goal to source at least a third of women as candidates in any senior position recruitment process.
Decent work and Economic growth 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. 507 new FT jobs created – of which +340 jobs in municipalities with less than 200k inhabitants. 	<ul style="list-style-type: none"> 13 new jobs created in 2020, despite the pandemic. R\$4.3m of direct economic value distributed in 2020, an increase of 29.8% y/y. 	<ul style="list-style-type: none"> Objective to reach an ambitious 2021 budget.
Innovation and Responsible Production  	<ul style="list-style-type: none"> Rural's SIRB program is a study managed by the company to test biological fertilizers efficiency for soybean and corn crops, and ensure the most efficient mix of traditional fertilizers with biological ones for the best productivity levels. Gradual increase of biological products in the AgroGalaxy's sales mix. Development and implementation of a plan to replace highly hazardous pesticides in the companies' portfolio. 	<ul style="list-style-type: none"> Increase in sales of biological products (foliar fertilizers up +61% y/y, microbiological fungicides up 142% y/y; inoculants, up 117% y/y; biological insecticides up 209% y/y). 	
Climate Action 	<ul style="list-style-type: none"> Acquisition of energy from the free market for nine sites in Agro100, generating an estimated reduction of 544 tons of GHG emissions. At Rural, replacement of half of its vehicles by more efficient cars, control of fuel consumption and monitoring (telemetry) in 98% of its cars. State-of-the-art technology in driers at their grain silos generating a recirculation of heat and a reduction in energy consumption. Support to producers to adapt to climate risks (credit and insurance counseling). 	<ul style="list-style-type: none"> Improvements in GHG inventories. Support to producers to adapt to climate risks (credit and insurance counseling). 	<ul style="list-style-type: none"> Set up a GHG emissions reduction target for the platform.

COMPANIES OVERVIEW – ULTRACHEESE

Ultracheese is the Brazilian platform for Aqua Capital's cheese roll-up strategy, which comprises *Lac Lélo*, a high-volume cheese producer located in São João do Oeste, in the state of Santa Catarina, one of the top milk basins in Brazil in terms of size, quality and growth potential, *Cruzília*, a high-end special cheese producer located in Cruzília, Minas Gerais, another high-quality milk basin and, *Búfalo Dourado*, a producer of buffalo mozzarella, based in São Paulo, the largest buffalo milk-producing state, that sells its products under three premium brands, focusing on high-end retail and food service chains.

LacLélo produces a wide variety of cheeses sourcing milk from farms located within a 100km radius and by its own semi-confined cattle breeding operations. Lac Lélo also sells agricultural inputs and equipment to suppliers and other farmers and milk producers in the region. The company started implementing its E&S Action Plan (ESAP) in Jun 2018.

Cruzília, which was acquired by Lac Lélo in Dec-2018, manufactures specialty cheeses. The company started implementing its ESAP in Mar-2019.

Búfalo Dourado, which was acquired by Lac Lélo in Dec-2019, manufactures a variety of dairy products from buffalo milk. The company started implementing its ESAP in Jul-2020.

Ultracheese had 845 FTEs (full-time equivalent employees) at the end of the reporting period, up 20% y/y. Since Aqua Capital's investment, 360 new jobs were created.

Ultracheese recently acquired Itacolomy (code name Alastar) and the implementation of its ESAP and ESMS will be initiated in the coming month.

Ultracheese main E&S impacts and risks are related to wastewater treatment, use of ammonia as a coolant, waste management and food security.

Improvements in ESG Performance

Ultracheese companies improved their ESG performance in 2020 resulting in better scores in their ESG Dashboards (displayed pages 18-20), particularly as regards to the conclusion of upgrades in wastewater treatment systems in Lac Lélo and Cruzília (following the plants' expansion) but still face challenges related to its quick expansion, such as the wastewater treatment at Búfalo Dourado that needs substantial improvement.

Resource Efficiency Project and positive impacts

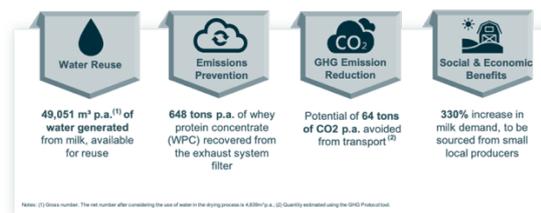
Whey Protein Concentrate Dryer

Lac Lélo developed a project to produce Whey Protein Concentrate (WPC), using an equipment allowing the production of higher add-value products with different levels of whey concentration.

The project has financial and environmental benefits, which includes:

- The reuse of water from the milk after drying;

- The recovery of the product from the exhaust system, avoiding emissions and loss of product and limiting waste.

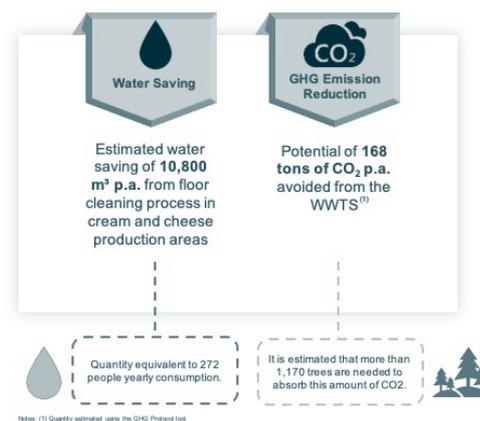


Efficient use of cleaning water

In the cream and cheese production areas, it is necessary to use hot water to clean the floor during work shifts. Cleaning used to be conducted manually using industrial hoses.

The old water pressurization control generated water losses due to the evaporation and to the fact that the hoses register was relatively far from the cleaning points, making employees walk long distances to close the register. The installation of new cleaning equipment to eliminate stream losses and the relocation of the hoses register generated significant water savings, less volume of effluents to the WWTS and a reduction in GHG emissions from the WWTS lagoons.

Estimated water savings and GHG emissions reduction:



Support to milk producers

Lac Lélo works with milk producers to improve productivity and quality of milk. On average and on a monthly basis, LacLélo's technical team conducts 600 visits in addition to 70 visits by veterinarians to monitor animal reproduction. During 2020, Lac Lélo provided support to 99 producers (4,472 animals), of which 3,578 (80% of total) were producing milk. The average production of such animals is 20L/animal/day, 92% higher than the average of 10.4L in the State of Santa Catarina.

Ultracheese's 2020 major highlights and achievements (extract)

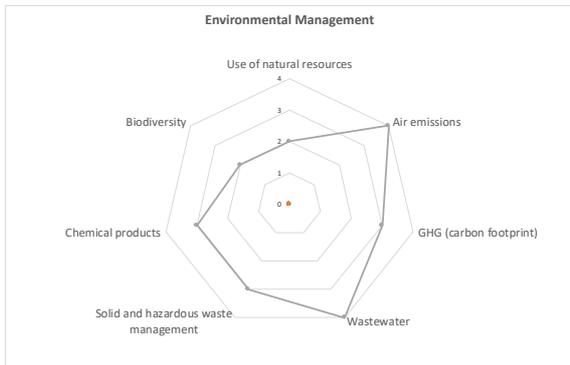
Significant changes from the previous reporting period include:

- **ESMS:** A new people's director, who formerly worked for other portfolio companies and for Aqua Capital was hired by Ultracheese. He reorganized the ESG responsibilities including the ESAP and ESMS implementation in Cruzília, Lac Lélo and

Búfalo Dourado, which is being managed by a new EHS expert professional who was hired in March.

- *Wastewater Treatment:* Lac Lélo: All the improvements on the WWTP were completed by the end of 2020. Wastewater monitoring results from Q4 2020 indicate compliance with regulations except in some samples as regards to the phosphorous. In order to ensure the activated sludge system is working properly the company has acquired two back-up aerators and have cleaned one of its lagoons to remove sludges derived from eutrophication from the past. The efficiency of such corrective action is under evaluation. Cruzília: Upgrade in the existing facilities (e.g. grease trap) and implementation of the new anaerobic secondary treatment were completed by the end of Q4. Wastewater monitoring results from Q4 indicate compliance with regulations.
- *Búfalo Dourado:* Aqua Capital started to monitor Búfalo Dourado's ESAP in Q2 2020. Key action items include the capacity and efficiency of the wastewater treatment plants (improvements required), groundwater abstraction permits, fire permits (one was obtained in Q2 2020), environmental permits (ensuring compliance with actual equipment/facilities existing/operations on site).
- Since inception, Cruzília and Búfalo Dourado were able to complete approximately 15% of the ESAP's actions and started working on additional ones, which as seen as the most critical.

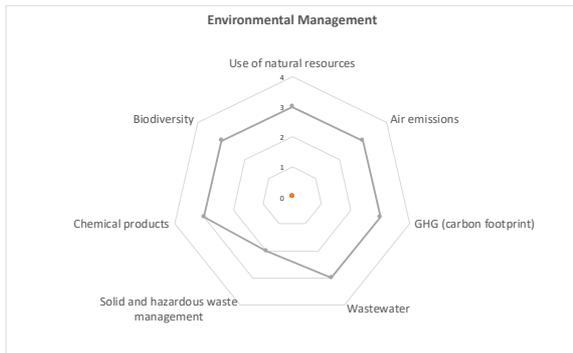
ULTRACHEESE/LAC LÉLO'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020

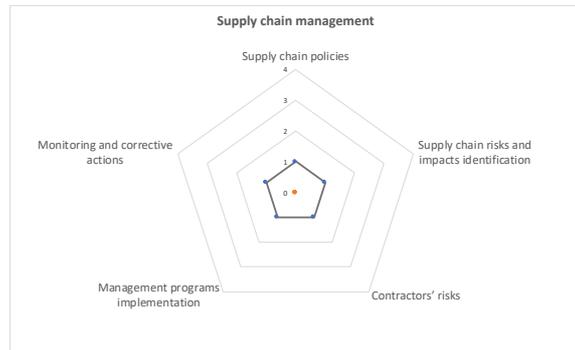
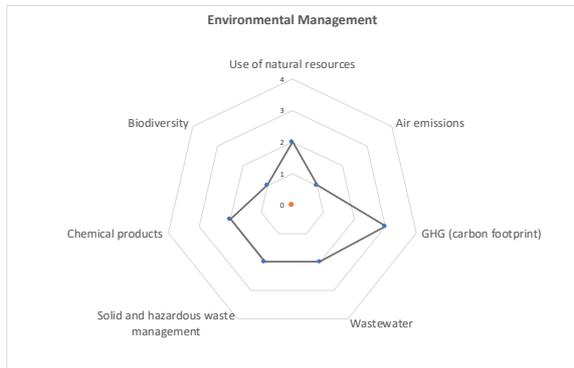
ULTRACHEESE/CRUZÍLIA'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

Dec-2020

ULTRACHEESE/BÚFALO DOURADO'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020

ULTRACHEESE CONTRIBUTION TO SDGS TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> Lac Lélo has worked with milk producers to improve productivity and milk quality. On average and on a monthly basis, LacLélo's technical team conducts 600 visits in addition to 70 visits by veterinarians to monitor animal reproduction. The average milk production of animals supported by the program is 20 L/day or 92% higher than the average in the state of Santa Catarina. 	<ul style="list-style-type: none"> Acquisition of milk from 450+ small farmers. 100 producers supported by LacLélo. 	<ul style="list-style-type: none"> Enhance the platform's productivity and efficiency, allowing for an increase in production of 56% in volume y/y.
Gender balance 	<ul style="list-style-type: none"> 47.0% female employees and 59.0 % of all new jobs since investment filled by women. Ultracheese created 49 managerial positions for women since Aqua's first investment, representing 26% of the total, the highest percentage of Fund II's portfolio companies. Gender wage ratio for management positions is 0.8. 	<ul style="list-style-type: none"> 9.4% growth of female workers in 2020 vs. 2019. 25% of female managers in 2020. 	<ul style="list-style-type: none"> Goal to source at least a third of women as candidates in any senior position recruitment process. Have at least one woman on the BOD of the company.
Decent work and Economic growth 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. Over 390 Jobs created since Aqua's first investment, of which 370 in municipalities with less than 200k inhabitants. R\$886.8m injected in the Brazilian economy since the original investment in Lac Lélo. 	<ul style="list-style-type: none"> R\$444.7m of direct economic value distributed in 2020, an increase of 66.1% y/y. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue growth of above 15% and Ebitda growth 50%.
Innovation and Responsible Production  	<ul style="list-style-type: none"> Compost barn with good practices in the creation of animals and production of 35 liters of milk per day. 	<ul style="list-style-type: none"> Implementation of new devices for the production plants cleaning to reduce water consumption. 	<ul style="list-style-type: none"> Implementation of the whey dryer project, which has social and environmental benefits (estimated GHG emissions reduction of 64 tons p.a. and increase in milk demand from local producers of 330%).
Climate Action 	<ul style="list-style-type: none"> The three UC's companies, Lac Lélo, Cruzília and Búfalo Dourado, measure their GHG emissions and have improved their monitoring and measurement over the years. 	<ul style="list-style-type: none"> Economies of 10.8k m³ of water with the implementation of new water hoses valves and estimated reduction of 168 tons of CO₂ p.a. Improved GHG monitoring after participating in training provided by expert consultant on climate change and GHG inventories. 	<ul style="list-style-type: none"> Implementation of the whey dryer project, estimated to reduce CO₂ emissions by 64 tons p.a..

COMPANIES OVERVIEW – BIOTROP

Aqua Capital created Biotrop in late 2017, as a start-up company to capture the opportunity in biological ag inputs. In Nov-2018, Aqua acquired Total Bio and both companies were merged into the Biotrop platform. Biotrop is focused on the development of high-tech biological inputs for crops. It has a strong products portfolio focused on crop protection, nutrition, nutrient solubilizers, plant growth, plant resistance, and biological management. It is based in Curitiba, state of Paraná and headquartered in Vinhedo, state of São Paulo, Brazil.

The company has 268 FTEs (full-time equivalent employees - 260 formally registered employees and eight trainees), up 15.5% y/y. The company hired 57 employees as temporary workers (not included in data reported) during the harvest-period (from May to October) in 2020, mostly for packaging. Since Aqua's investment, a total of 93 new jobs have been created.

Biotrop's main E&S risks are related to fire, boiler and pressure vessels explosion, accidental exposure of employees to formaldehyde, water availability and use of temporary employees.

Improvements in ESG Performance

Biotrop improved its ESG performance in 2020 resulting in higher scores in its ESG Dashboards (displayed page 23), primarily driven by the conclusion of key ESMS policy items (e.g. Conduct and Ethics Code, Labor policies, transport safety policy) and the reinforcement of its ESG organizational structure. Biotrop still needs to work on further improving its client and supply chain risk policies and implement transport safety requirements for subcontractors.

Resource Efficiency and positive impacts environmental impact

Biotrop develops high-tech biological inputs for crops. Farmers are increasingly opting for biological products to boost nutrition and plant physiology and complement or substitute chemical fertilizers and pesticides in their crops. In addition to having state-of-the-art internal R&D capabilities, the company works in partnerships with recognized universities and research institutes in Brazil that develop bacteria and fungi to promote plant growth, increase physiology and protect crops. Besides being free from chemical wastes, biological products can control pest resistance, are safe for the environment, work well for integrated pest management and can be approved for use in organic agriculture.

Biotrop's technical sales team provides guidance to farmers on the best combination of products and doses for specific crops, soils, climates and stages of plant growth.

The application of its products contributes to reducing the carbon footprint of crops. The use of urea-based solutions to fertilize areas planted with soybean in Brazil implies a carbon footprint of 3.6k tons CO₂-equivalent per hectare on average. Biotrop inoculants contribute to mitigate such emissions providing nitrogen-fixing bacteria replacing the use of such urea-based products.

Biotrop main E&S impacts and risks are related to health and safety (pallet racks, fire, operation of boiler) and water availability.

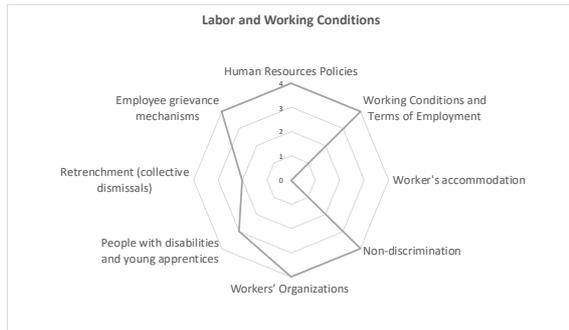
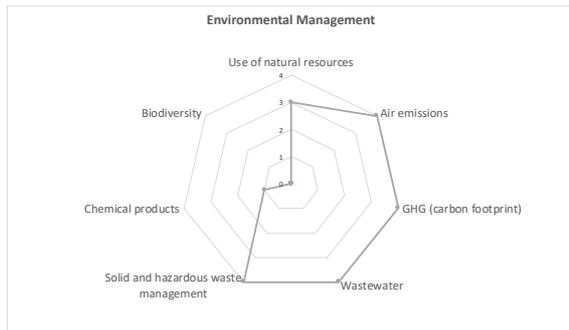
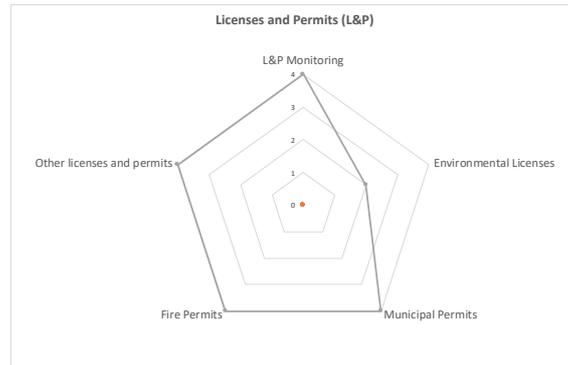
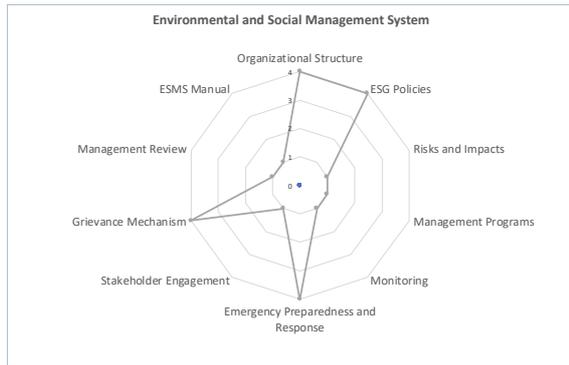
2020 major highlights and achievements

Significant changes from the previous reporting period include:

- **State environmental license:** Biotrop completed the integration of its main site (industry) and neighbor warehouse and obtained an environmental operating license issued by the municipal authority (SSMA), valid up to Aug-2021. The company also obtained the preliminary and installation environmental licenses from the state authority (IAT) for new equipment and minor changes that had been conducted on site (Jun-2020 and Dec-2020), and recently obtained the Environmental Operating License (Mar-2021).
- **ESG organizational structure:** Biotrop reviewed and adjusted its organizational structure to address ESG issues, including the ESAP implementation. The company is also engaging with specific areas (commercial, supply chain) to improve its ESG risk management and processes.
- **Water availability:** The company is considering opening a new groundwater well on the property to ensure water availability when the municipal supply fails and will develop this project in Q2.

Biotrop generates mostly domestic effluents, but some industrial wastewater streams associated with floor and equipment cleaning are sent to the public domestic sewers. Biotrop conducted analysis of such effluent streams in Oct-2020 which showed they are free of contaminants and could therefore be discharged off in the public sewers.

BIOTROP'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020

BIOTROP CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> Production of 5.5k liters of biological solutions since Aqua's investment. Biological products are safer for the environment and work well for integrated pest management. Biological products enhance productivity while reducing environmental and health-related risks. 	<ul style="list-style-type: none"> Production of 2.7k liters of biological products in 2020. 	<ul style="list-style-type: none"> Grow both revenues and Ebitda by 40%.
Gender balance 	<ul style="list-style-type: none"> Average of female FTE maintained at around 50% since Aqua's investment. The percentage of total female managers increased from 0% to 11% over the same period. Biotrop has one woman on its BOD. The gender ratio of promotion is 0.8. Aqua is working with Biotrop to improve this. 	<ul style="list-style-type: none"> 46 new female hires in 2020. 	<ul style="list-style-type: none"> Goal to source at least a third of women as candidates in any senior position recruitment process. Have at least one woman on the BOD of the company.
Decent work and Economic growth 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. 93 jobs created since investment. 	<ul style="list-style-type: none"> 35 new jobs in 2020. R\$47.6m of direct economic value distributed in 2020 an increase of 126.7% y/y. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue and Ebitda growth of 40%.
Innovation and Responsible Production 	<ul style="list-style-type: none"> Biofertilizers that substitutes urea usage with proven productivity results to cater for the nitrogen demanded for the soybean crop. 	<ul style="list-style-type: none"> Investments in product safety (acquisition of a filling machine and a larger and more efficient fermenter with 25% greater capacity). Biotrop completed the registration of four new biopesticides and seven new inoculants in 2020, with one of the biopesticides generating more than R\$2.5m in sales in 2020. 	<ul style="list-style-type: none"> Conclude the registration process of at least five innovative biological solutions.
Climate Action 	<ul style="list-style-type: none"> Improvements in GHG monitoring (started in 2019). The volume of inoculants for soybean commercialized since Aqua Capital's acquisition helped to avoid the emission of approximately 130m tons CO₂eq into the atmosphere. 	<ul style="list-style-type: none"> Production of 2.7k liters of biological products in 2020 used as stand alone or in combination with other fertilizers, generating a reduction in GHG emissions 	<ul style="list-style-type: none"> Implement the project to quantify the full environmental impact of Biotrop's products and services.

COMPANIES OVERVIEWS – VETBR

VetBr is an animal health distributor operating in the production and pet segment in Southeast Brazil. The company operates from its main distribution center and head office located in a 30,000m² property in the urban area of Perdões, state of Minas Gerais, Brazil. The company also operates from a new distribution center (DC) located in São Bernardo, state of São Paulo, Vila Velha, state of Espírito Santo, Belo Horizonte and a third-party operated logistics DC in the municipality of Contagem, state of Minas Gerais, and two new sites in Goiânia, state of Goiás and Brasília. The key products commercialized and transported include veterinary products for companion animals and livestock, pet food and other related products (e.g. metal wires, feeders and drinking fountains, etc.). Its clients are located mainly in the states of Minas Gerais, São Paulo, Rio de Janeiro, Espírito Santo, Goiás and in the Federal District.

In Aug-2018, VetBr acquired the products and portfolio of clients of Alfa, a veterinary products distributor in Minas Gerais. In Jul-2019, the company acquired Gretha, distributors of veterinary products (medicines, vaccines, foods, hygiene and beauty products) for companion animals, located in São Bernardo do Campo (state of São Paulo). The company also acquired VetLider's inventory and client's database in Jul-2020, a company that operated in Goiania (state of Goiás).

VetBr had 417 FTEs (full-time equivalent employees) at the end of the reporting period, up 8.3% y/y. Since Aqua's investment, 135 new jobs were created (not considering the 80 jobs incorporated with Gretha's acquisition).

VetBr's main E&S impacts and risks are fire safety, occupational health risks associated with ergonomic hazards, , and transport risks.

Improvements in ESG Performance

VetBr improved its ESG performance in 2020 resulting in higher scores in its ESG Dashboards (displayed page 26), with the company making substantial progress as regard to its ESG checking process to open new sites. VetBR needs to further improve its supply chain risk policies.

Resource Efficiency Projects

Renewable energy source

Since Jan-2021, VetBr headquarters and main operations in Perdões (MG), which presented higher rates of electric energy consumption among VetBR's sites, adhered to a new acquisition model of electric energy in the free energy market, which allows the company to opt for renewable energy and reduce its Scope 2 CO₂ emissions and costs.

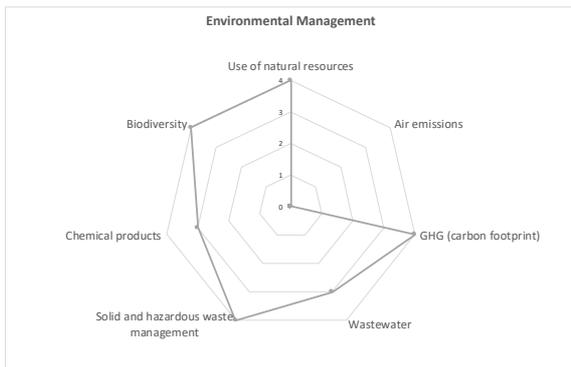
During 2021 Aqua's resource efficiency expert will work with the company to quantify gains from the above project and to work on an energy efficiency project in transport.

VetBr's 2020 major highlights and achievements

Significant changes from the previous reporting period include:

- **ESMS:** No new relevant action items from VetLider's due diligence were to be integrated into VetBr's ESAP, except for ensuring that labor legislation and IFC PS2 requirements were followed to dismiss and re-admit existing workers. VetBr has worked to ensure the full implementation of its ESMS in the Goiânia's operations. The former warehouse in Guarulhos (SP) and part of Gretha's operations were combined into a new warehouse in São Bernardo, which received the visit of the E&S consultant in Q4 2020 who raised no concerns on the ESG side. VetBr upgraded its Grievance Mechanism by hiring an independent company to receive and classify grievances before treating them. During 2020 the company received only one complain, which was addressed.
- **Occupational health and safety – electric energy:** Some of the actions to address recommendations to adjust the electrical energy infrastructure in the Perdões site (conducted by and expert engineer) were completed (e.g. improvements in electrical grounding, replacement of old circuit breakers). The budget to address other recommendations (mainly replacement of old cables) is estimated at R\$170k and will be implemented in H1 2021.
- **Emergency response plans:** VetBr delayed the Emergency Response Plans (ERPs) training and drills planned for Goiás, Contagem, Vila Velha and São Bernardo do Campo (Gretha) units due to the pandemic in H1 2020, but conducted simplified on-line training in Q4 to raise awareness and start the plan's implementation. The ERPs for São Bernardo do Campo and Goiânia new sites will require revisions and adjustments to reflect risks on these new facilities.

VETBR'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

— Dec-2020

VETBR CONTRIBUTION TO SDGS TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> VetBR sells products that enhance animal health (veterinarian products, vaccines, animal feed). Average growth of sales of 30% p.a. since Aqua Capital's acquisition. 	<ul style="list-style-type: none"> 7.7k tons of product sold, 18% growth since 2019. 	
Gender balance 	<ul style="list-style-type: none"> 90 new female jobs since Aqua's investment. Gradual increase in female jobs (25% in 2017 to 33% in 2020). 		<ul style="list-style-type: none"> Goal to source at least a third of women as candidates for any senior position recruitment process. Have at least one woman on the BOD of the company.
Decent work and Economic growth 	<ul style="list-style-type: none"> R\$756m of value added to Brazilian economy since investment in VetBr. 223 new jobs created since investment. 	<ul style="list-style-type: none"> R\$323m of value added to the Brazilian Economy in 2020. 40 new jobs in 2020. R\$323.3m of direct economic value distributed in 2020, an increase of 85.4% y/y. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue and Ebitda growth above 17%.
Climate Action 	<ul style="list-style-type: none"> VetBr adhered to the alternative photovoltaic energy system, reducing 15% of the energy costs in the company's headquarters, where 60% of the company's total energy consumption is concentrated. 	<ul style="list-style-type: none"> New Project to acquire energy from renewable sources. 	<ul style="list-style-type: none"> Quantify gains from the project and work to understand opportunities in energy efficiency in transport.

COMPANIES' OVERVIEWS – RECH AGRICOLA

Rech Agrícola (Rech) commercializes replacement parts for agricultural machines (cotton and grain harvesters, planters, sprayers, motor parts, filters, bearings, tillage disks). The company grew from its original two units, having opened 11 new stores since Aqua's investment (of which five in Q4 2020). Rech is currently present in ten municipalities in the states of Tocantins, Bahia, Goiás, Rio Grande do Sul and Maranhão, Brazil. In Oct-2020, the company acquired Verde Agrícola, an agricultural machine parts operating from one site in the state of Rio Grande do Sul and in Jan-2021, Rech Tratores (part of Rech's original holding company) operating from ten sites in the states of Mato Grosso, Ceará, Goiás, Pernambuco, Acre, Santa Catarina and Rio Grande do Sul. Rech integrated headquarters moved to Itajai, Santa Catarina in Jan-2021.

Rech Agrícola had 282 FTEs (full-time equivalent employees) at the end of the reporting period, up 88% y/y. Since Aqua's investment, 229 new jobs were created in Rech Agrícola. Verde Agrícola (estimated FTE at acquisition 259) and Rech Tratores (estimated FTE at acquisition 35) have not started to monitor ESG indicators.

The company environmental and social risks and impacts are relatively low (fire, operation of warehouses with pallet racks, compliance with licensing and permitting, occupational health and safety and labor requirements, particularly hours of work and work of young apprentices), but the increase in the number of operations following its recent acquisitions, requires attention to ensure such risks are properly managed.

Improvements in ESG Performance

Rech improved its ESG performance in 2020 as reflected in its ESG Dashboard (displayed page 29), primarily as regards to its ESMS implementation (defining an organizational structure, policies, and developing and implementing its grievance mechanism), and its transport safety (defined policy and conducted awareness of 100% of its employees). Rech now faces the challenge to integrate such improvements within its newly acquired units.

Resource Efficiency and Positive Impacts

Aqua resource efficiency professional and the ESG team will start working with Rech to formally identify potential projects in Q3 2021. Existing and potential projects include:

- One of Rech's sites (Primavera do Leste) is supplied by photovoltaic energy producing 36k kWh during 2020. The site is estimated to have prevented emissions of 105.7 tons CO₂ eq and savings of R\$101k. The new units planned to be opened in Sinop, Balsas, Confresa, Rondonópolis and Rio Verde should also be supplied by photovoltaic energy.
- Improvements in product safety by means of various projects in partnership with suppliers including standardization, quality of steel, and packaging.

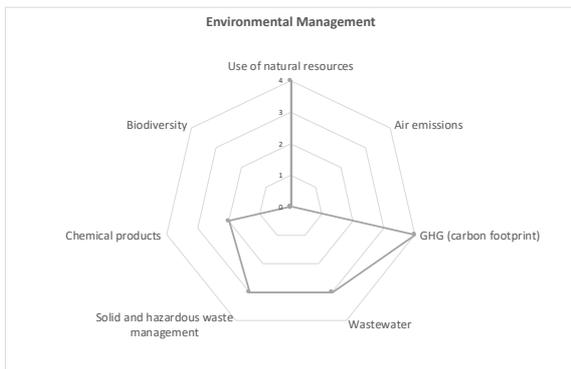
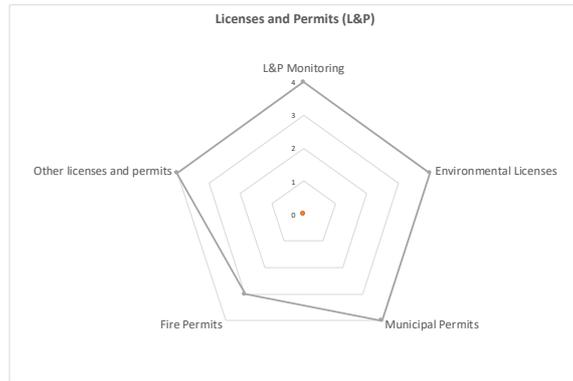
- Sourcing of the energy supply from the free energy market, with a potential of cost reduction of R\$0.15 per kWh and decrease in Scope 2 GHG emissions.
- Renewal of the existing fleet to include more sustainable models, and additional measures to reduce fuel consumption and emissions from transport.

Rech's 2020 major highlights and achievements (extract)

Significant changes from the previous reporting period include:

- *ESMS*: Rech has structured its policies and procedures to address environmental, labor, occupational health and safety and communities as well as ESG requirements for suppliers. Rech formally identified its key ESG risks and impacts and regulatory requirements. Since Q4, Rech is working to integrate its add-on companies Verde Agrícola and Rech Tratores into its ESMS.
- *Emergency response*: Rech improved its policy to prepare emergency response plans for new sites based on risk and fire preparedness and existing regulations. There are new staff assigned as responsible for emergencies in each site and fire response and emergency trainings are ongoing. The first round of trainings for Rech Agrícola is planned to be completed by Jun-2021.
- *Pallet racks*: Rech prepared an operational procedure to ensure safety in its pallet racks structures. The procedure includes a checklist and visual inspection of such structures. The EHS professional also checked that the forklifts operators were properly trained as required by the existing regulation. Additional improvements are being discussed and will be extended to Rech's new sites.
- *Great Place to Work*: Recognition for Rech's labor and working practices and good working environment by Great Place to Work. The certification is valid up to Dec-2021.

RECH'S DASHBOARD



- 0 not applicable
- 1 not initiated
- 2 partial:existing documents and practices need improvement
- 3 compliant (ESMS documents): requirements fulfilled
- 4 Compliant (ESMS documents + implementation): requirements fulfilled

————— Dec-2020

RECH CONTRIBUTION TO SDGS'S TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 2 ZERO HUNGER 	<ul style="list-style-type: none"> Cooperation with national and international suppliers of ag machine parts to improve reliability and safety of ag machinery spare parts, contributing to improving farmers' productivity. 		
Gender balance 5 GENDER EQUALITY 	<ul style="list-style-type: none"> 18.8% of women as a percentage of total full-time employees (FTE), from 9 % in 2016 when Aqua Capital acquired Rech. There is one woman on the BoD and 15.4% of managers who directly respond to the CEO are women. The gender ratio of promotions is yet low (0.3). Aqua is working with Rech to improve this. The gender wage ratio is high when compared to other Fund II companies (1.6 for female managers who respond directly to the CEO and 0.8 for female managers who do not respond directly to the CEO). 	<ul style="list-style-type: none"> Gender ratio of promotions grew from 0.1 in 2019 to 0.3 in 2020. 	<ul style="list-style-type: none"> Goal to source at least a third of women as candidates for any senior position recruitment process. Have at least one woman on the BOD of the company.
Decent work and Economic growth 8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. R\$192m of value added to the economy in three years. 	<ul style="list-style-type: none"> R\$112.8 of direct economic value distributed in 2020, an increase of 58.6% y/y. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue and Ebitda growth above 200%.
Climate Action 13 CLIMATE ACTION 	<ul style="list-style-type: none"> Rech conducts inventories of GHG for Scope 1 and 2 emissions and intend to improve measurements including scope 3 emissions from transport in the future. 		<ul style="list-style-type: none"> Prepare the company to measure Scope 3 emissions from transport.



COMPANIES' OVERVIEWS – PURAVIDA

In Aug-2020 Aqua acquired Puravida, a health and wellness (H&W) company operating in Brazil. The company, founded in 2011, operates from an office located within a commercial building in the municipality of São Paulo, state of São Paulo. It commercializes around 200 products, which are manufactured by skilled suppliers and copackers, around 60% of which by Tradal (foods) and 35% by Sorocaps Indústria Farmaceutica (vitamins and supplements) and the remaining 5% by other suppliers (personal care products, packaging of certain foods and supplements). Raw materials are purchased directly by Puravida (70% imported and 30% acquired in Brazil) and transferred to its suppliers' sites. Puravida is directly involved in product and packaging design, formulations, ensuring product quality and food safety, as well as overview of the distribution logistics (transport is conducted by contractors).

In Nov-2020, Aqua acquired Tradal, a food processor and main Puravida's supplier. Its products include dried vegetables and spices, condiments, herbs and aromas, fruit, nuts and processed seeds, used as main ingredients or additives. Tradal was founded in 1992 and operates since 2015 from a site it owns, located within a commercial condominium in the municipality of Jandira, state of São Paulo, Brazil.

Puravida had 30 FTE (full-time equivalent employees) at acquisition in Aug-2020 and Tradal had 100 workers in Nov-2020.

The company has not started to implement its ESMS or collect ESG indicators, but defined responsibilities and prioritized the ESAP action items to be implemented during 2021.

The companies' environmental and social risks and impacts are low and relate mostly to the origin and traceability of products, food safety, waste management (particularly packaging) and safe storage of raw materials and finished products (Tradal).

The ESG consultant is also working with Aqua and the designated person responsible for ESG at Puravida to define the company's positive ESG Agenda.

Resource Efficiency and Positive Impacts

Aqua resource efficiency professional and the ESG team will start working with Puravida to formally identify resource efficiency projects in Q3 2021. Existing and potential projects include resource efficiency in packaging and resource efficiency in transport

Puravida's 2020 major highlights and achievements

Significant risks and opportunities at Puravida and Tradal include:

- *Supply chain and traceability of raw materials:* Puravida key environmental and social risks are mostly associated with its key producers and copackers. There is a system in place to approve national suppliers that includes an environmental and social checklist, but there is a need to ensure that raw materials and products' origin is not

associated with risks of significant conversion of natural and/or critical habitats, risks of child or forced labor, or that benefits of products associated with local communities' knowledge, innovations, or practices are shared equitably with such communities; and finally, that the company limits procurement to national and international suppliers that can demonstrate they operate in accordance with legislation and in compliance with IFC Performance Standards requirements. Among Puravida 200+ products, one of them (baobab) is potentially obtained from species *adansonia grandidieri*, listed in appendix II of CITES protected species convention, which is considered one of the exclusion criteria of Aqua E&S policy (item 2b). Puravida is working with a food safety consultant to design a pilot project to conduct food traceability for certain products, which will be implemented in Q2.

- *Waste Management:* Puravida needs to ensure that waste management practices from its suppliers, including Tradal, are properly managed in compliance with legislation (co-responsibilities of all parties in the product lifecycle, including destruction of off-spec products and packaging, reverse logistics of packaging, proper storage and disposal).

COMPANIES' OVERVIEWS – COMFRIO

Fund I acquired Comfrio as its first investment in 2011, and in 2014 increased its ownership in the firm to 98%, acquired Stock Tech as an add-on, and sold a minority stake of the combined entity to a strategic player. Comfrio provides controlled-temperature logistics services to companies operating in the food and agricultural businesses. The investment in Stock Tech, a multi-temperature warehousing and storage of dry, cooled and refrigerated goods was concluded in 2014. Comfrio and Stock Tech integrated their processes and management systems in 2016, becoming one single company. Its headquarters are located in Pinhais, state of Paraná, and the company operates in 22 other locations around Brazil, 16 owned and six in house services. In Aug-2019, Comfrio acquired the assets (vehicles) and operations of transportation company Tiradentes, now integrated to its logistics business. In Jan-2020, the company concluded the transaction of a seed storage operations, BestWay, a leading logistics provider to seed producers located in Uberlândia, in the state of Minas Gerais.

Comfrio had 1,638 FTEs (full-time equivalent employees) at the end of the reporting period, up 17% y/y. Since Aqua Capital's investment, 782 net new jobs were created.

Relevant E&S risks associated with the company are related to ammonia management, food quality, safety and traceability and transport safety. The company facilities have implemented procedures consistent with Quality Management Systems (ISO 9001) and Food Safety Management (ISO 22000). Clients also conduct food safety audits based on HACCP (Hazard analysis and critical control points) requirements on a regular basis, as well as on requirements from other certifications. During 2020, Comfrio obtained four food safety certifications for three of its sites, which includes environmental and social aspects.

ESG Performance

Comfrio ESG performance is reflected in its ESG Dashboard (displayed page 7). The company still needs to improve its supply and client management system and process and include Scope 1 and 3 within its GHG emission inventory.

Resource Efficiency projects and positive impacts

Comfrio acquires 70% of the electric energy used in its facilities from the energy free market and from renewable sources. During 2020, Comfrio implemented high efficiency engines in Jarinu site, allowing to reduce GHG emissions.

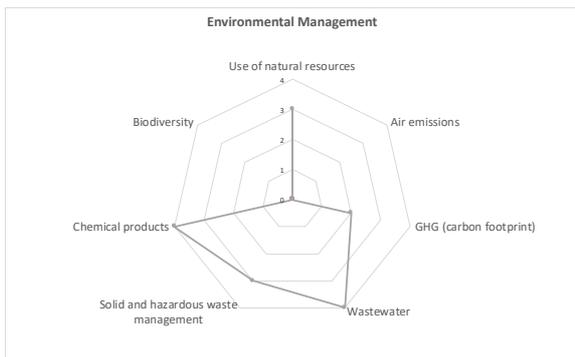
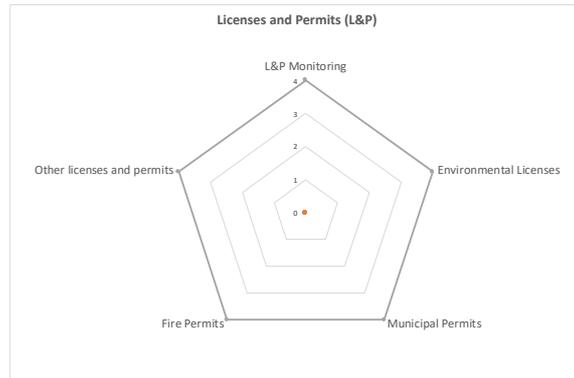
For 2021, the company plans to develop an energy efficiency project for the evaporators and condensers of the cold chambers that will reduce their GHG emissions. The project will include BBD I, BBD II, Monte Azul Paulista, Limeira, Jarinú and S. José dos Pinhais sites. With the implementation of the project, Comfrio expects to reduce the existing electric energy use of such equipment by 50%.

Comfrio' 2020 major highlights and achievements (extract)

Significant changes from the previous reporting period include:

- Transport Safety:** Over 50% of Comfrio's transport activities used to be related to food service clients but during 2020, to compensate for the decline in food service activity due to the pandemic, the company increased the amount of transport services provided to industrial clients. Around 50 companies and more than 200 workers are involved with transport. During the year, the safety engineer conducted a thorough gap analysis of third-party transport providers' practices vs. Comfrio's transport safety requirements. Results indicated that around 45% of transport service providers complied with all E&S requirements. Relevant gaps identified included the communication of safety requirements to contractors and training of drivers, monitoring and applying disciplinary measures after repeated infractions, establishing formal contracts with subcontracted drivers, presenting H&S mandatory documents, among others. In order to finalize the implementation of its transport safety policies and fully implement the action plan defined after the Jan-2020 transport accident in Pinhais, Comfrio prepared an action plan and contracted expert service providers, Bernhoeft (www.bernhoeft.com.br/en) that is responsible to assess and approve transport suppliers including the review of all legal documents, and Younder (www.younder.com.br) to provide training and awareness to contractors/drivers. By the end of 2020, 235 drivers had subscribed to the company system to be trained. Aqua Capital invited the safety engineer who led the project at Comfrio to share its experience with other portfolio companies and a webinar on the matter is scheduled for March 26, 2020.
- New sites:** Because of changes in the profile of the company, Comfrio is working to obtain permits for new sites in Lucas do Rio Verde and Cuiabá and Itumbiara. Comfrio applies a checklist for new sites to understand environmental and social risks before closing the project. It has not identified significant risks in any of these new sites to date.
- E&S Management System (ESMS):** Comfrio has implemented various improvements in its ESMS during 2020, particularly enhancing controls regarding occupational health and safety, acquiring a new software to manage licenses and permits, and is planning to implement a new online training platform for employees, which will include various trainings on OHS topics as well as awareness on the use of natural resources. Comfrio postponed initiatives to enhance the management of clients' ESG risks and plans to 2021.

COMFRIO'S DASHBOARD



- 0 Not applicable
- 1 Not initiated
- 2 Partial: existing documents and practices need improvement
- 3 Compliant: ESMS documents
- 4 Compliant: ESMS documents and implementation requirements

— Dec-2020

COMFRIO'S CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> Comfrio provides infrastructure to ensure preservation of food and grains in more than 20 locations all over Brazil, enhancing food security and safety. Over 14m tons of products (mostly food and grains) were stocked and transported since Aqua's first investment. The company implemented strict quality control measures and was granted food safety certifications in various of its operations (e.g. food safety by AIB Internacional for Pinhais, Caucaia and Guarulhos sites, SP, and Smeta 4 Pilar for Extrema, MG). 	<ul style="list-style-type: none"> Donation of R\$234k in food to people in need during the COVID-2019 pandemics 2.2m tons of products stocked and transported. 	<ul style="list-style-type: none"> Maintain existing certifications. Continue production growth for the ag and transport segments and recover volumes in the good service segment.
Gender balance 	<ul style="list-style-type: none"> On average and since Aqua's first investment, women represent 15% of the total work force. There has been a gradual increase in the number of female managers and female directors in the past three years, though the percentage in relation to men has decreased. The gender wage ratio for management positions is 0.8 (average salary of women 20% lower to the average salary of men in the same positions) and the gender ratio of promotion (0.1) is yet very low. We are working with Comfrio to improve these numbers. 	<ul style="list-style-type: none"> 16.8% of directors and 13.0% of managers are female. 	<ul style="list-style-type: none"> Goal to have at least one woman on the board of directors and to source at least a third of women as candidates for any senior position recruitment process.
Decent work and Economic growth 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. 782 new net full time jobs created, up 91% since inception. 100% of employees receive the company's standard benefits (meals voucher, transport, health plan). Implementation of various initiatives to improve transport safety (routing, procedures, training, awareness campaigns). 	<ul style="list-style-type: none"> 238 new FTE were added to the payroll of the company. R\$189m of economic value added to the Brazilian economy. Improvements in transport safety for transport conducted by its own fleet and contractors, supporting specific contractors to improve their safety. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue and Ebitda growth of above 30% and 26% respectively. Training of the workforce via the new on-line platform, allowing better access and larger scope.
Innovation and Responsible Production 	<ul style="list-style-type: none"> n.a. 	<ul style="list-style-type: none"> n.a. 	<ul style="list-style-type: none"> n.a.
Climate Action 	<ul style="list-style-type: none"> Comfrio monitors the use of energy and its greenhouse gas (GHG) emissions using the GHG protocol tool developed by the World Resources Institute. The company has implemented over the years projects to improve energy efficiency with consequent reduction of GHG emissions in some operations (substitution of lamps to LED, improvements in the cold system). 	<ul style="list-style-type: none"> Reduction of 72% y/y in Scope 2 emissions related to the implementation of energy efficiency projects and to a better measurement. 	<ul style="list-style-type: none"> Plans to develop an energy efficiency project for the evaporators and condensers of the cold chambers that will reduce their GHG emissions.

Fertiláqua, the platform created for the consolidation of Aminoagro, Dimicron and Spray Farm, is a leading Brazilian specialty fertilizer company offering a competitive portfolio of high-value foliar fertilizers, seed treatment solutions and biostimulants for a wide array of crops, fruits and vegetables. Fertiláqua's headquarters are in Indaiatuba, state of São Paulo, and its operational units are in Cidade Ocidental, state of Goiás, Cruz Alta, state of Rio Grande do Sul, and Cuiabá Warehouse, state of Mato Grosso do Sul. At the end of 2017, the company acquired Spray Farm product licenses (add-on), which are manufactured in the Cidade Ocidental site and finally, in 2019, it inaugurated a Research and Development Center in Conchal, state of São Paulo.

Fertiláqua had 352FTEs (full-time equivalent employees) at the end of the reporting period, down 12.2% y/y. Since Aqua Capital's investment, 198 net new jobs were created.

In January 2021, Aqua concluded the sale of Fertiláqua to ICL Group, a leading global specialty minerals and specialty chemicals company, generating a strong gross performance in local currency of 3.4x in MOIC and 22.6% in IRR.

Relevant E&S risks associated with the company business are emissions (effluent and air), occupational health and safety risks, particularly the exposure to hazardous materials (raw materials and product handling), transport safety, and greenhouse gas emissions from the energy consumption.

ESG Performance

Fertiláqua's ESG performance is reflected in its ESG Dashboard (displayed page 10).

Resource Efficiency projects and positive impacts

Fertiláqua's "Plant Creation Program" (PCP 360):

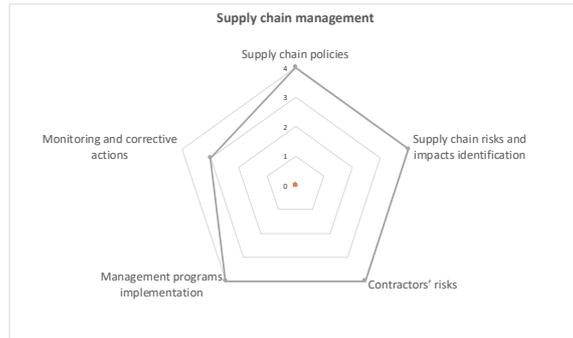
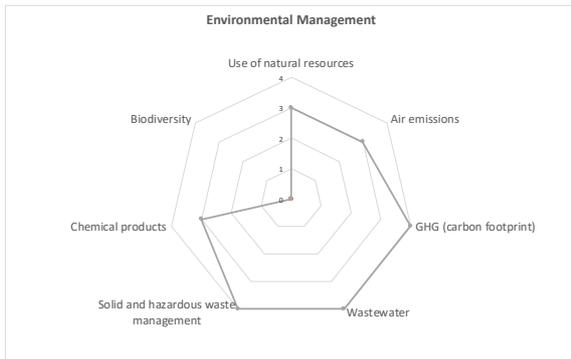
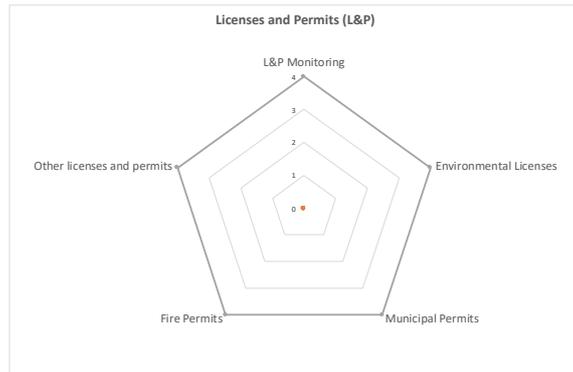
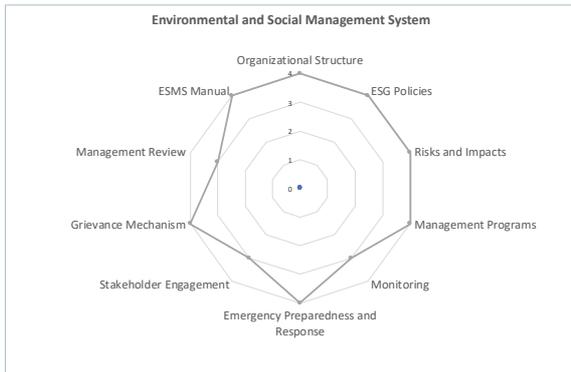
Support provided to producers from seedling to harvesting to enhance productivity per hectare, with the application of Fertiláqua's foliar fertilizers and technology transfer to producers, resulting in an average gains in productivity per hectare (ha) of 20% for soybean and 16% for sugar cane.

Fertiláqua's 2020 major highlights (extract)

Significant changes from the previous reporting period include:

- *ESMS:* Fertiláqua's ESMS was already fully implemented and the company certified as per ISO 14001 (environmental management systems), obtained originally in 2018 and ISO 45001 (H&S management systems), obtained in 2019. The company obtained a renewal of its ISO 14001 and ISO 45001 certificates in Q2 2020.
- *Continuous improvements:* The company ceased the operation of a sulfuric acid tank in Cidade Ocidental (reducing environmental, health and safety, and community risks) and improved safety around work at heights (additional lifelines in Cidade Ocidental and Cruz Alta plants) and reinforced its training in safe driving (90% of drivers were trained by Dec-2020).

FERTILAQUA'S DASHBOARD



- 0 Not applicable
- 1 Not initiated
- 2 Partial: existing documents and practices need improvement
- 3 Compliant: ESMS documents
- 4 Compliant: ESMS documents and implementation requirements

— Dec-2020

FERTILÁQUA'S CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> Production volumes increased 100% and more than 86m liters of specialty fertilizers produced since Aqua's first investment. Fertiláqua's products and technical assistance to producers contributes to enhance crop's productivity. 	<ul style="list-style-type: none"> Production of 11m liters of foliar fertilizers in 2020. 	n.a.
Gender balance 	<ul style="list-style-type: none"> Thirty-four new female jobs since inception. Average of 18% of women in total full-time employees (FTE) over the last three years. The percentage of women in management has increased from 18% in 2018 to 21% in 2020. Areas that require major improvements are the gender wage ratio for management positions of 0.7 in 2020 (average salary of women 30% lower than the average salary of men in the same positions) and the promotion ratio of 0.1. 		n.a.
Decent work and Economic growth 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines, certified by ISO 14001 and ISO 45001. Company received recognition in GPTW (Great Place to Work). 198 new net FT jobs created since inception. 100% of employees received the company's standard benefits (meals voucher, transport, health plan) in 2020; R\$ 570m+ of economic direct value distributed since Aqua's first investment. 	<ul style="list-style-type: none"> Renewed certifications: ISO 14001 and ISO 45001. R\$112.3m of direct economic value added in 2020, similar to the 2019 number. 	n.a.
Innovation and Responsible Production  	<ul style="list-style-type: none"> Set up and implemented the plants program (PCP 360) which provides support to producers to enhance productivity, particularly of soybeans. Tech innovation centers (Centros de Inovação Tecnológica -CIT), located in Cruz Alta and in Conchal, which support the R&D department in the development of new products and technologies. CITs are provided with equipped laboratories and experimental fields (38 ha) to conduct tests in controlled environment. Program "True Seeds" to enhance the productivity of seeds in partnership with seed processing facilities. 		n.a.
Climate Action 	<ul style="list-style-type: none"> Fertiláqua monitors the use of energy and its greenhouse gas (GHG) emissions using the GHG protocol tool developed by the World Resources Institute. 	<ul style="list-style-type: none"> GHG emissions decreased by 30% y/y in 2020. 	n.a.

COMPANIES' OVERVIEWS – GRAND CRU

Grand Cru is a leading specialized wine retailer and distributor in Brazil. The company operates throughout the wine value chain, sourcing its products from wineries around the globe and selling to its clients through a diversified channel mix. It reaches customers through 89 Grand Cru-branded retail stores located in 21 out of 26 Brazilian states, restaurants (B2B) and its e-commerce platform. Aqua Capital acquired the company in Nov-2014 and the project was categorized as C – low E&S risk. Currently Grand Cru sources wines (approximately 1,000 labels) from 16 countries with the five top countries representing more than 90% of the volume. The company distribution is currently conducted from a third-party warehouse located in the municipality of Ilhota, State of Santa Catarina, Brazil.

Grand Cru had 226 FTEs by the end of 2020, a reduction of 26% y/y, due to the adjustments the company had to implement during pandemic and 127 net new employees since investment.

Due to the nature of the operations, **key environmental and social risks and impacts are considered low** as stores are mostly located in buildings that have been designed to comply with local fire requirements. Other risks at the company stores and offices are related to ergonomics.

ESG Performance

Grand Cru ESG performance is reflected in its ESG Dashboard (displayed page 13).

Positive Impacts

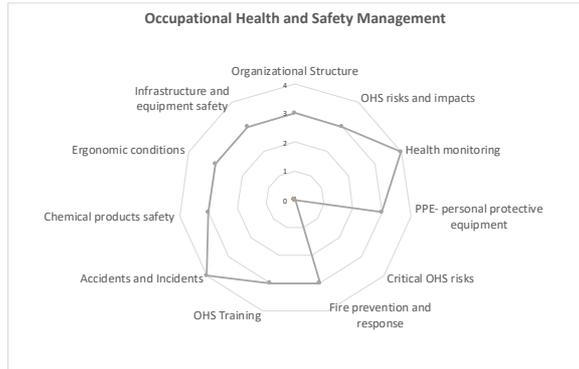
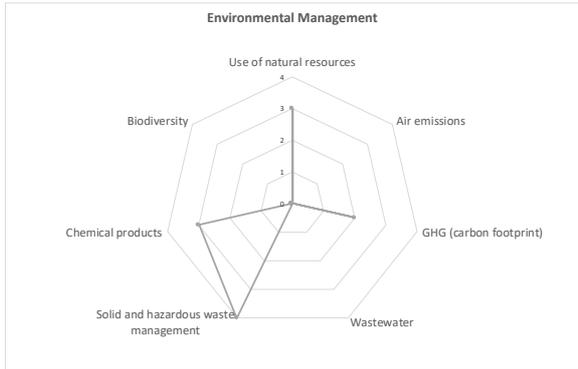
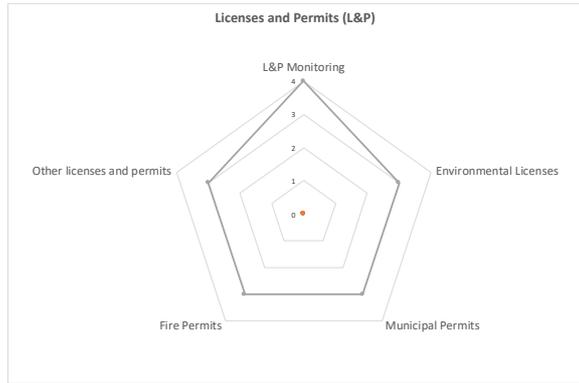
Grand Cru has improved its human resources practices. The company was awarded the Great Place to Work (GPTW) certification in Dec-2020 that is valid up to Dec-2021.

Grand Cru's 2020 major highlights and achievements (extract)

Significant changes from the previous reporting period include:

- **Waste Management:** Grand Cru is required by law to implement a reverse logistics system to ensure that at least 20% of its packaging wastes mass (3.4m of bottles commercialized in 2020) are collected post consumption independently of the municipal waste disposal services, a system called "reverse logistics" in Brazil. Grand Cru signed a commitment with EuReciclo in 2020, a company that commercializes recycling compensation credits to ensure compliance with such regulations.
- **ESMS:** A systematic review of the company's status against requirements in the new ESMS dashboard indicated good management of regulatory issues and transport safety, but some ESMS documents and practices evidences required updating, which will be conducted during 2021.

GRAND CRU'S DASHBOARD



- 0 Not applicable
- 1 Not initiated
- 2 Partial: existing documents and practices need improvement
- 3 Compliant: ESMS documents
- 4 Compliant: ESMS documents and implementation requirements

— Dec-2020

GRAND CRU'S CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Gender balance 	<ul style="list-style-type: none"> Average of 47% of women in total full-time employees (FTE), the highest percentage all companies in Fund I. The percentage of total female managers has remained on average at 39% over the last three years. There is one woman on the board (appointed in Jan-2021). The gender wage ratio for all management positions was 1.0 in 2020 (average salary of women equal to the average salary of men in the same positions). The gender ratio of promotion was 1.1 in 2020, which means that women were on average 10% more promoted than men. 	<ul style="list-style-type: none"> Growth of 9% y/y in the percentage of female managers in 2020. 	<ul style="list-style-type: none"> Maintain gender balance performance and improve it when applicable (there are no women directors reporting directly to the CEO for e.g.).
Decent work and Economic growth 	<ul style="list-style-type: none"> E&S management system aligned with the IFC Environmental and Social Performance Standards. 127 new net FT jobs created since inception. 100% of employees receive the company's standard benefits (meals voucher, transport, health plan), and 42% receive educational support. R\$606m of direct economic value added since Aqua's investment. Initiatives to improve transport safety of employees and awareness campaigns to promote responsible drinking. 	<ul style="list-style-type: none"> R\$120m of direct economic value added in 2020, up 8.7% y/y. 	<ul style="list-style-type: none"> Objective to reach the 2021 budget consisting in a revenue and Ebitda growth of above 5% and 70% respectively.
Innovation and Responsible Production  	<ul style="list-style-type: none"> n.a. 	<ul style="list-style-type: none"> n.a. 	<ul style="list-style-type: none"> n.a.
Climate Action 	<ul style="list-style-type: none"> Grand Cru monitors the use of energy and its greenhouse gas (GHG) emissions using the GHG protocol tool developed by the World Resources Institute. 	<ul style="list-style-type: none"> GHG emissions Scopes 1 and 2 decreased by 44.4% y/y in 2020. Training of the ESG team to conduct inventory of Scope 3 emission in 2021. 	<ul style="list-style-type: none"> Identify opportunities for energy efficiency projects generating a positive impact and financial return, including the use of renewable energy. Report Scope 3 GHG emissions.

COMPANIES OVERVIEWS – GENESEAS AND AQUAFEED

Aqua Capital acquired Geneseas in 2015. Founded in 2001, Geneseas is a leading integrated fish producer, processor and distributor in Brazil, with a focus on tilapia. It operates throughout the tilapia value chain, from the production of fingerlings to fish farms, processing and distributing to both domestic and international markets, in part via Tropical, its distribution platform based in the US. It also sources, processes and distributes shrimp. In Nov-2016, the company acquired DellMare, a distributor of shrimp and other fish products farmed and processed in the northeast of Brazil. In Sep-2019, Geneseas acquired Tropical, a US-based fish distributor, supplied from Latin America-based producers including Brazil. Tilapia fish farms are located in the reservoir of Ilha Solteira (Paraná river), which divides the states of São Paulo (SP) and Mato Grosso do Sul (MS) and the tilapia processing plant is located in the municipality of Aparecida do Taboado, MS. The company headquarters are in the municipality of São Paulo, SP. Third-party companies are responsible for the production, transport and storage of other aquaculture products, mainly shrimp produced in the states of Ceará and Santa Catarina. The company also uses the services of a third-party storage and distribution center located in the greater São Paulo area. Tropical works from two offices located in the states of Maine and Vermont in the United States.

Aquafeed is an animal feed company that operates from a single plant constructed in a property adjacent to Geneseas' fish processing plant at Aparecida do Taboado. The company officially started its commercial operations in Apr-2016. Aquafeed is specialized in tilapias' nutrition and produces 60,000 tons of feed per year, feeding 38,000 tons of fish. The company has been investing in research and innovation to find products and solutions to increase the digestibility of fish feed and enable a lower feed-conversion rate and better quality in the growing and fattening process.

In Oct-2020, following Fund I's acquisition of the remaining stake in Geneseas' fish-feed supplier Aquafeed, an integration project was launched to facilitate the joint operation.

Geneseas had 881 FTEs (full time equivalent employees), up 1.7% y/y. Since Aqua's investment, a total of 483 net new jobs have been created.

Geneseas' main E&S risks are associated with resource use and biodiversity safety (fish farms), food safety and traceability, occupational health and safety (fish farms and processing plants), including risks associated with transport, drowning, wastewater treatment and use of ammonia in the Aparecida do Taboado (APT) processing plant and supply chain management.

Aquafeed has 36 FTEs and seven part time employees, down 2.7% y/y. Since Aqua's investment, a total of 26 net new jobs have been created.

Aquafeed's main E&S risks are related to machine guarding, work at heights, fire and explosion.

Improvements in ESG Performance

Geneseas improved its ESG performance in 2020 with better scores in its ESG Dashboards (displayed pages 17-18), particularly regarding the internal communications (labor and working conditions), management of operational licenses and permits, the conclusion of key ESMS policies (e.g. Conduct and Ethics Code, Labor policies) and wastewater treatment. The company still needs to make improvement to keep its ESMS updated, further enhance its occupational health and safety measures and practices and keep all these processes documented and finally, to develop the management of suppliers processes further.

Aquafeed needs to further improve its ESMS primarily as regards to its ESG policies and procedures, occupational health and safety issues (e.g. ergonomic, infrastructure facilities) and implement transport safety requirements for subcontractors.

Resource Efficiency Projects and positive impacts

During 2021 the resource efficiency expert from Aqua will work with Geneseas' environmental coordinator and PMO to identify and calculate impacts and benefits of resource efficiency projects related to energy, water, fuel, and packaging and operational improvements that will generate positive impact and produce an attractive financial return. Potential projects identified for Aquafeed and Geneseas include the switch to renewable sources of energy for additional units, substitution of equipment and company's vehicle fleet for fuels producing less GHG emissions, installation of frequency inverter in big engines for energy saving purposes, better insulation of rooms and pipes and more environmental friendly packaging (more details below).

Energy efficiency

Geneseas acquires 100% of the electricity used in its processing plant (APT) from the energy free market and renewable sources. All the wood used in Geneseas and Aquafeed's boilers comes from plantations of eucalyptus trees.

Improvements in packaging

In Dec-2020 Geneseas started to implement a project to reduce the use of plastic in packaging, that is expected to result in a reduction of 7,648 kg of plastic and a saving of R\$229k in 2021 (the new packaging was launched in January). Another project to limit cardboard in packaging is being developed and is currently in the testing phase.

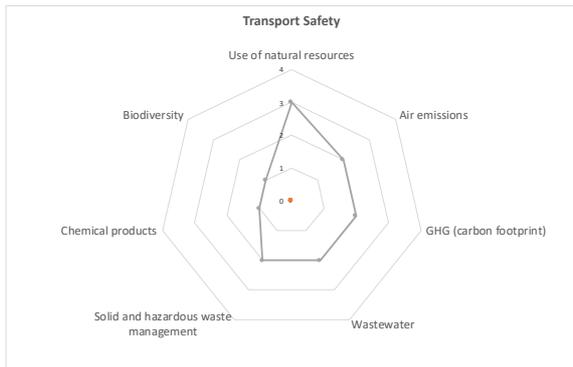
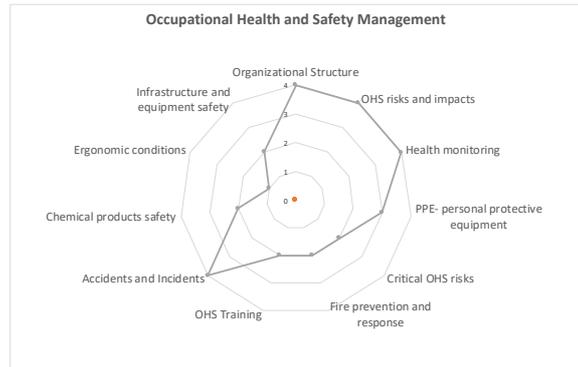
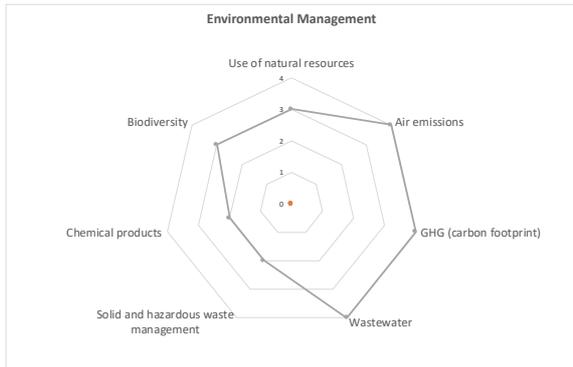
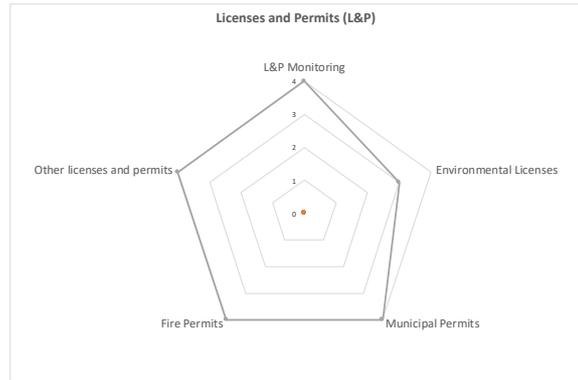
Water savings

Geneseas also implemented a project to save water, in which hoses used for cleaning are equipped with a flow meter to avoid water losses. Likewise, a project that aims to reduce the flow at the taps on the filleting and slaughtering tables is expected to be concluded in March this year.

Geneseas and Aquafeed's major 2020 highlights and achievements (extract)

- *ESMS*: Geneseas revised its organizational structure during 2020 adding new professionals with well-defined responsibilities to the team. One of the greatest challenges for the ESMS is to integrate Aquafeed and Geneseas management systems, including ESG policies and procedures. During 2020 Aquafeed improved its procedures to prevent acquisition of soy bean (raw material to its animal feed) from illegally deforested areas.

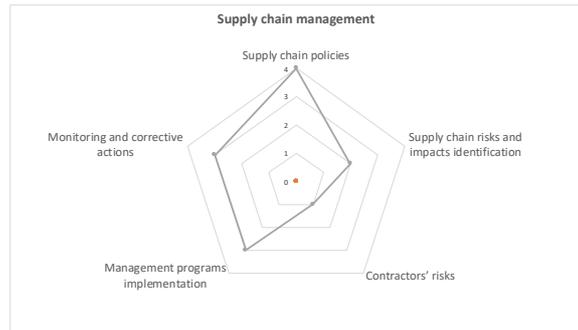
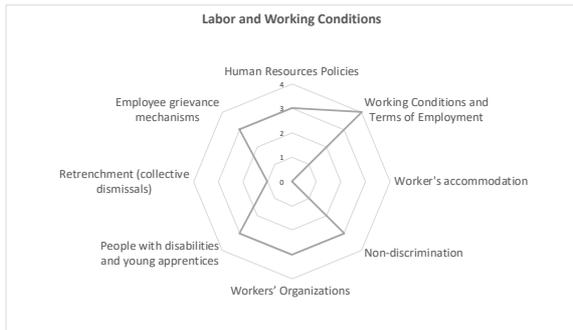
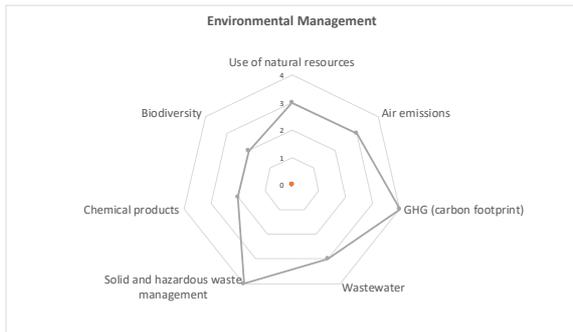
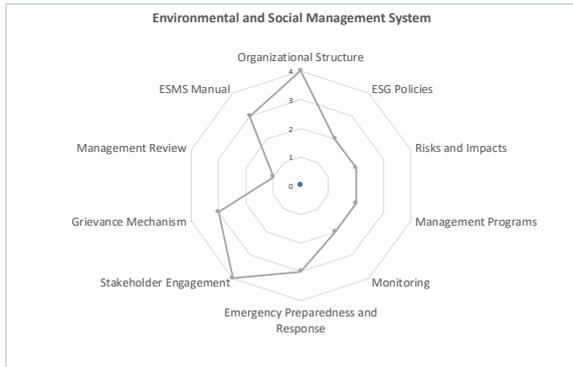
GENESEAS' DASHBOARD



- 0 Not applicable
- 1 Not initiated
- 2 Partial: existing documents and practices need improvement
- 3 Compliant: ESMS documents
- 4 Compliant: ESMS documents and implementation requirements

— Dec-2020

AQUAFEED'S DASHBOARD



- 0 Not applicable
- 1 Not initiated
- 2 Partial: existing documents and practices need improvement
- 3 Compliant: ESMS documents
- 4 Compliant: ESMS documents and implementation requirements

Dec-2020

GENESEAS AND AQUAFEED' CONTRIBUTION TO SDG TARGETS

SDG	Company's contribution to the SDGs since inception	Specific contributions in 2020	Plan for 2021
Food Security and Safety 	<ul style="list-style-type: none"> • Geneseas production increased by 213% since inception, including a greater portfolio of fish proteins and changes in the company's commercial strategy towards a higher level of safety and quality. Aquafeed production of fish feed increased by 500% since inception. • Geneseas has strict quality control measures and was granted international certifications (e.g., Best Aquaculture Practices - BAP, World Quality Service - Korin brand - WQS) by independent bodies, attesting the company's commitment to quality, sustainability (tilapia production - WQS Korin brand) and safety and addressing some of the aspects of supply chain management. Aquafeed is certified per BAP. 	<ul style="list-style-type: none"> • Geneseas production growth rate was 29% in 2020 (about 20k tons of processed tilapia and shrimp). • Aquafeed production growth rate was 78% in 2020. 	<ul style="list-style-type: none"> • Maintain existing certifications and obtain Ecovadis recognition certificate. • Maintain the current production growth.
Gender balance 	<ul style="list-style-type: none"> • Geneseas maintained an average of 34% of women in full-time employees (FTE) since inception. There are one female director in management and three women on the board of directors. • Geneseas' gender wage ratio for director positions was 0.8 in 2020 (average salary of women is 20% lower than the average salary of men in the same positions). The gender ratio of promotion of 1.2 means that there was a greater number of women promoted in 2020 than men. 	<ul style="list-style-type: none"> • Geneseas: growth of 2% in female FTE in 2020. Increase of 100% in female promotions in 2020 vs. 2019 (from 57 women promoted in 2019 to 114 in 2020). • 33% of managers who respond directly to the CEO are currently women. However, the percentage of total female managers decreased from 40% in 2017 to 21% in 2020. 	<ul style="list-style-type: none"> • Goal to source at least a third of women as candidates in any senior position recruitment process. • Career development plans addressing gender issues.
Decent work and Economic growth 	<ul style="list-style-type: none"> • The ESMS of Geneseas and Aquafeed are aligned with the IFC Environmental and Social Performance Standards and the World Bank Environmental Health & Safety Guidelines. • 483 new net FT jobs were created since Aqua's investment in Geneseas (increase of 121%) and 26 in Aquafeed. • 100% of employees receive the company's standard benefits (meal voucher and life insurance) and 20% receive health plan. • Various initiatives to improve occupational health and safety (procedures, training, PPEs, awareness campaigns) and internal communications over subjects regarding labor and working conditions. • R\$900m of economic value distributed (Geneseas and Aquafeed) since Aqua's first investment in Geneseas. 	<ul style="list-style-type: none"> • Geneseas: 15 female FTE were added to the payroll of the company in 2020. • R\$242m of direct economic value distributed in 2020 by Geneseas and Aquafeed, up 22.9% y/y. • Geneseas influenced its supplier Loila (shrimp processing) to register 100% of its employees as per CLT requirements and improve labor and safety conditions at this site. 	<ul style="list-style-type: none"> • Objective to reach the 2021 budget consisting in a revenue and Ebitda growth of above 30% y/y.
Innovation and Responsible Production 	<ul style="list-style-type: none"> • Significant investments (over R\$1m) in wastewater treatment to ensure compliant discharge. • Geneseas' sustainable tilapia: Antibiotic-free fish produced originally for the Korin brand in Brazil (10% of the production in 2020). • Geneseas certified by ASC (Aquaculture Stewardship Council). Geneseas and Aquafeed are certified by BAP (Best Aquaculture Practices). 	<ul style="list-style-type: none"> • Wastewater treatment system in compliance. • Geneseas replaced low-efficiency and old engines for high-efficiency engines (IE2 and IE3 models). • Geneseas' project to reduce weight of plastic packaging, with an expected reduction of 7,648 kg of plastic and savings of R\$229k in 2021. • Increase of 16% in energy consumption at Geneseas whereas production grew above 29%. 	<ul style="list-style-type: none"> • Project of cardboard package reduction (shrimp package) tests phase to start in Q1 2021. • Project that aims to reduce the flow at the taps on the filleting and slaughtering tables. Conclusion expected to by the end of Q1.
Climate Action 	<ul style="list-style-type: none"> • Since 2015, Geneseas has started monitoring the use of energy and its greenhouse gas (GHG) emissions using the GHG protocol tool developed by the World Resources Institute. • Part of company's electricity energy demand is acquired from the energy free market from renewable sources (100% of the electric energy consumed by the fish processing plant). • All the wood used in the boilers comes from reforested areas of eucalyptus trees and have biogenic emissions, that are therefore not considered in the total GHG accounting. 	<ul style="list-style-type: none"> • Significant improvement in the GHG report - more comprehensive and accurate data following the training organized by Aqua. 	<ul style="list-style-type: none"> • Target to identify additional energy efficiency and GHG emissions reduction projects, with the support of Aqua's expert professional.

APPENDIX

Aqua Capital E&S indicators

#	INDICATORS	#	INDICATORS
1	Units/Volume produced	17	Energy conservation strategy and initiatives
1a	Change in units/Volume produced	18ab	Greenhouse gas (GHG) emissions: total and intensity
2	Direct economic value distributed (EVD)	19ab	GHG scope 1 emissions and intensity
2a	Operating costs ⁽¹⁾	20ab	GHG scope 2 emissions and intensity
2b	Employee wages and benefits ⁽¹⁾	21ab	GHG scope 3 emissions and intensity
2c	Payments to providers of capital ⁽¹⁾	22ab	Water Used: Total and Intensity
2d	Payments to government ⁽¹⁾	22c	Water conserved (applicable to Ultracheese and Yes) ⁽⁸⁾
2e	Community Investment ⁽¹⁾	23a	Waste generated: packages (applicable to AgroGalaxy)
3a	Full-time employees (FTE): total	23b	Waste recycled and/or reused: packages (applicable to AgroGalaxy)
3b	Part time employees: total	24	Environmental and Social Management System
3c	Full-time employees: female total and percentage	25a	Number of action items completed in the ESAP
4a	Change in job numbers: total and percentage	25b	Number of action items open in the ESAP
4b	Change in job numbers since investment	26	Operational Certifications
4c	Change in job numbers: female total and percentage	27a	Total applicable operating permits
4d	Change in job numbers since investment: female	27b	Operational Permits Pending
5g	Percentage of female directors ⁽²⁾	28	E&S prizes
5h	Percentage of female managers (report to the CEO) ⁽³⁾	29	Child Labor/Forced Labor
6	#of board members - female	30a	Local suppliers
7	Ratio of employees promoted by gender ⁽⁴⁾	30b	Payments to local suppliers
8a/b/c	Ratio of average wage paid to directors by gender ⁽⁵⁾	31a	Client Organizations: Total
8d/e/f	Ratio of average wage paid to managers who report to the CEO by gender ⁽⁶⁾	31b	Client Individuals: Total
8g/h/i	Ratio of average wage paid to managers who do not report to the CEO by gender ⁽⁷⁾	31c	Small farmers
9	Percentage of full-time jobs with benefits	32a	Employee Grievance Mechanisms
10	Fair Hiring/Recruiting/Compensation Practices	32b	External Grievance Mechanism
11	Worker Safety Policy	32c	Complaints and grievances received
12	Occupational fatalities	32d	Complaints and grievances addressed
13	Occupational Injuries	33a	Anticorruption policy or procedure
14	E&S Compliance - fines	33b	FTE trained in anticorruption policies
15	E&S Compliance - non-monetary sanctions	34a	Key positive E&S impacts
16ab	Energy consumption and intensity	34b	Key negative E&S impacts and mitigation
16c	Energy efficiency (quantified gains)	35	Improvement to product safety since investment

Indicators added in 2020 are shown in **bold**.

(1) disaggregated from Indicator #2

(2) calculated from data of indicators 5a and 5d (Number of male and female directors)

(3) calculated from data of indicators 5b and 5e (Number of male and female managers who respond to the CEO)

(4) Ratio of the number of female employees promoted compared to the number of other employees promoted (IRIS PI9467).

(5,6,7) Ratio of the average wage paid to female employees for a specified position, compared to the average wage paid to male employees of the organization for the same position (IRIS OI1855).

(8) Volume of reduced water usage achieved as a result of the organization's water conservation efforts (IRIS OI4015).