



IG4 CAPITAL

ESG Performance Report 2021

October 2022

Introduction

**Our approach
to ESG
investing**

ESG in action

**IG4
Philanthropy**

ESG Committee Letter

We firmly believe that private equity has a fundamental role to play in the creation a more sustainable and better world. IG4 aims to rescue companies in distress and transform them in order to create value in the emerging markets improving their ESG standards, with the view of it being a catalyst in establishing a more sustainable form of capitalism. This was directly reflected in the appreciation of the assets we acquired in a short turnaround time (4-6 years) and in the attraction of large international funds for the long-term financing of our investments. As an example, Iguá Saneamento was evaluated by GRESB ([gresb.com](https://www.gresb.com)) and received ESG scores comparatively above the average of sanitation companies in North America and Europe.

During 2021 we have been moving forward our ESG strategy. We have ESG embedded in all our investment process from the origination idea to the exit of the asset using different international standards such as SASB, FMO and DFI tools together with our own ESG data methodology analysis.

We established an ESG committee of the Board in all the portfolio companies in order to help the company management to accomplish the global IG4 goals and

also, its own material ESG goals prioritized accordingly.

We set up global ambitious ESG goals which need to be fulfilled by all portfolio companies such as being Net Zero by 2040, achieve 45% diversity or Zero corruption as flagship goal.

We are also committed to stewardship and the evolution of best practices in the ESG arena in continuous evolution. That is the reason why we signed at COP26 the Net Zero Asset Managers Initiative (NZAM) and joined the iCI (Initiative per Climate International) being the first Latin-American private equity to do so. Also, we are part of the Investor Alliance for Human Rights and the Workforce Disclosure Initiative Investors Alliance in order to improve our social impact.

We are in the right path to continue improving our ESG agenda. Despite the challenges ahead such as continued social and environmental change, the Ukraine war creating global uncertainty in energy and food supplies and global inflation rates, we are convinced that we can generate positive change in a way that is responsible and leads to positive outcomes for our portfolio companies, our communities and society at large.



Paulo Mattos
*Co-Founder,
Managing
Partner and CEO
at IG4 Capital*



Gustavo Buffara
*Co-Founder,
Managing Partner
and CFO at IG4
Capital*



**Helcio
Tokeshi**
*Managing
Director*



Loy Pires
*Managing
Director*



Gema Esteban
Global Head of ESG

IG4 at a glance

IG4 is a specialist alternative investment manager with a strong track record in generating superior performance with purpose through value creation and ESG integration in **emerging markets** through **private equity** investments in infrastructure and credit solutions instruments.

IG4 worldwide locations

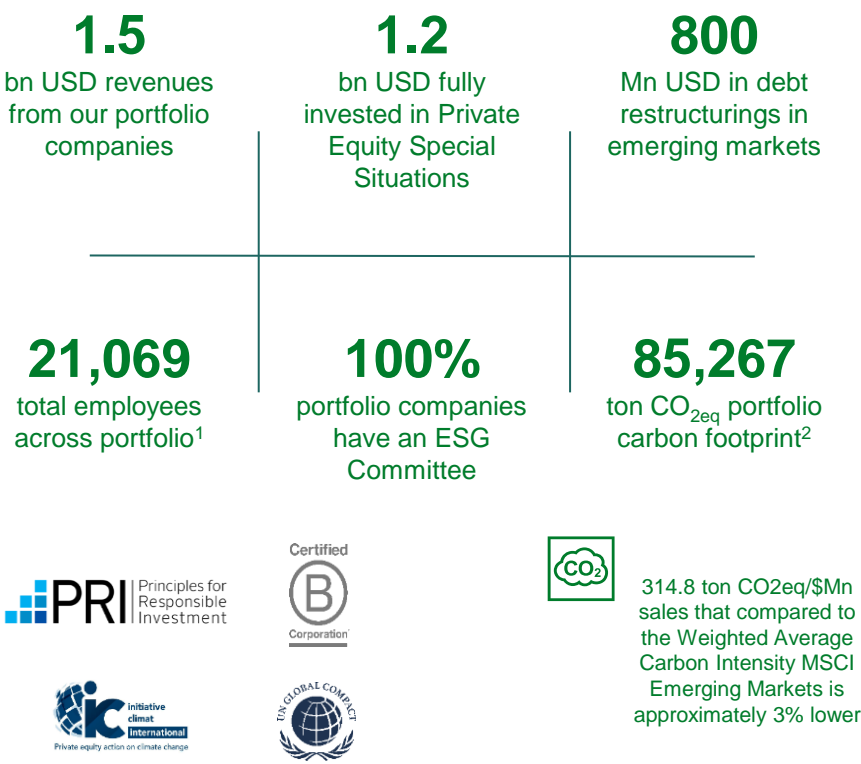


2016
established

34
professionals
worldwide

5
offices in São Paulo,
London, Lima,
Madrid and
Santiago

Key financial and ESG data



¹ Includes data of all portfolio companies. AENZA and Adelco enter IG4 Capital's portfolio at the end of 2021.
² Includes data of three out of five portfolio companies: Iguá, OPY and CLI.
AENZA and Adelco are working in providing more reliable emissions data in future reporting.

2021 ESG evolution

2021, a turning point in our ESG journey



Introduction

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ESG in action

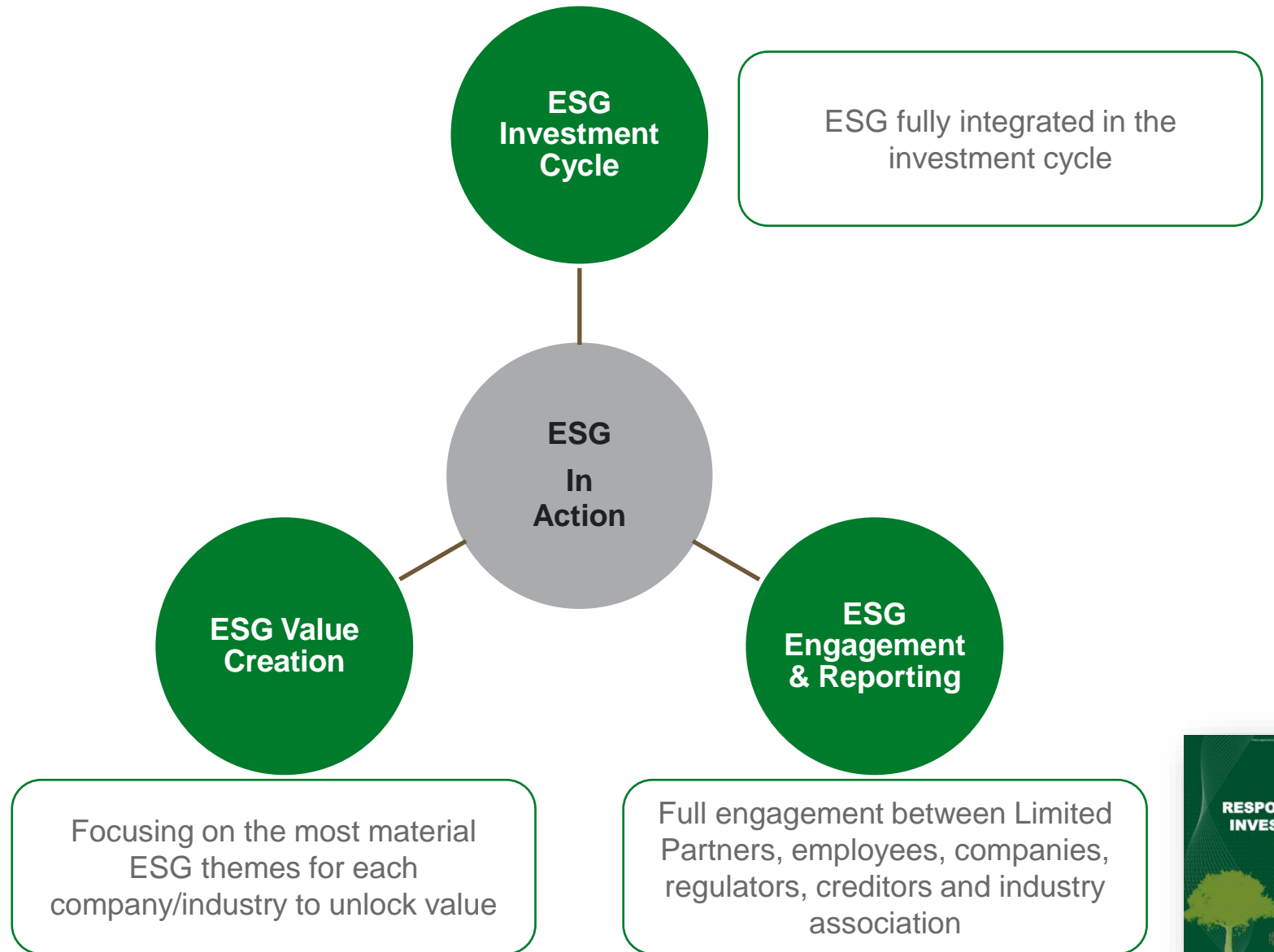
**IG4
Philanthropy**

Strategy: ESG in action

IG4 aims to rescue companies in distress and transform them in order to create value in the emerging markets improving their ESG standards, with the view of it being a catalyst in establishing a more sustainable form of capitalism. Therefore, is crucial to have an integrated investment process where ESG is present throughout the decision-making process.

In order to achieve our investment belief, IG4's portfolio companies need to fulfill sustainability requirements. IG4 is fully committed to ESG guiding principles and supports investees in their integration path and set clear goals and objectives towards the ESG excellence

We acknowledge the importance of being ESG advocates not only inserting it into our company leadership but also participating in key industry alliances which will improve the understanding and maturity in ESG.



ESG Investment Cycle

ESG
Investment
Cycle

ESG
Value
Creation

ESG
Engagement
& Reporting

ESG and sustainability research is fully integrated within a rigorous framework of traditional financial analysis.

Sourcing Opportunities

Screening process carried out in two complementary ways:

- **Assessing long-term macrotrends** to guide strategic investment and analyze potential risks and opportunities
- **Excluding investments** in companies within controversial sectors (alcohol, tobacco, armaments, adult entertainment and gambling, coal mining, etc.)
- We use SDG's and SASB framework to identify the main impact outcomes aligned with the industry and the asset context



Due Diligence & Investment

ESG data is fully integrated into the due diligence phase which is characterized as follows:

- The investment model puts the **same strength into the identification of both material risks and opportunities** for value generation
- We use **SASB, FMO and DFI** tools together with our own **ESG data methodology** analysis in order to understand the starting point of the asset
- Due Diligence assessments follow international benchmarks and are carried out by **external consulting firms**

Holding

Strategy during the holding period is based on **targeted Action Plans** to engage efficiently with portfolio companies. These include:

- **ESG committee of the Board** which help the company management to accomplish the ESG goals
- **ESG part** with corrective, mitigation and opportunity measures
- A **guideline** against which ESG progress is measured with high-level and company-specific KPIs
- **Mandatory annual reporting following GRI, SASB, TCFD**
- **Knowledge and good practices sharing** between portfolio companies



Exit process

IG4 Capital exits a company only when it considers **the full financial potential has been achieved** and it commits to:

- Ensuring a **sustainable long-term ownership** structure into the future
- **Reporting on the impact** of ESG policies and practices on exit valuation
- **Providing guidance to potential buyers** on how to create or preserve value past the exit process and after the primary ESG value levers were pulled

ESG Value Creation Framework

All portfolio companies follow a strict framework of transformation which end game is to unlock value



ESG Engagement & Reporting

ESG
Investment
Cycle

ESG
Value
Creation

ESG
Engagement
& Reporting

We are committed to expand our ESG leadership supporting different initiatives among the industry. In 2017, we became a certified B Corp™. This was the recognition of our relentless focus on sustainability and our approach to building better companies. In 2020 we became a signatory to the Principles for Responsible Investment (PRI) and continues to fully support the PRI's agenda and implement its six Principles.

Finally in 2021 we become a signatory to the UN Global Compact (UNGC), thus making a commitment to doing business responsibly and aligning company strategies and operations with Ten Principles on human rights, labor, environment and anticorruption. Also, we were the first PE in Latin America to become signatory of the PRI endorsed Initiative Climate International (iCI) and is actively working with peers on climate action. In 2021 we signed at the COP26 the Net Zero Asset Managers Initiative.

In 2021 we were the 1st PE worldwide to join the Investment Alliance for Human Rights and the Workforce Disclosure Initiative Investor Alliance, showing our commitment into the social development of all our activities.

We support various reporting initiatives including PRI, UNGC, B Corp and NZAM and also publish an annual report of ESG where we show the progress towards excellence



Member since 2021



Certified since 2017



Only Latam PE firm
Signatory since 2021



Signatory since 2021



Only PE firm



Only PE firm

**NET ZERO
ASSET
MANAGERS
INITIATIVE**

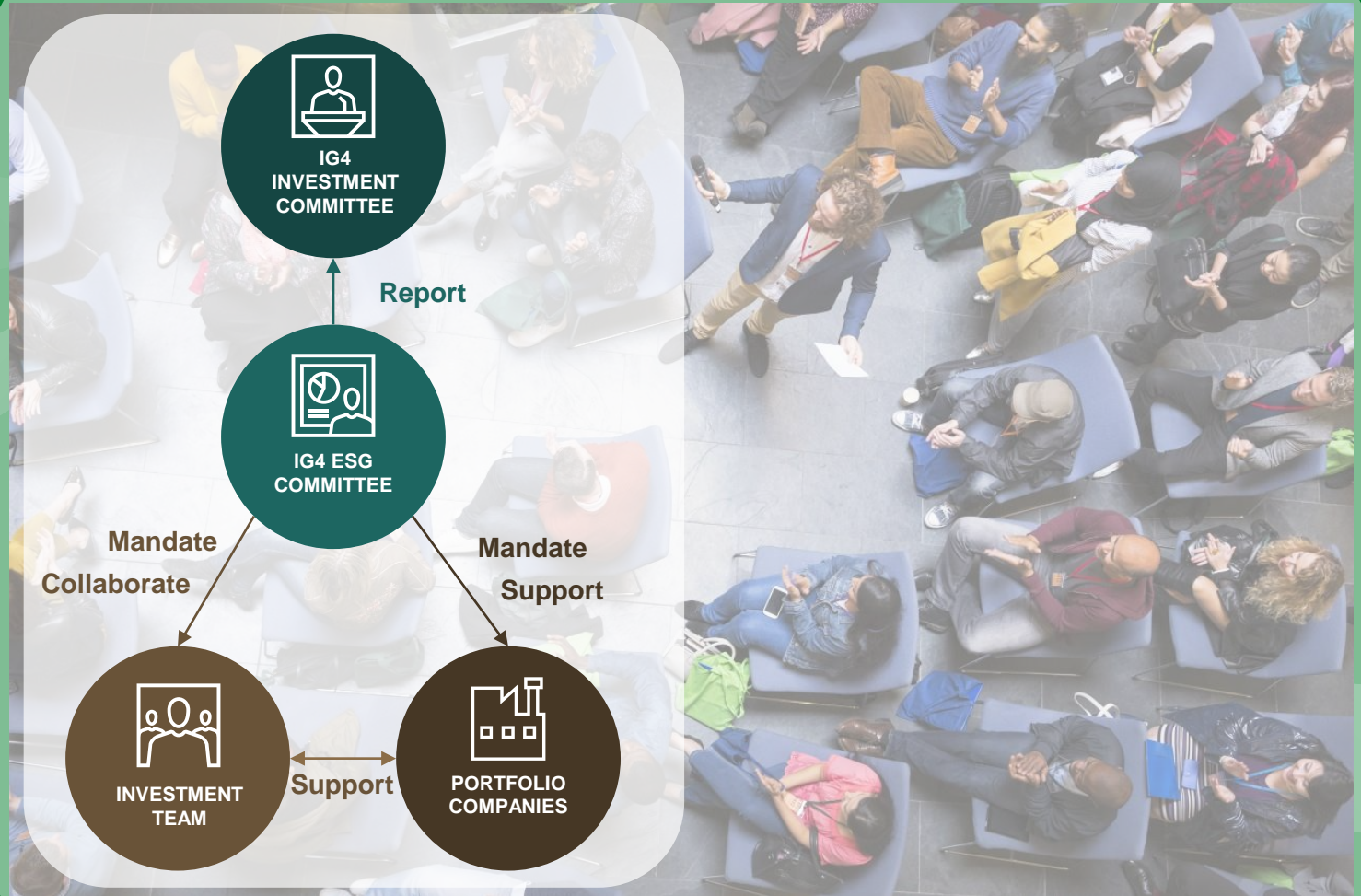


ESG Governance

IG4's CEO in representation of the Investment Committee along with the support of the IG4 partners are the frontrunners for the adoption of responsible investment practices within its investment process.

To be equipped with the internal capacity to deliver on its ESG targets, IG4 has established an ESG Committee led by the Global Head of ESG. The ESG Committee is advising and reviewing the whole investment process for IG4 together with the Investment team.

The Global Head of ESG is the chair of the ESG committees of all the invested companies in order to review and supervise the ESG strategy, agenda and KPIs follow up for all the portfolio companies.



ESG Global Goals for all invested companies

To accomplish superior ESG performance, IG4 has set forth short, medium, and long-term goals

With our flagship goals (see below) we try to ensure that the cost of economic growth do not increase the inequality gap in the society and among the workforce and that the natural capital is managed responsibly. To do so, we incorporate ESG analysis and criteria in all the business processes and investment cycle. To effectively implement it, we put in place concrete environmental, social and governance policies in all our investments.



- Climate Change mitigation and adaptation
- Low carbon economy and Paris Agreement 1.5°C scenario alignment
- Biodiversity protection and restoration



- Human Rights respect & Social Progress
- Diversity, equity and inclusion
- Wellbeing in the workplace



- Top international governance standards
- Maximum ethics and integrity standards

- Net Zero in 2040
- 50% increase energy efficiency projects yoy
- Guidelines on carbon offsetting
- 45% diversity in management positions by 2025
- Great Place to Work in all portfolio companies yoy
- Zero work-related fatalities and low severe incidents rate yoy
- B Corp certified operations in 2024
- 45% Women in boards & Committees in 2025
- 100% of employees trained on ethics & code of conduct by 2022

Agenda 2030 aligned with our flagship goals



IG4 pushes companies to define its ESG and investment strategy based on the most impactful SDGs











IG4 Capital aligns its own goals with the SDGs and **integrates them into the management of its portfolio companies**, which contributes to the accomplishment of the SDGs, directly and indirectly.

We have invested around USD 1 billion in infrastructure assets over the last 5 years in its 5 portfolio companies mainly in water infrastructure, roads, airports, logistics among other hard assets, therefore its pivotal impact is on the **SDG 9**, to “Build resilient infrastructure, promote sustainable industrialization and foster innovation”.

We have outlined **SDG 9, 7, 13, 8, 5 and 16** as our main impact of all our portfolios and specifically, **2, 6 and 15** together with SASB framework to enhance the impact of our individual assets.

IG4 pivotal impact is on SDG 9 through its portfolio companies









Company name	Business description	Primary SDGs	SDGs targets supported
	Private water & sewage operator in Brazil		7.2. By 2030, increase substantially the share of renewable energy in the global energy mix. Net Zero in 2040
	Hospital infrastructure PPP & concession platform in Brazil		7.3. By 2030 double the global rate of improvement in energy efficiency. 50% increase energy efficiency projects yoy
	Grain terminal located on northern coast of Brazil		13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. Concrete guidelines on carbon offsetting
	Leading Peruvian infrastructure concession platform		13.2.2. Integrate climate change measures into national policies, strategies, and planning. Total greenhouse gas emissions per year reduction.
	Leading Chilean food & beverage distributor and logistics warehouse company		5.5.2. Proportion of women in managerial positions.
			8.8.1. Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status.
			16.5. Substantially reduce corruption and bribery in all their forms.

Portfolio companies towards IG4 ESG goals

IG4 Flagship goals performance 2021

New companies in IG4 portfolio during 2021

		 Integrated report assured by EY													
		2020	2021	2020	2021	2020	2021	2020	2021	Goal	Year	2020	2021	2020	2021
Planet	Reduction of energy consumption (%)	-	-0.6%	-	+5.7%	-	+16.5%	-	+0.3%	N/A ²	2040	-	N/A	-	N/A ¹
	Energy intensity (MWh/Mn\$)	1,010.5	748.1	384.6	376.0	73.9	77.4	780.7	620.0	N/A ²	2040	N/A	N/A	N/A ¹	N/A ¹
	GHG Emissions scope 1 + scope 2 (tCO2eq) reduction (%) ¹	-	+25.2% ³	-	+16.5% ³	-	-	-	+25.6%	-100%	2040	N/A ¹	N/A ¹	N/A ¹	N/A ¹
People	Diversity in management positions ⁴	34.0%	41.2%	20.0%	33.3%	50.0%	40.0%	30.8%	38.9%	45%	2025	35.7%	41.1%	5.9%	9.1%
	Great Place to Work in all portfolio companies	Yes	Yes	Yes	Yes	No	Yes	66.7%	100%	100%	YoY	No	No	No	No
	Accident frequency rate ⁵	4.1	3.1	2.3	1.2	0	0	N/A ⁶	N/A ⁶	N/A ⁶	YoY	N/A	N/A	6.5	5.9
Governance	B Corp certified operations	No	No	No	No	No	No	0%	0%	100%	2024	N/A	N/A	No	No
	Women on the board of directors	33.3%	28.6%	0%	25.0%	N/A ⁷	33.3%	20.0%	28.6%	45%	2025	0%	11.1%	N/A ⁷	12.5%
	Employees trained on ethics and code of conduct	0%	97.0%	0%	94.0%	0%	100%	0%	96.6%	100%	2022	N/A	N/A	0%	0%

¹ AENZA and ADELCO are working in providing more reliable environmental data in future reporting.

² These goals will be different for any of the portfolio companies. All these KPIs will contribute to the decarbonization 2040 goal in various ways.

³ The increase in Iguá and Opy's emissions is due to the scarcity of rains in Brazil in 2021, the biggest in 91 years, that caused a reduction in the level of the reservoirs of the main hydroelectric plants in the country and, as a result, the reduction in the supply of hydroelectricity. For this reason, the thermoelectric plants had to be activated to supply the energy demand in the country increasing GHG emissions.

⁴ "Diversity in management positions" includes women and minorities in management positions.

⁵ Accident frequency rate is calculated as follows: (Number of work-related accidents with sick leave / total number of hours worked) * 1,000,000.

⁶ This goal will be different for any of the portfolio companies, due to the different industries they are engaged. Some companies already had own goals for 2021. Iguá: 6.4, CLI: 0, AENZA: 1.4. Adelco and OPY are defining its objective for 2022.

⁷ CLI and ADELCO did not have a Board of Directors in 2020.

⁸ IG4 consolidated data include Iguá, OPY and CLI, given that Adelco and Aenza enter IG4 Capital's portfolio at the end of 2021.

Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please refer to [2021 Iguá Integrated Report](#)

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Portfolio companies' ESG performance at a glance ¹



PLANET

2 out of 3

portfolio companies have an environmental management system in place

620.0

MWh/\$Mn sales

energy intensity within the portfolio

77.1%

of total energy consumption from renewable sources

85,267

ton CO_{2eq}

portfolio carbon footprint (measured)

2040 Goal
Net Zero portfolio



PEOPLE

2,632

employees in the workforce

38.9%

of diversity employees in management positions²

100%

of the portfolio companies have a management system of occupational Health & Safety

47.7

average hours of training per employee

2025 Goal
45% of diversity in management positions²



GOVERNANCE

Zero

reported corruption cases

100%

of the portfolio companies have a Code of Conduct

28.6%

of female directors among the Board of Directors

96.6%

employees trained on ethics & code of conduct

2024 Goal
B Corp certified portfolio



PROSPERITY

\$ 312.7 Mn

Direct economic value distributed by the three portfolio companies







252

Positive impact initiatives implemented or supported by portfolio companies



IG4 CAPITAL

¹ IG4 consolidated data include Iguá, OPY and CLI, given that Adelco and Aenza enter IG4 Capital's portfolio at the end of 2021. / ² "Diversity in management positions" includes women and minorities in management positions.

<div> Integrated report assured by EY</div>			<div></div>		<div></div>		<div>IG4 CAPITAL (portfolio) ²</div>		<div></div>		<div></div>		
Key Performance Indicators			2020	2021 ¹	2020	2021	2020	2021	2020	2021	2020	2021	
Planet	Total energy consumption (MWh)	147,822	146,981	18,340	19,378	1,541	1,796	167,702	168,155	211,201	346,815	N/A ³	N/A ³
	Renewable energy (%)	54.0%	87.7%	0.2%	0.4%	38.3%	32.2%	48.0%	77.1%	N/A	N/A	N/A ³	N/A ³
	Energy intensity (MWh/Mn\$)	1,010.5	748.1	384.6	376.0	73.9	77.4	780.7	620.0	N/A	N/A	N/A ³	N/A ³
	Energy efficiency projects	3	3	0	1	3	1	6	5	N/A	N/A	N/A ³	N/A ³
	GHG emissions, scope 1+2 (tCO2eq)	67,353	84,346	551.8	643.0	-	277.8	67,905	85,267	N/A ³	N/A ³	N/A ³	N/A ³
	Emissions intensity (ton CO ₂ eq /million dollars of net sales)	460.4	429.3	11.6	14.8	-	12.0	350.1	314.8	N/A ³	N/A ³	N/A ³	N/A ³
	Recovered waste (%)	5.0%	10.0%	14.3%	17.8%	9.0%	6.0% ⁴	14.0%	17.2%	23.3%	14.7%	N/A ³	N/A ³
Existence of an environmental management system		No	Yes ⁵	Yes	Yes	Yes	Yes	66.7%	100%	Yes	Yes	No	No
People	Total number of employees	1,512	2,146	284 ⁶	408 ⁶	74	78	1,870	2,632	16,917	18,028	656	409
	Diversity in management positions (%) ⁷	34.0%	41.2%	20.0%	33.3%	50.0%	40.0%	30.8%	38.9%	35.7%	41.1%	5.9%	9.1%
	Number of new hires	368	812	146	215	21	9	535	1,036	N/A	N/A	58	20
	Great Place to Work recognition	Yes	Yes	Yes	Yes	No	Yes	100%	100%	No	No	No	No
	Rate of average remuneration with respect to the national minimum wage	3.4	3.6	2.7	3.9	4.0	4.7	N/A ⁸	N/A ⁸	N/A	N/A	4.9	3.4
	Average hours of training per employee	16.0	51.2	-	37.5	4.9	4.0	13.1	47.7	42.6	45.7	12.3	9.2
	Existence of a management system of occupational H&S	Yes	Yes	Yes	Yes	Yes	Yes	100%	100%	Yes	Yes	No	No
	Accident frequency rate ⁹	4.1	3.1	2.3	1.2	0	0	N/A ¹⁰	N/A ¹⁰	1.2	1.5	6.5	5.9
	Total Recordable Incident Rate (TRIR) ⁹	1.7	1.4	0.5	0.2	0	0	N/A ¹⁰	N/A ¹⁰	0.3	0.4	3.5	3.0
	Severity Rate (SR) ⁹	0.03	0.02	0.00	0.02	0	0	N/A ¹⁰	N/A ¹⁰	0.02	0.19	0.09	0.13
	Total expenditure on suppliers (k\$) ¹¹	97,508	146,133	-	26,818	6,826	12,778	104,335	185,730	976,981	702,341	99,092	64,681
	Suppliers evaluated according to ESG criteria	0	0	0	0	0	42	0	42	680	258	0	0
	Number of impact initiatives/projects supported	32	247	3	5	2	0	37	252	11	10	0	0
Amount invested in NGOs and other positive impact initiatives (\$) ¹¹		55,009	99,775	293,700	241,389	0	2,880	348,709	344,045	55,187	750	0	0
Governance	B Corp certified operations	No	No	No	No	No	No	No	No	N/A	N/A	No	No
	Women in the board of directors (%)	33.3%	28.6%	0%	25.0%	N/A ¹²	33.3%	20.0%	28.6%	0%	11.1%	N/A ¹²	12.5%
	Percentage of independent members in the board of directors	50.0%	42.9%	25.0%	25.0%	N/A ¹²	33.3%	40.0%	35.7%	66.7%	33.3%	N/A ¹	12.5%
	Code of conduct	Yes	Yes	No	Yes	No	Yes	33.3%	100%	Yes	Yes	Yes	Yes
	Anti-corruption policy	Yes	Yes	No	Yes	No	Yes	33.3%	100%	Yes	Yes	No	No
	Existence of whistleblower channel or similar mechanism	Yes	Yes	Yes	Yes	Yes	Yes	100%	100%	Yes	Yes	No	No
	Employees trained on ethics and code of conduct (%)	- ¹³	97.0%	0%	94.0%	0%	100%	0%	96.6%	99.0%	99.0%	0%	0%
Number of confirmed corruption cases		0	0	0	0	0	0	0	0	N/A	N/A	0	0

ESG Progress by Infra Fund in 2021

IG4 Capital Fund I

Portfolio companies



Third largest private water & sewage operator in Brazil

Main ESG Impact:

Improve sanitation and water quality in Brazil



Fund data

IG4 Capital's first fund, which was launched in July 2017, is comprised of Iguá Saneamento that operates through 14 concessions and 4 public-private partnerships.

AUM¹: \$665 Mn

Closing Date: July 2017

Investment Focus: identification of underperforming hard/ real assets to unlock higher and more sustainable returns.



Portfolio companies: 1

Turnover: \$196 Mn

Employees: 2,146

People served annually: +7.0 Mn

Carbon footprint: 84,346 tCO₂e

Highlights

- R\$235mm of debt acquired and converted into equity as well as R\$1.3bn of debt renegotiated.
- Improved the engineering design process: pre-molded carbon steel and aluminum modular structures that are more efficient.
- Increased sewage collection and treatment: From 31.5% to almost 60% in Cuiabá in three years.
- Report on SASB standards (already reported in 2022 Integrated Report)

Main future focus

- Be carbon neutral by 2030 & SBTi certified
- Reduce water losses
- Include biodiversity assessments

¹ Assets under management as of December 31st 2021.

ESG Progress by Infra Fund in 2021

IG4 Capital Fund II

Portfolio companies and main ESG impact



Improve the healthcare sector in Brazil

Foster local economic activity and agricultural production growth, resulting also in jobs creation



Creating sustainable infrastructures in Latin America



Providing quality food for over 16% of Chilean population

Fund data¹

IG4 Capital's second fund is composed of four companies from different sectors. Its launch has been a step forward in IG4's development as a fund manager, expanding its diversification.

AUM²: \$332 Mn

Closing Date: May 2019

Investment Focus: identification of underperforming hard/ real assets to unlock higher and more sustainable returns

Portfolio companies: 4

Turnover: \$1,120 Mn

Employees: 18,923

Carbon footprint: 921 tCO₂e

>800 beds operating

>4,500kt of grains/year

~500,000 pass./day (Line 1 of Lima Metro)

10 distribution centers with >60k sq. meters



Highlights

- The growth plan for OPY includes the purchase of 5 new hospitals in 2022 and 9 other hospitals in the following three years.
- CLI has developed and implemented new safety and health procedures and training.
- AENZA created an ESG Committee, which is led by Gema Esteban, IG4's Global Head of ESG.
- Incorporation of a new management team and development of new, digital based business model in ADELCO.

Main future focus

- Include Living Wages in the DE&I strategy
- Align Governance and Compliance practices with the highest standards

¹ Includes data from the four fund companies, except carbon footprint data which only includes OPY and CLI data.

² Assets under management as of December 31st 2021.

Companies ESG Scorecard - Iguá



Iguá is one of the biggest agents on sanitation sector in Brazil, serving annually **over 7 million people**

A water and wastewater service company with 15 concession contracts and 3 PPPs, with an average remaining term of 29 years.



Date of Investment: July 2017
(+ new recapitalization in 2021)

Stake: 91.3%

Turnover: \$196 Mn

Industry: water and sanitation

Employees: 2,146

HQ: São Paulo, Brazil

2021 Highlights

- GRESB Best Score WW for 1st year on the Water Sanitation sector – ranked in the first quartile and 11 points above global average
- 1st Brazilian company with non-financial reporting verified by a Big Four (EY)
- Adhesion to SBTi with a public commitment to contribute to the scenario of 1.5°C by 2030
- ABCON/ SINDCON Sustentabilidade Award

2022 Challenges

- Use 30% of low-voltage renewable electricity by 2022
- Properly dispose of 95% of all recyclable waste generated in the processes for recycling in 2022
- Integration of TCFD in 2022 Integrated Report

Key performance indicators

35.5%
Loss
reduction

100%
Water
quality

94%
Sewage
quality

**7,900
km**
of water
network

32.3%
Women in
executive
positions

97.0%
Employees
trained in ethics
and code of
conduct

¹ Accident Severity Rate (SR) is calculated as follows: (Lost days due to work-related accidents / Total number of hours worked) * 20,000.

Companies ESG Scorecard - Iguá

Integrated report assured by¹



	Key Performance Indicators	2020	2021	Variation (%)
Planet	GHG emissions, scope 1+2 (tCO ₂ eq)	67,353	84,346	+25.2% ²
	Water treated (m ³)	160,932	163,746	+1,8
	ISH (Water Security Index) ³	-	3.9	-
	Loss Reduction: NRW (non-revenue water) (%)	39.7%	35.5%	-10.6%
	Unaccounted for Water (%)	49.1%	46.0%	-6.4%
	Sewage Sludge destination (%)	0.0%	18.2%	-
	Water Quality (%)	99.3%	99.8%	+0.5%
	Sewage Quality (%)	86.9%	93.6%	+3.7%
	Water interruption ratio ⁴	-	11	-
	Sewage treated (%)	78.1%	81.9%	+4.9%
People	People served annually	Over 6 million	Over 7 million	+16.7
	Social tariff (%) ⁵	0.8%	0.9%	+12.5%
	Diversity in management positions (%) ⁶	34.0%	41.2%	+21.1%
	Great Place To Work score	83	85	+2.4%
	Community engagement score ⁷	-	166,000	-
	NPS (Net Promoter Score)	10	23	+130% ⁸
	Accident frequency rate ⁹	4.1	3.1	-24.0%
	Board diversity (gender + race)	14.3%	33.0%	+131%
Governance	Employees trained on ethics and code of conduct (%)	- ¹⁰	97.0%	-
	Risk management (analysis on climate change)	-	In progress ¹¹	-
	Risk management - Implement the actions planned to mitigate the risk	-	In progress ¹¹	-
	Regulators & government relations (Contract Management Reports)	-	In progress ¹¹	-

Case study: digitalization of the water



Digi Iguá will give customers a control of the consumption focused on sustainability and conservation of resources.

Iguá moves with an eye towards the future of sanitation seeking more sustainable and intelligent alternatives. In 2021 it launched Iguá's digitalization program aiming to integrate technologies into the sector reinforcing its dedication to improving the experience by means of digital solutions, in addition to generating value to the company with more digital and modern processes. Featured innovations are Fluxx.IA and Digi Iguá.



¹ Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please refer to [2021 Iguá Integrated Report](#). ² The increase in Iguá's emissions is due to the scarcity of rains in Brazil in 2021, the biggest in 91 years, causing a reduction in the level of the reservoirs of the main hydroelectric plants in the country and, as a result, the reduction in the supply of hydroelectricity. For this reason, the thermoelectric plants had to be activated to supply the energy demand in the country increasing GHG emissions. ³ This KPI is calculated according to PNSH (National Water Security Plan) methodology by National Agency of Water of Brazil and evaluates four dimensions: human, economic, ecosystem and resilience. The analyzed dimensions, composed of one or more indicators, are formed by a combination of variables and/or measurable attributes and generate the Water Security Index (ISH). The indicators values are classified into five ranges with the attribution of natural numbers from 1 to 5 in descending order of the water security level. ⁴ This KPI is calculated as follows: (Number of complaints for lack of water * 1,000) / Number of active water connections. ⁵ This KPI presents the percentage of customers classified as social tariff, in compliance with the regulations of the concession contracts, as formula: Number of active customers in Social Tariff / Total number of active customers of operations that apply Social Tariff. ⁶ "Diversity in management positions" includes women and minorities in management positions. ⁷ This KPI calculates the number of impacted people, considering 4 people for every 1 person reached by Iguá's social projects (according to data from Ministry of Women, Family and Human Rights - Federal Government, 2018). ⁸ The increase is inline with its goal established by 2025 of having the Net Promoter Score above 60. ⁹ Accident frequency rate is calculated as follows: (Number of work-related accidents with sick leave / total number of hours worked) * 1,000,000. Severity Rate (SR): (Lost days due to work-related accidents / Total number of hours worked) * 1,000. ¹⁰ In 2020 Iguá did not have the platform, which was purchased in 2021, to train their employees in these topics. ¹¹ These governance projects are being developed and they are expected to be implemented by the end of 2022.

Companies ESG Scorecard - OPY Health



OPY Health

The first integrated platform of infrastructure assets and provider of non-medical services to the Brazilian healthcare sector.

Opy Health currently manages two hospitals in Brazil through the companies Opy Metropolitano and Opy Delphina

Date of Investment: February 2020

Stake: 100%

Turnover: \$52 Mn

Industry: Healthcare

Employees: 408 ¹

HQ: São Paulo, Brazil

2021 Highlights

- Definition of the ESG Integration strategy : “OPY WAY”
- Approval of its Code of Conduct
- Approval of its Anti-corruption policy
- Monitoring of OPY Group’s risk map to integrate the ESG risks and opportunities

2022 Challenges

- Climate change strategy goals and decarbonization pathway
- Enhance patient experience practices
- Expand and grow the business

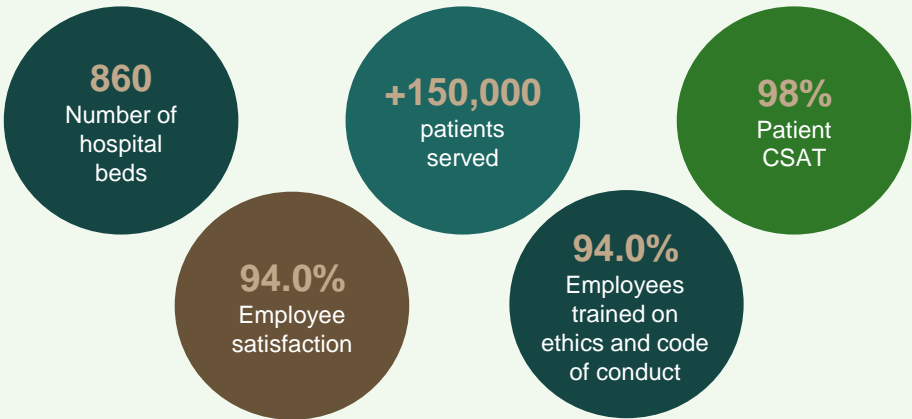


Administrative concession of Hospital Metropolitano Dr. Célio de Castro (Belo Horizonte)



Administrative concession of Hospital Delphina Rinaldi Abdel Aziz (Manaus)

Key performance indicators



¹ Only considered direct employees: 408; subcontracted employees: 913. Total: 1,321.

Companies ESG Scorecard - OPY Health



	Key Performance Indicators	2020	2021	Variation (%)
Planet	Energy intensity by occupied hospital bed (kWh)	28,411	28,697	+1.0%
	Renewable energy (%)	0.2%	0.4%	+55.7%
	GHG emissions, scope 1+2 (tCO ₂ eq)	551.8	643.0	+16.5% ¹
	Recovered waste (%)	14.3%	17.8%	+23.8%
People	Number of hospital beds	852	860	+0.9%
	Number of patients attended	77,446	150,000	+93.7%
	Patient NPS (%) ²	-	93.0%	-
	Patient CSAT (%) ²	-	98.0%	-
	Doctor CSAT (%) ²	-	93.0%	-
	Diversity in management positions ²	20.0%	33.3%	+66.7%
	Employee Satisfaction (%)	95.0%	94.0%	-1,1%
	Hours of training per employee ³	-	11.6	-
Governance	Number of initiatives of community engagement	-	4	-
	Employees trained on ethics and code of conduct (%)	0%	94.0%	-
	Zero tolerance policy for material misconduct ²	No	Yes	-
	% relevant personnel trained in data privacy rules and data protection procedures ²	-	100%	-

¹ In the case of OPY, Scope 2 emissions are not relevant since it refers only to the energy consumption in the holding. Energy consumption in the hospitals are considered Scope 3 and are responsibility of the public authority

² "Diversity in management positions" includes women and minorities in management positions.

³ This KPI was implemented in 2021 as part of OPY's ESG Strategy.

Case study: promoting innovation with OPYNAI



Implementation of Opy's first innovation program, aimed at incentivizing employees to propose innovative ideas that would impact either in (i) more simplicity in internal processes; (ii) more empathy in processes dedicated to the patient experience; (iii) more partnerships to expand or optimize businesses; and (iv) more transformation.

Those four prongs were actual categories in the program and the latter was designed with an ESG focus. Ideas in that category had to maximize innovation, technology use and digitalization, sustainability, economy and/or efficiency gain. The program foresaw awards varying from gift cards to double the meal ticket or double the monthly salary, depending on positive impact, complexity and other criteria made public in a regulation document.

15 employees were awarded in Opynaí and the award ceremony was held in both hospitals with the participation of company's CFO and CEO. Two ideas are worthy of highlight: (i) the replacement of LPG use for natural gas in Manaus (+ transformation); and (ii) fabrication of gowns for obese patients with sheets no longer used (+ empathy).

Companies ESG Scorecard - CLI



CLI

Operation of one of the largest grain terminals in the country as an independent operator (without any link with any shipping agent or carrier).

Date of Investment: December 2020

Stake: 100%

Turnover: \$23 Mn

Industry: logistics (goods transit)

Employees: 78

HQ: São Paulo, Brazil

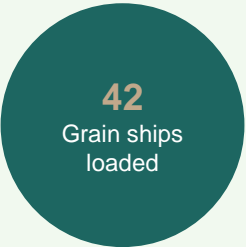
2021 Highlights

- Definition of the ESG Integration strategy
- Obtaining the Great Place to Work recognition
- Development of the Integrity, Diversity and Wellness program
- MAPITO Verde project start

2022 Challenges

- Development of CLI’s decarbonization plan
- “MAPITO Verde” development project
- Definition of a training departmental goal

Key performance indicators



Companies ESG Scorecard - CLI



Key Performance Indicators		2020	2021	Variation (%)
Planet	GHG emissions, scope 1+2 (tCO2eq)	-	277.8	-
	Total energy consumption (MWh)	1,541	1,796	+16.5%
	Certified grains	0	0	-
	Contaminated corn	0	0	-
People	Accident frequency rate ¹	0	0	-
	Severity Rate (SR) ¹	0	0	-
	Community engagement (%) ²	0	0	-
	Diversity in management positions (%) ³	50.0%	40.0%	-20.0%
	Great Place to Work recognition	No	Yes	-
Governance	Women in the board of directors (%)	N/A	33.3%	-
	Number of corruption scandals involving employees and board members	0	0	-
	Employees trained on ethics and code of conduct (%)	0%	100%	-

¹ Accident frequency rate is calculated as follows: (Number of work-related accidents with sick leave / total number of hours worked) * 1,000,000. Severity Rate (SR): (Lost days due to work-related accidents / Total number of hours worked) * 1,000.

² (Total of participants / Total of people in the community) * 100 (IBGE data).

³ "Diversity in management positions" includes women and minorities in management positions.

Case study: Collaboration and advocacy on sustainable agriculture



CLI has an internal project called “MAPITO Verde” to join forces and promote sustainable agriculture culture in the area. It aims to identify initiatives that work on sustainable agriculture culture, and articulate them to

potentiate it. This internal program resulted in institutional support for the “Diálogos para a Soja Sustentável no Corredor Itaquí Initiative”, promoted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, a federal enterprise that supports the federal German government in achieving its international cooperation objectives. Through technical cooperation with Maranhão Government, the initiative aims to bring the theme of sustainable agriculture culture through all stakeholders: government, trading companies, soybean producers, financial institutions and NGOs, connecting the several initiatives that already exist. In Brazil, GIZ’s Agrichains Project works with the soy production chain and with chains of special value for traditional communities, such as babassu, carnauba and jaborandi

Companies ESG Scorecard - AENZA



AENZA

One of the largest infrastructure platforms in Peru active in infrastructure and utilities concessions. It has 88 years of experience operating in 13 countries across Latin America. It also has business units in E&C, O&G and Real Estate industries

Date of Investment: July 2021

Stake: 28.4%

Turnover: \$987 Mn

Industry: Infrastructure

Employees: 18,028 of which 1,628 engineers

HQ: Lima, Perú

2021 Highlights

- New board with 6 non-independent and 3 independent members, including our 1st female board member
- Creation of an ESG Committee
- Reinforcement of internal protocols: Code of Business Conduct, Free Competition Manual, and Anti-Corruption Policy, Donation Process
- Five companies certified by ISO 45001 and ISO 14001

2022 Challenges

- Define an ESG value creation strategy
- Align ESG KPIs with International standards
- Strengthen Risk Management strategy

Key performance indicators

6,179

m³ recycled water used on company activities

32%

Local employees

223

Supplier Due Diligence Evaluations

Since 2013

Listed in NYSE

\$210 Mn⁽¹⁾

Market capitalization

\$1,068 Mn

Revenues as of Q2 2022

\$1,998 Mn

Backlog plus recurrent businesses as of Q2 2022

Since 1997

Listed in Lima Stock Exchange

¹ As of October 13th 2022

AENZA Highlights

Business Units

Through its four business units, AENZA offers differentiated strategies that respond to the needs of each industry



- Leader in the Peruvian infrastructure sector
- 1 rail system
- 3 highways
- 1 residual water treatment plant
- 1 O&M provider



- 3 oil exploration blocks
- 1 gas processing plant
- 5 fuel terminals



- Largest E&C company in Peru
- Operations in Peru, Chile and Colombia
- +88 years of operating history



- One of the largest residential real estate developers in Peru
- Leader in the affordable housing segment

Case study: positioning in sustainability indexes

S&P/BVL Peru General Index



AENZA integrates the first sustainability index of the Peruvian market of S&P/BVL Peru General Index.

AENZA is one of the companies that make up the new index of S&P Dow Jones Indices and the Lima Stock Exchange BVL. The S&P/BVL Peru General Index, Peru's main stock market index, selects companies using criteria based on ESG (environmental, social and corporate governance) performance. With this inclusion, AENZA reaffirms its commitment to good corporate governance and the highest standards of social and environmental performance.



Companies ESG Scorecard - ADELCO



ADELCO

Adelco is the largest consumer goods distributor in Chile. The company has over 45 years of experience in the sector, servicing over 30,000 clients via its 10 distribution centers

Date of Investment: November 2021

Stake: 50%

Turnover: \$58 Mn

Industry: logistics

Employees: 409

HQ: Santiago, Chile

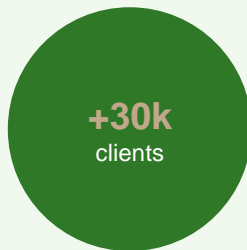
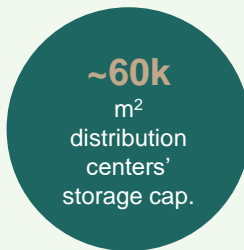
2021 Highlights

- Creation of an ESG Committee
- Definition of an ESG Master Plan

2022 Challenges

- More reliable recompilation of environmental indicators
- Implementation of an ESG Committee
- Definition of ESG metrics linked to executive compensation

Key performance indicators



Introduction

**Our approach
to ESG
investing**

ESG in action

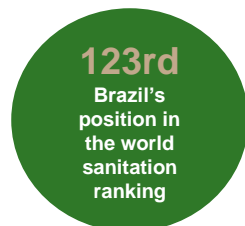
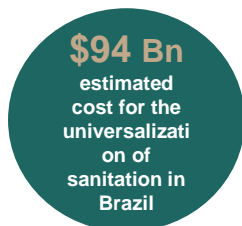
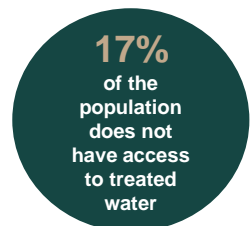
**IG4
Philanthropy**

IG4 Philanthropy

IG4 is committed to social development and promotes philanthropic activities among its investee companies.



Founded to help universalize sanitation in Brazil by driving innovation in the sector, promoting education for sustainable development and acting as a catalyst for systemic change, working in partnership with other sector players and multiplying the impact of its activity.



Main projects in 2021

“Aliança Água + Acesso” Program

The alliance was launched in 2017 and is led by a group of companies, institutes, and civil society organizations that cooperate to expand access to safe and sustainable water in rural areas and communities throughout Brazil. By 2021, the 16 allied organizations have already positively impacted more than 164,000 people in 8 semi-arid states and the Amazon, 100 cities and 373 communities. The program also evaluated 114 different water systems technologies and tested 7 of them. For more information: www.aquamaisacesso.com.br

Lab Community in Vila Moraes

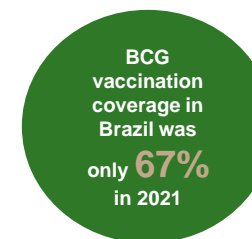
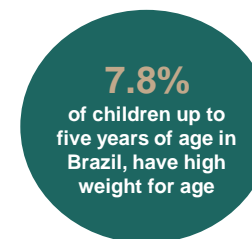
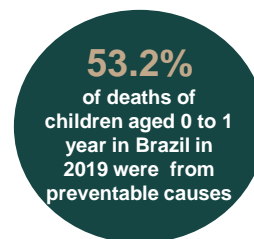
The proposal of Instituto Iguá and its partners is to make Vila Moraes a Lab Community by implementing accessible, sustainable, innovative and decentralized technologies for the collection and treatment of sewage, as well as by involving the community in its implementation and management. The project has the goal to become a reference model that allows its replication in many similar communities throughout Brazil.

Ipu Fund – Water & Sanitation Venture Philanthropy

Instituto Iguá Implemented the 1st Venture Philanthropy fund in Brazil focused on SDG 6 solutions. Ipu is a Revolving Philanthropic Fund, based on the concepts of Venture Philanthropy, which provides support to organizations that offer strong socio-environmental solutions for Water and Sanitation, through the provision of financial resources (patient capital), tailored acceleration and impact assessment. By 2021, Ipu raised US\$ 100.000 and mobilized 7 co-investors, benefiting 3 startups (greentechs). For more information: www.ipuventures.com.



Created in August 2021 with a focus on care for the first 1000 days of life and prevention of chronic non-communicable diseases, we identify solutions and technologies that already exist, working in an articulated manner to improve primary care services.



Main projects in 2021

Experiencias que Alimentam II

In partnership with CREN - Nutrition Education and Recovery Center, the project expands food and nutrition education actions in early childhood school environments. It mobilizes educators and other early childhood education professionals, families, and children in building and changing eating habits.

Impulso Previne

Impulso Previne is a free digital platform to assist in the management of the Previne Brazil Program, of the Ministry of Health. It connects data analysis directly with municipal health financing. The platform compiles and translates this data in an accessible way, allowing the monitoring of these primary care indicators, so that the municipalities can identify the most serious problems to be prioritized.

Future Priorities

The Opy Institute wants to consolidate its performance as an organization focused on improving public health, and therefore, in 2022, intends to expand its partnerships and mobilize national and international resources.

It maintains the purpose of working to improve health indicators in the First Thousand Days, to strengthen primary care as a health promoter, to promote projects and technologies for the care of pregnant women and children, and the formation of healthy eating habits.

**Annex I: Key
Performance
Indicators**







**Annex II:
Other KPIs'
information**

Annex I: Key Performance Indicators



Planet

New companies in IG4 portfolio during 2021

KPIs 2021	 Integrated report assured by EY ¹	 data from Opy Metropolitano, Opy Delphina + OPY health		 IG4 CAPITAL (portfolio) ²	 AENZA	 ADELCO
Existence of a certified environmental management system	Yes ³	Yes	Yes	100%	Yes	No
Number of energy efficiency projects	3	1	1	5	N/A	N/A ⁴
Total energy consumption (MWh)	146,981	19,378	1,796	168,155	346,815	N/A ⁴
Energy intensity (MWh per million dollars of net sales)	748.1	376.0	77.4	620.0	N/A	N/A ⁴
Renewable energy (% energy consumption)	87.7%	0.4%	32.2%	77.1%	0%	N/A ⁴
GHG Emissions, scope 1 + 2 (ton CO _{2eq})	84,346	643.0	277.8	85,267	N/A ⁴	N/A ⁴
Emissions intensity (ton CO _{2eq} per million dollars of net sales)	429.3	14.8	12.0	314.8	N/A ⁴	N/A ⁴
Waste generation (tonnes)	22,869	998,004	32,971	1,053,844	33,635	N/A ⁴
Recovered waste (%)	10.0%	17.8%	6.0%	17.2%	14.7%	N/A ⁴
Water consumption (m ³)	72,934,000	111,105	374	73,045,479	2,063,871	N/A ⁴

¹ Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please refer to [2021 Iguá Integrated Report](#)

² IG4 consolidated data include Iguá, OPY and CLI, given that Adelco and Aenza enter IG4 Capital's portfolio at the end of 2021.

³ Iguá has already ISO 14001 for SPAT Saneamento operation, a 15-year public-private partnership with Companhia de Saneamento Básico do Estado de São Paulo (SABESP), which covers 4.2 Mn people. The implementation of the management system in all Iguá's operations started in 2022 and the deadline for completion is March 2023.







⁴ AENZA and ADELCO are working in providing more reliable environmental data in future reporting.

Annex I: Key Performance Indicators

People



New companies in IG4 portfolio during 2021

KPIs 2021	 Integrated report assured by EY ¹	 data from Opy Metropolitano, Opy Delphina + OPY health		 IG4 CAPITAL (portfolio) ²		
Number of employees	2,146	408 ³	78	2,632	18,028	409
Women in the workforce (%)	24.7%	55.4%	20.5%	29.4%	10.2%	18.3%
Diversity in management positions (%) ⁴	41.2%	33.3%	40.0%	38.9%	41.1%	9.1%
Employees with disability (%)	2.0%	3.2%	1.3%	2.2%	N/A	1.0%
Permanent contracts (%)	100%	99.0%	96.2%	99.7%	N/A	98.5%
Voluntary turnover (%)	6.0%	10.5%	5.1%	6.7%	N/A	75.3%
Involuntary turnover (%)	9.0%	11.5%	5.1%	9.3%	N/A	13.0%
Number of new hires	812	215	9	1,036	N/A	20
Existence of a Health & Safety Management system	Yes	Yes	Yes	100%	Yes	No
Number of work accidents with sick leave	25	1	0	26	63	6
Hours of training	109,820	15,309	314	125,443	824,523	3,754
Percentage of employees involved in training courses (%)	88.7%	-	100%	75.3%	100%	82.9%

¹ Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please refer to [2021 Iguá Integrated Report](#)

² IG4 consolidated data include Iguá, OPY and CLI, given that Adenco and Aenza enter IG4 Capital's portfolio at the end of 2021.

³ Only considered direct employees: 408; subcontracted employees: 913. Total: 1,321.







⁴ "Diversity in management positions" includes women and minorities in management positions.

Annex I: Key Performance Indicators



Governance

New companies in IG4 portfolio during 2021

KPIs 2021	 Integrated report assured by EY ¹	 data from Opy Metropolitano, Opy Delphina + OPY health		 IG4 CAPITAL (portfolio) ²	 
Women on the board of directors (%)	28.6%	25.0%	33.3%	28.6%	11.1% 12.5%
Independent members in the board of directors (%)	42.9%	25.0%	33.3%	35.7%	33.3% 12.5%
Number of meetings of the Board of Directors	17	31	12	60	28 1
Existence of an ESG Committee	Yes	Yes	Yes	100%	Yes Yes
Existence of Code of Conduct	Yes	Yes	Yes	100%	Yes Yes
Existence of a whistleblower channel	Yes	Yes	Yes	80%	Yes No
Number of confirmed corruption cases	0	0	0	0	N/A 0
Number of Human Rights violation cases	0	0	0	0	4 0
Employees trained on ethics and code of conduct (%)	97.0%	94.0%	100%	96.6%	99.0% 0.0%
B Corp certification	No	No	No	0%	N/A No

¹ Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please see [2021 Iguá Integrated Report](#)







² IG4 consolidated data include Iguá, OPY and CLI, given that Adelco and Aenza enter IG4 Capital's portfolio at the end of 2021.

Annex I: Key Performance Indicators



Prosperity

New companies in IG4 portfolio during 2021

KPIs 2021	 Integrated report assured by EY ¹	 data from Opy Metropolitano, Opy Delphina + OPY health		 IG4 CAPITAL (portfolio) ²		
Net sales (k\$) ³	196,482	51,535	23,210	271,228	987,114	58,150
Direct economic value generated (k\$) ^{3 4}	196,878	52,557	23,359	272,793	987,114	58,169
Direct economic value distributed (k\$) ^{3 5}	231,700	61,598	19,416	312,714	944,136	73,972
EBITDA (k\$) ³	56,667	26,863	14,762	98,292	113,075	-17,714
Expenditure on local suppliers (%)	98.7%	71.0%	100%	94.8%	17.1%	98.6%
Number of impact initiatives / projects supported	247	5	0	252	10	0
Amount invested in NGOs and other positive impact initiatives (\$) ³	99,775	241,389	2,880	344,045	N/A	0
Average annual remuneration of employees (\$) ³	8,805 ⁶	9,520	11,427	9,281	N/A	17,878
Rate of average remuneration with respect to the national minimum wage	3.6 ⁶	3.9	4.7	N/A ⁷	N/A	3.4

¹ Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please see [2021 Iguá Integrated Report](#)

² IG4 consolidated data include Iguá, OPY and CLI, given that Adelco and Aenza enter IG4 Capital's portfolio at the end of 2021.

³ Conversion from BRL to USD based on 2021 average exchange rate: 0.1857 USD; PEN to USD: 0.2501; CLP to USD: 0.0013.

⁴ Direct economic value generated considers net sales, revenues from financial investments and asset sales (tangible and intangible).

⁵ Direct economic value distributed considers operating costs, employees wages and benefits, payments to providers of capital, total payments to government (taxes) and community investments.

⁶ Iguá's data only considers the fixed salary.

⁷ This indicator does not apply at a consolidated level.

Annex II: Other KPIs' information – footnotes from IG4 ESG goals progress slide

¹ Iguá 2021 non-financial information is assured by EY, except GHG emissions indicators. For more information, please refer to [2021 Iguá Integrated Report](#)

² IG4 consolidated data include Iguá, OPY and CLI, given that Adelco and Aenza enter IG4 Capital's portfolio at the end of 2021.

³ AENZA and ADELCO are working in providing more reliable environmental data in future reporting.

⁴ In 2020 CLI had a large amount of metal to recycle due to internal process. In 2021 CLI reduced this material, so that the percentage of recovered waste has decreased.

⁵ Iguá has already ISO 14001 for SPAT Saneamento operation, a 15-year public-private partnership with *Companhia de Saneamento Básico do Estado de São Paulo* (SABESP), which covers 4.2 Mn people. The implementation of the management system in all Iguá's operations started in 2022 and the deadline for completion is March 2023.

⁶ Only considered direct employees. 2020 – Direct employees: 284; subcontracted employees: 834. Total: 1,118.
2021 – Direct employees: 408; subcontracted employees: 913. Total: 1,321.

⁷ "Diversity in management positions" includes women and minorities in management positions.

⁸ This indicator does not apply at a consolidated level.

⁹ Accident frequency rate is calculated as follows: (Number of work-related accidents with sick leave / total number of hours worked) * 1,000,000.

Total Recordable Incident Rate (TRIR): (Total number of work-related accidents / Total number of hours worked) * 200,000.

Severity Rate (SR): (Lost days due to work-related accidents / Total number of hours worked) * 1,000.

¹⁰ This indicator will be different for any of the portfolio companies, due to the different industries they are engaged. Some companies already had own goals for 2021. Iguá: 6.4, CLI: 0, AENZA: 1.4. Adelco and OPY are defining its objective for 2022.

¹¹ Conversion from local currency to USD based on 2020 and 2021 average exchange rate. 2020 - BRL to USD: 0.1958; PEN to USD: 0.2759; CLP to USD: 0.0013 / 2021 - BRL to USD: 0.1857; PEN to USD: 0.2501; CLP to USD: 0.0013.

¹² CLI and ADELCO did not have a Board of Directors in 2020.

¹³ In 2020 Iguá did not have the platform, which was purchased in 2021, to track the training to their employees in these topics.



IG4 CAPITAL

IG4 Capital ESG Performance Report 2021