



**Annual Impact**  
Report  
**2022**



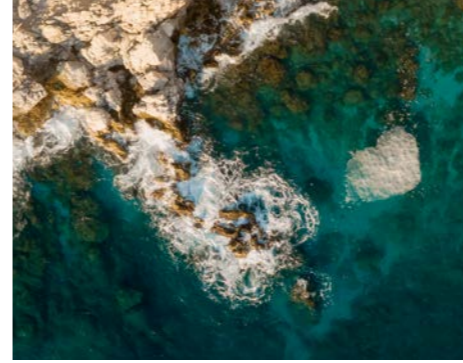
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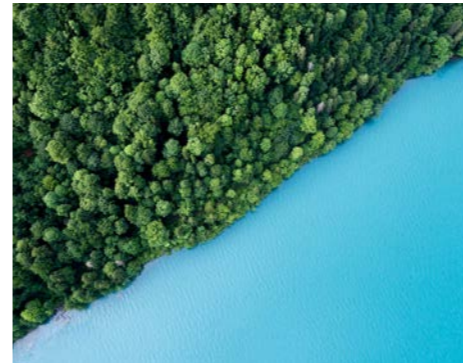
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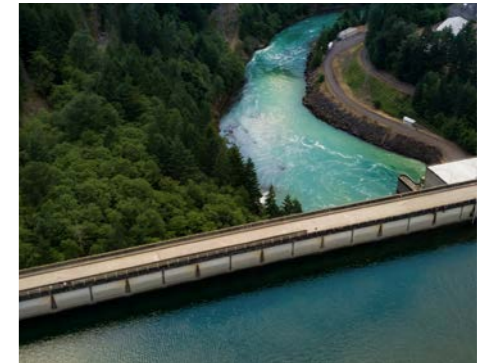
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# 2022 HIGHLIGHTS



## 2022 Highlights

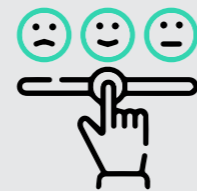
We are not just proud, but deeply humbled by our 2022 achievements. They serve as resounding echoes of our ethos - an ethos that speaks of not only 'doing better' but 'being better'. Every decision made, every milestone achieved, was underpinned by a holistic vision that prioritized each and every stakeholder. We focus on financial returns by aligning our growth trajectory with positive environmental impacts; we are investing in solutions and in the future. At a time when our planet's cries grow more urgent due to the challenges of climate change, we have chosen to be part of the solution, to be the beacon of change.

With unwavering commitment to a brighter future, we diligently monitor the greenhouse gas (GHG) emissions across Scope 1, 2, and 3, including those emerging from our esteemed portfolio companies. Our vision doesn't stop there. We proudly track the positive strides made by our investments - celebrating every ton of emissions the products and services of our chosen companies prevent.

On the social front, we champion diversity and inclusion. We're inspired daily by the rising number of women taking the helm in the workforce and leadership roles. Beyond the numbers, we deeply value the voice of every individual. Every report received and addressed through our companies' whistleblowing channels and the feedback from organizational climate surveys form the heartbeat of our continuous journey towards excellence and integrity.

**68.43 tCO<sub>2</sub>**  
per R\$ 1.00 invested<sup>1</sup>

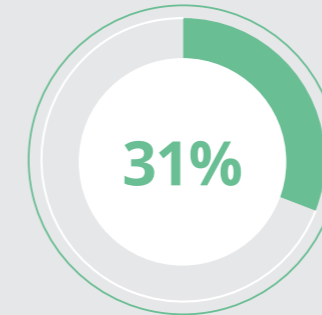
**1,091,825.23 tCO<sub>2</sub>**  
avoided emissions<sup>2</sup>



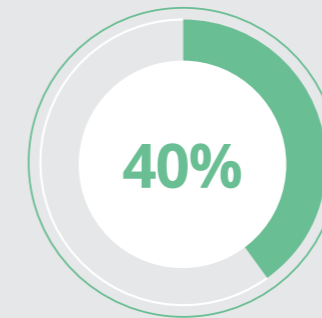
**5 out of 7 companies** have carried out an organizational climate survey in 2022



**6 out of 7 companies** have a Whistleblowing Channel manage by a third party



**31%**  
of women in leadership positions



**40%**  
of women in the workforce



**26 refugees and immigrants** in the workforce



1. For this calculation, the Scope 1 and Scope 2 emissions of the portfolio companies were considered, proportionate to the fund's equity stake in each investment

2. Total CO<sub>2</sub>e emissions avoided through the products and services provided by the companies in the portfolio.

# Our portfolio

GEF

		Investment Date	Main SDG
	Automation, supervision and control solutions for customers and assets in power generation, transmission and distribution.	August 2022	 
	Solar power generation and business model available for franchises.	June 2022	 
	Rental of medical equipment.	December 2021	 
	Production and distribution of precision agriculture equipment.	June 2021	 
	Energy storage solutions, focus on stationary and portable batteries.	July 2019	   
	Energy generation from landfill biogas.	February 2018	 
	Vertically integrated energy efficiency solutions that provide LED lighting resources.	May 2017	 
	Logistics services for Health and Nutrition market.	May 2016 <i>Exit: December 2019</i>	 
	Sustainable construction through innovative methods and advanced technologies.	December 2015 <i>Exit: January 2020</i>	 



**LETTER**  
FROM  
THE TEAM

As we navigate through these transformative times, it is with profound gratitude and enthusiasm that we reflect upon the strides made by GEF Capital Partners Latam (GEF Latam) in the year 2022.

From our inception in 2018, our compass has been unwaveringly pointed towards a future solidified by sustainable initiatives. Today, more than ever, we stand shoulder to shoulder with enterprises that spearhead solutions to the pressing climate challenges.

We believe in Brazil to be part of the solution. Its rich tapestry of landscapes, each bearing unique challenges of climate change, is akin to a puzzle that demands bespoke solutions. The very forces that have historically amplified our environmental challenges now paradoxically find themselves at the receiving end of climate change's harsh realities. Finding creative solutions will support sustainable growth and help the country to be a leader of change.

The country's journey towards true sustainability is paved with intricate environmental and social considerations. It is within this multifaceted theatre of challenges that GEF Latam emerges, not as a spectator, but as a catalyst for change.

Our investments are not just transactions; they're firm handshakes with the future, promising sustainable solutions and fostering resilience. Our diligent endeavors have been rewarded with robust results across our investment portfolios, crafting stories of resilience and sustainability, hand in hand with prosperity.

Our philosophy is etched in continuous improvement, be it in refining our investment strategy, fortifying our portfolio companies' ESG practices, or championing businesses that bring about ripple effects of positive change. The achievements of 2022 are not solely ours. They bear the fingerprints of our passionate team,

the faith of our investors, and the relentless drive of the companies we support.

The symphony of collaboration, we believe, is the anthem of a sustainable tomorrow. As we set our sights on 2023 and beyond, we eagerly anticipate the symphonies we shall compose together.

As Marie Curie implies, we improve as individuals and as firm but with shared responsibility for humanity. We live by the ethos of being "every day better".

We thank all our stakeholders for being a pivotal part of our journey. With gratitude and vision, we wish you great reading.

### **GEF Latam Team**



*"You cannot hope to build a better world without improving the individuals. To that end, each of us must work for his own improvement and, at the same time, share a general responsibility for all humanity."*

**Marie Curie**



**GEF**  
**CAPITAL**  
PARTNERS  
LATAM



## Who are we?

Since 2018, GEF Capital Partners works to build a more sustainable future for the world. We are a private equity fund manager focused on investing in companies that have a relevant role in generating positive environmental and social impacts.

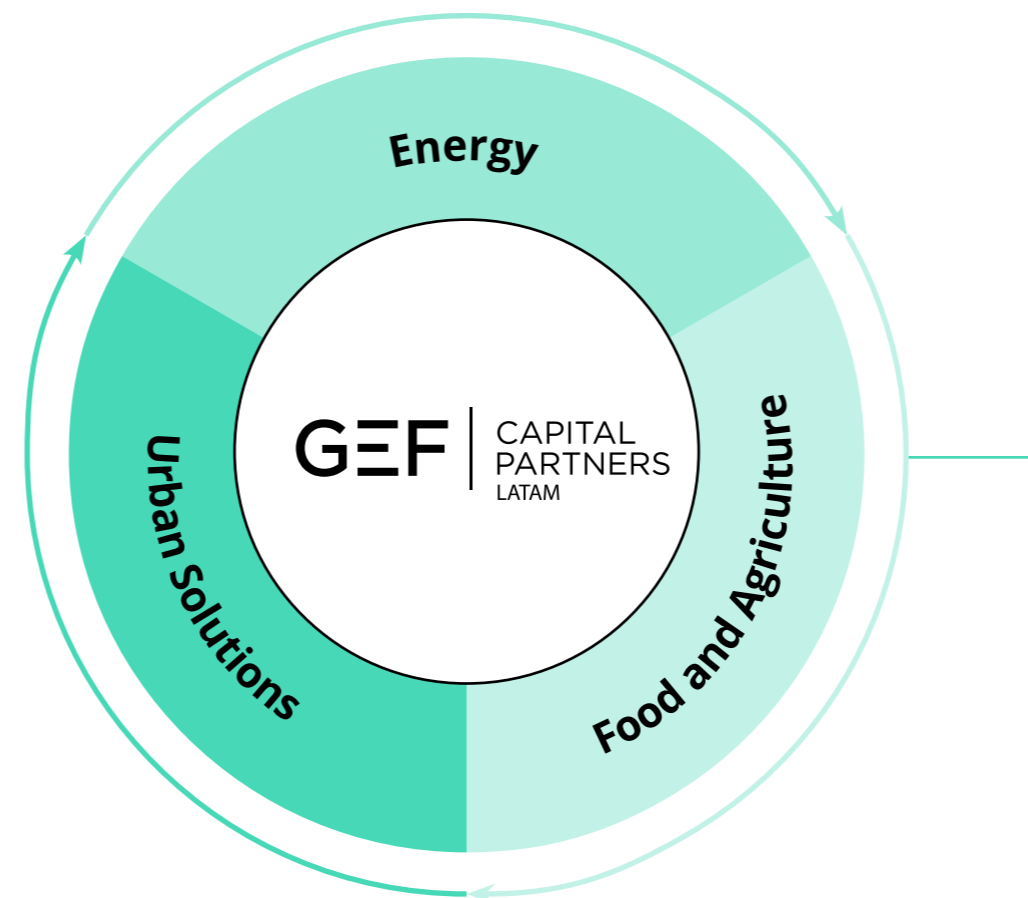
In the pulsating heart of Brasil, GEF Capital Partners Latam stands as a beacon of transformative change. We are more than just investors; we are stewards, passionately seeking opportunities that intertwine financial prosperity with environmental vitality. With every investment, we aim not merely for economic growth, but for a richer, greener tapestry for our world. Amidst the vibrant landscapes and diverse cultures of Latin America, we aspire to weave a legacy of sustainable prosperity that echoes through generations.

The firm was formed after the completion of a collaborative spinout from the Global Environment Fund, a global pioneer in responsible and sustainable investing in key emerging markets and in the US. Today, we work to build on that legacy.



## What do we do?

We are always looking for companies that have efficient and innovative solutions in three main areas:



## How does it work in practice?

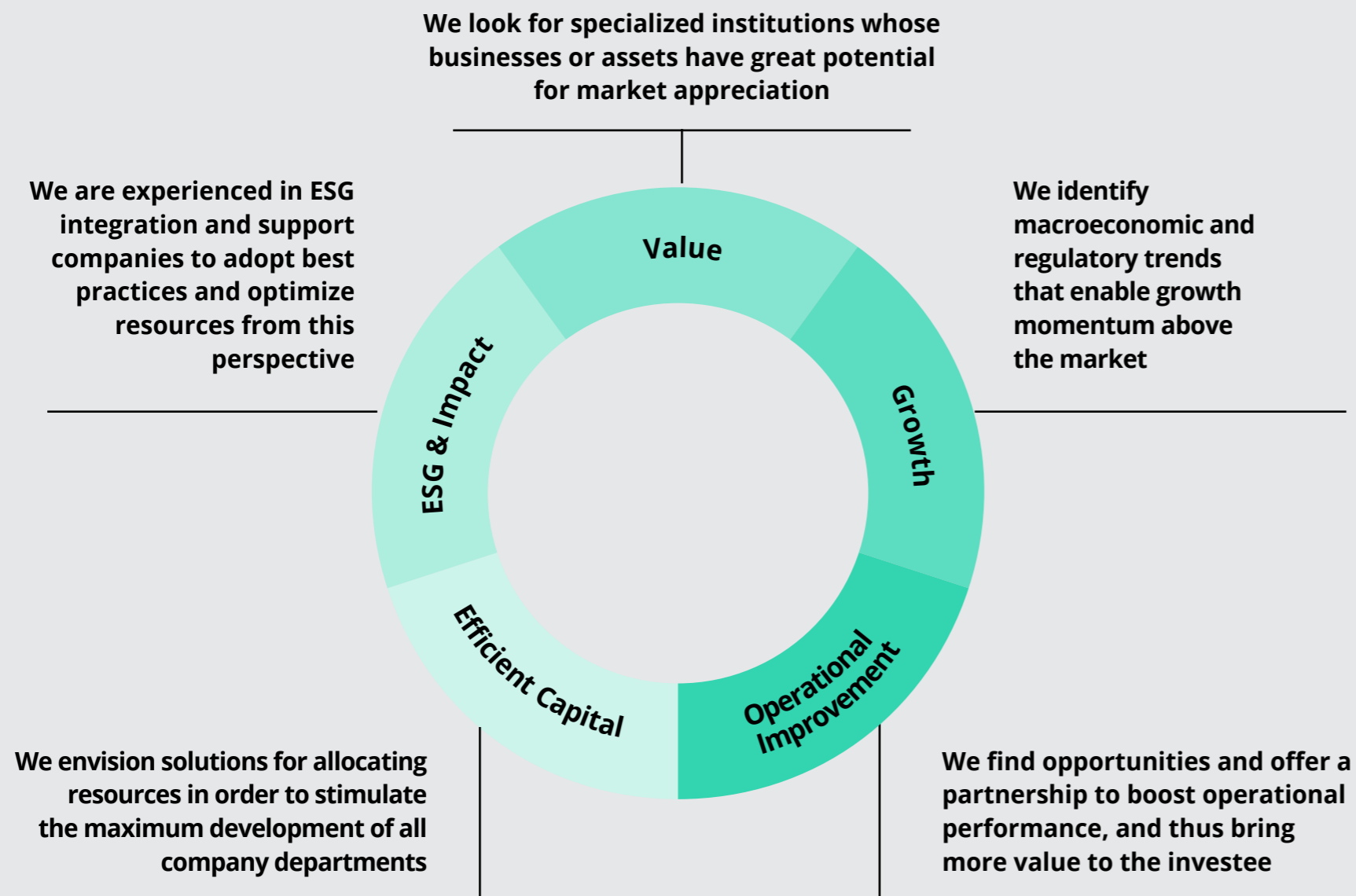
We want to invest our capital to produce more with less resources. Our investment approach is based on **two main criteria to filter opportunities**:

**1** Operate in a market with potential to achieve solid growth and financial returns above the market average.

**2** Have a positive impact on the environment by contributing to solutions to challenges due to climate change.

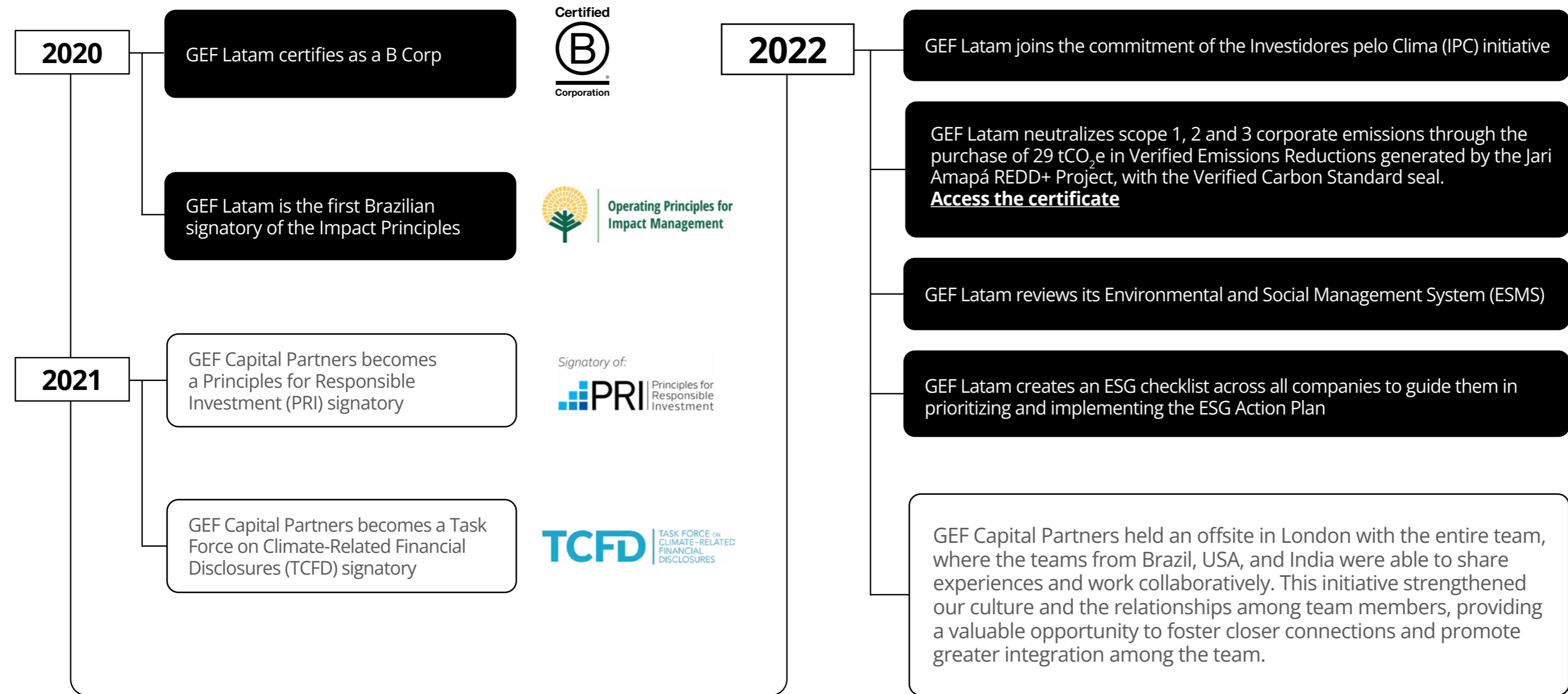
# Commitment to the Future

In addition to having a local team composed of people with complementary skills to support the entire investment cycle, from fundraising to the exit of portfolio companies, we rely on the accumulated experience and knowledge of a global team. We add our experience to a continuous work of building a close and collaborative relationship with companies, always seeking to bring benefits to all stakeholders. We can define our work in 5 pillars:



# Every day better

The ESG integration and the impact analysis of our investments are supported by the main global standards, and we are always seeking to evolve our practices.



*“You cannot get through a single day without having an impact on the world around you. What you do makes a difference, and you have to decide what kind of difference you want to make.”*

**Jane Goodall**

# Investment Thesis

## Macrotrends and Investment Thesis

Major global challenges are major opportunities for financial returns with environmental and social outcomes. Our investment approach is based on an understanding of the opportunities and demands generated by **three global macrotrends**:



**Climate change**



**Population growth and aging**



**Urbanization**

## Impact and return

Along with these inevitable macrotrends, the planet needs to establish clean energy generation and optimize the use of natural resources and food production. Also, find and develop alternatives for climate adaptation and the needs of a larger and older population, which means one that consumes more, generates more waste and emits more GHG.

GEF Latam seeks business models that understand these demands and propose solutions to mitigate the materialization of the risks mentioned, as well as others such as biodiversity loss, water crisis, and environmental disasters. In doing so, we also ensure the creation of shared value and the improvement of current and future quality of life.

The objective is to invest in industries well-positioned to take advantage of opportunities arising from three clustered megatrends: **energy; urban solutions; food and agriculture**.

## Clean Energy and Efficient Use

Critical to the functioning of the world today – **and key to envisioning the future** – energy accounts for 75% of global GHG emissions, according to 2020 data from the Climate Watch Data website. Rethinking its source, optimizing its efficiency, and investing in storage technologies is both an opportunity and a necessity.

According to the International Renewable Energy Agency, energy efficiency, renewable energy, and changes in energy service demands can account for over 90% of the necessary CO<sub>2</sub> emissions reductions to achieve the target of 1.5°C above pre-industrial levels proposed by the Paris Agreement.

Although the Brazilian energy matrix is already considered clean compared to the rest of the world, there are still possibilities for significant improvements. Brazil has high rates of solar radiation, ranging from 4.15 to 6.12 kWh/m<sup>2</sup>/day, according to data from the Global Solar Atlas, while the rest of the world remains within the range of 2.10 to 7.41 kWh/m<sup>2</sup>/day. Additionally, according to the *Associação Brasileira de Energia Eólica (ABEEólica)*, our wind energy potential is 1,500 GW, which is sufficient to supply almost twice the national demand of 2022, estimated at 800 GW by the *Câmara de Comercialização de Energia Elétrica (CCEE)*.

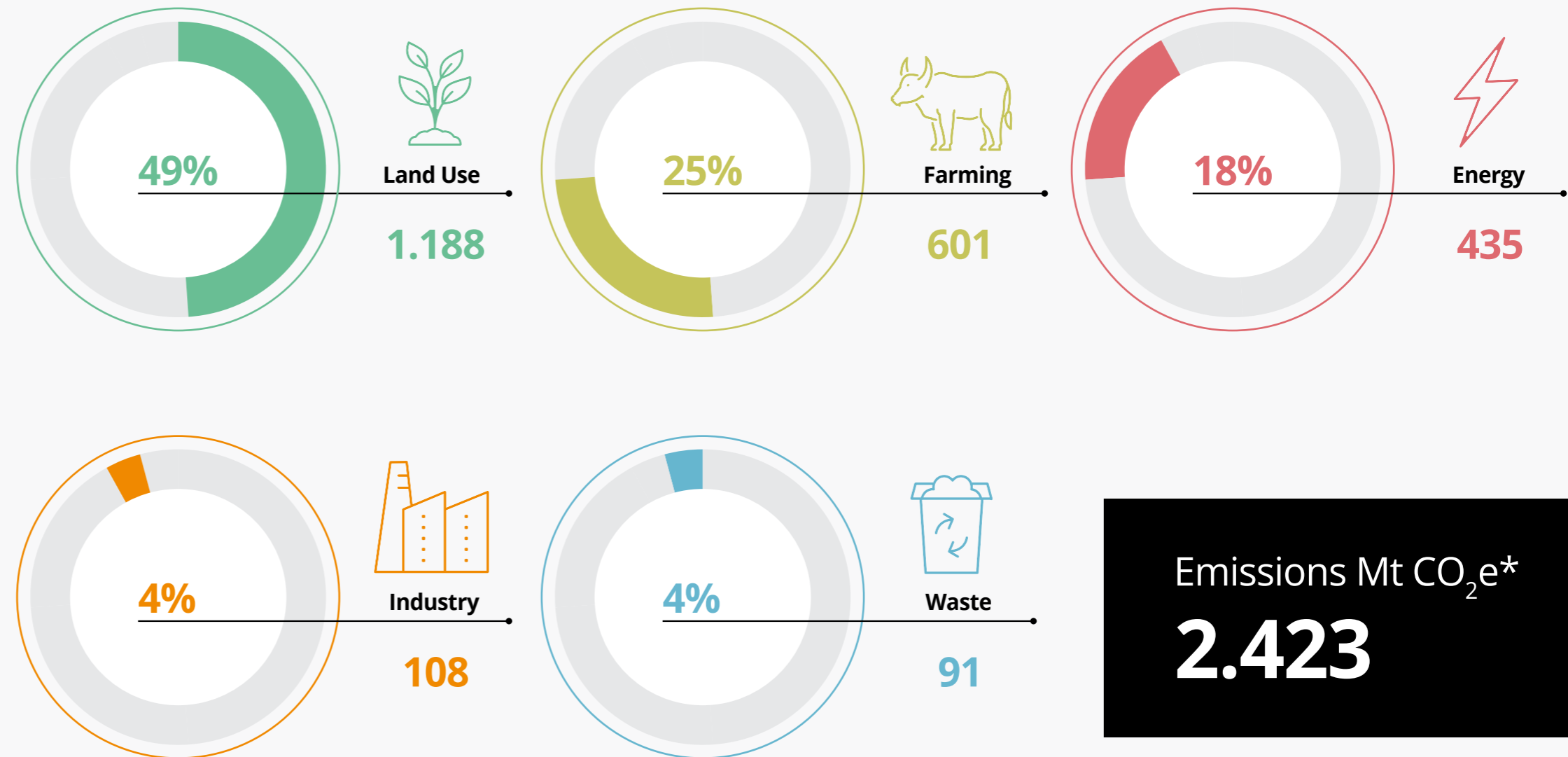
## Sustainable Urban Solutions

Cities play a significant role in climate change, consuming 78% of the world's energy and contributing over 60% of GHG emissions, despite occupying less than 2% of the Earth's surface, as reported by UN Habitat. Urban populations are highly susceptible to climate change impacts due to their density, compounded by a scarcity of green spaces. The challenge intensifies as a UN projection estimates that an additional 2.5 billion people will inhabit urban areas by 2050, implying greater challenges in water supply, sanitation, waste management, urban mobility, and public health systems.

GEF Latam is committed to investing in companies that contribute to more efficient cities, addressing the challenges mentioned above. These institutions are already based in urban areas, so their management already deals with the difficulties of urbanization. We believe that by identifying investments aligned with our values, which utilize technology for the benefit of the environment, we can live in larger and prosperous cities that are still more sustainable, promoting a healthy way of life.

## Healthy Food and Sustainable Agriculture

Unsustainable agricultural practices, deforestation, extreme weather events, and unethical human interventions have created adverse effects ranging from soil degradation to excessive GHG emissions. These practices are categorized as "land use" and account for 49% of GHG emissions in Brazil, followed by agribusiness at 25%, according to the *Sistema de Estimativas de Emissões e Remoções de Gases de Efeito Estufa (SEEG)*.

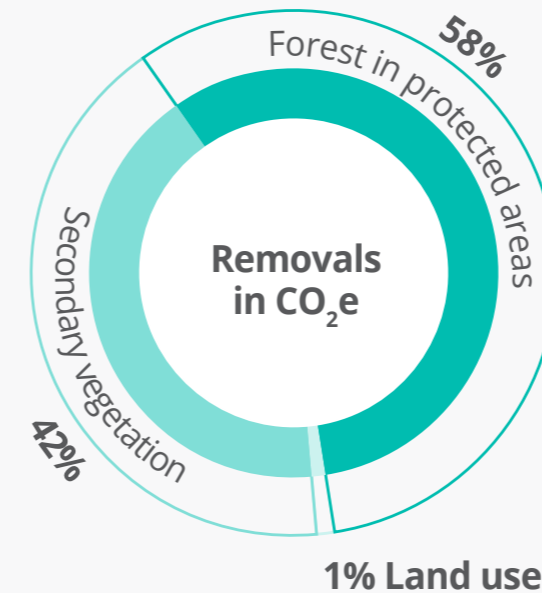
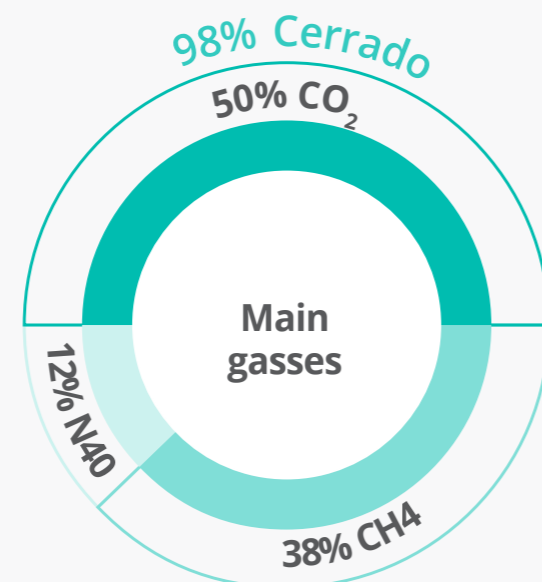
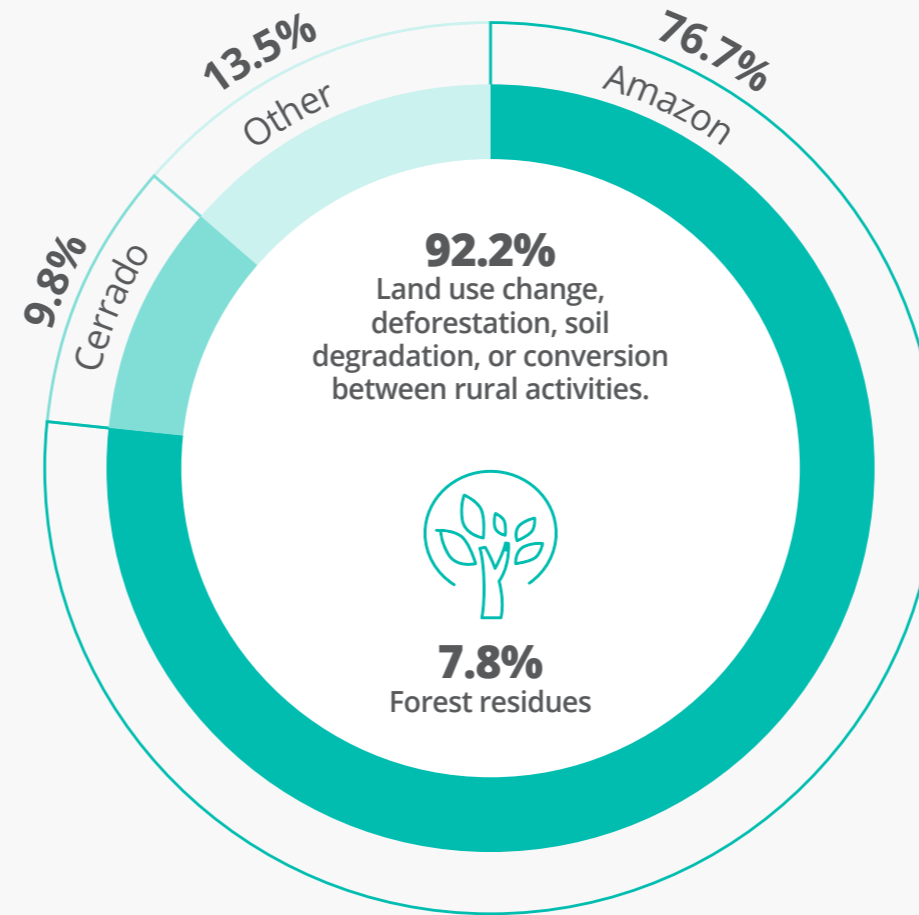
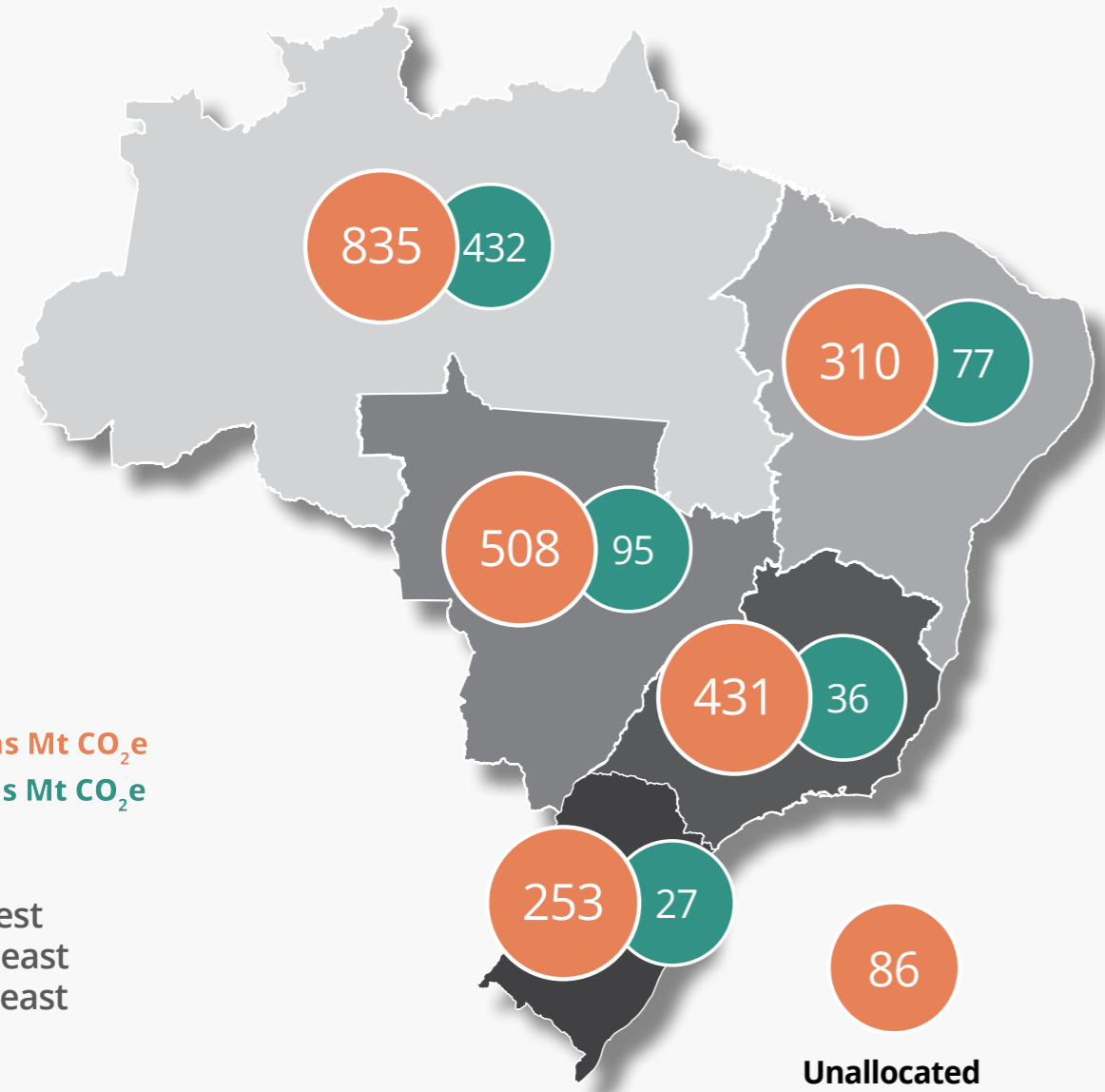


Emissions Mt CO<sub>2</sub>e\*

# 2.423

Emissions Mt CO<sub>2</sub>e  
Removals Mt CO<sub>2</sub>e

- North
- Midwest
- Northeast
- Southeast
- South



With rising temperatures and fluctuations in rainfall levels, the productivity of agribusiness will be compromised, along with the potential loss of biodiversity caused by wildfires, facilitated by a warmer and drier environment. Faced with all these problems, it becomes clear that sustainable agriculture and food are crucial topics to consider when envisioning the future.

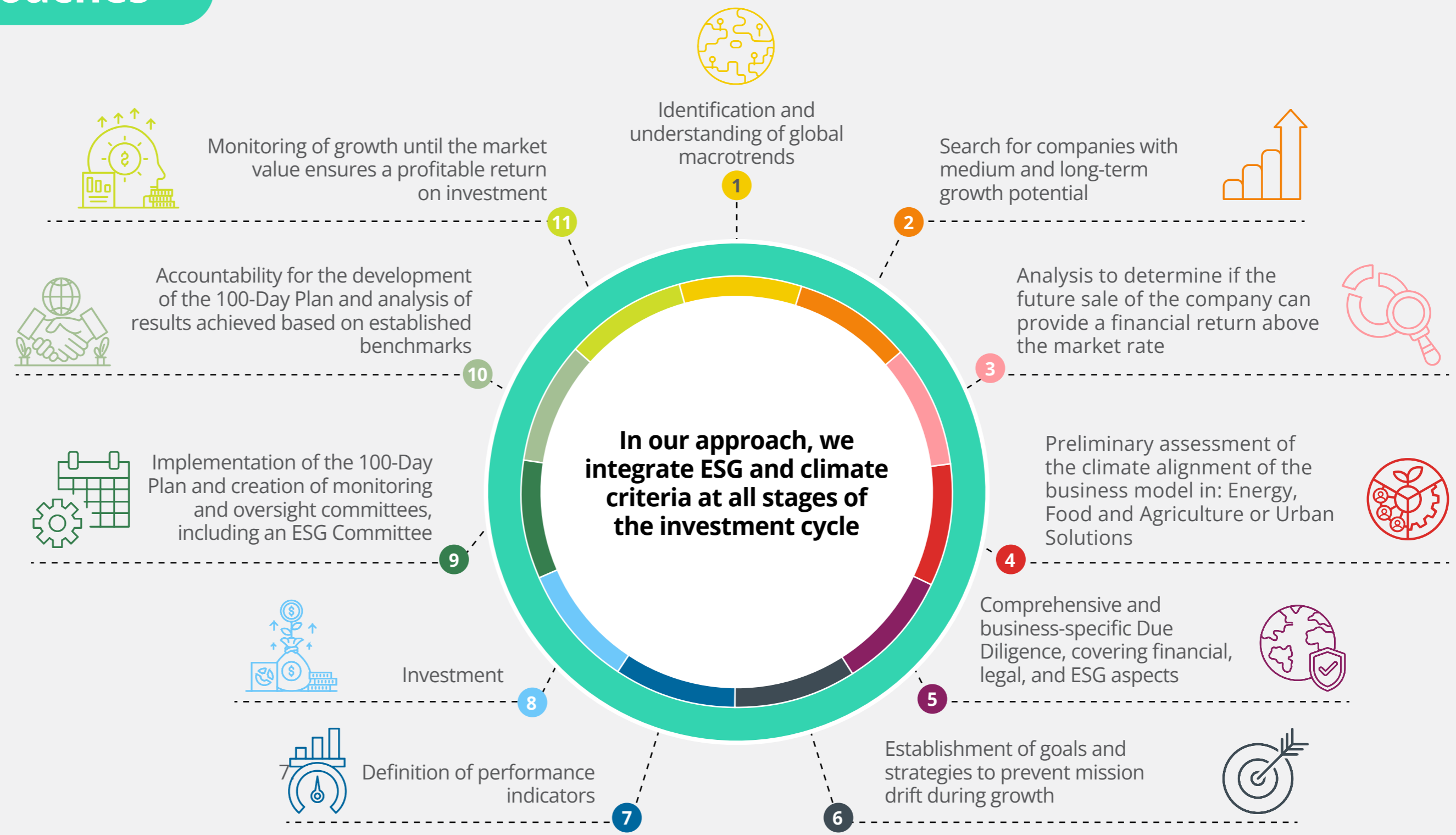
Brazil is a country with great potential for the development of more sustainable and efficient agriculture. Precision agriculture, the use of biological inputs for pest and disease control, as well as proper fertilization, are viable solutions to address the challenges in the agricultural sector. GEF Latam seeks companies that operate in all stages of the value chain, from production to final distribution. This represents a promising business opportunity for a future that can ensure food security for the Brazilian population through sustainable and efficient technologies, utilizing the natural resources available in the country.

Source: SEEG, 2021

# Investment Approaches

Our investment approach considers two main criteria to filter opportunities. Prospective companies should:

- (i) operate in a market with potential to achieve solid growth and financial returns above the market average.
- (ii) have a positive impact on the environment by contributing to solutions to challenges due to climate change.



Based on a pragmatic understanding of major global economic trends, we apply our risk management and value creation model, prioritizing environmental, social, and governance issues. We believe that companies that contribute profitably to societal progress are better positioned for success in the market, as they innovate ahead of the competition.

Many companies have businesses with positive impact, even if the intentionality is not explicitly stated. Therefore, we develop strategies that can unlock the potential for shared value through actions that result in long-term social and environmental returns. For GEF Latam, business models can and should adapt to accommodate this opportunity-driven strategy.

We are committed to ensuring continuous improvement of our methodology by reviewing tools, processes, and policies to achieve increasingly better results. Generating impact goes beyond simply incorporating ESG factors; it requires a solid strategy and execution. As a result, the completion of an investment initiates a new relationship with our investee, involving close engagement throughout the monitoring cycle.

*"The most difficult thing is the decision to act. The rest is merely tenacity. The fears are paper tigers. You can do anything you decide to do."*

**Amerlia Earhart**







# ESG & IMPACT

Our goal is to create shared value within our portfolio. From acquisition to exit, we aim to uphold this principle through our proprietary methodology to integrate **ESG & Impact**, which encompasses **three stages**:

**1. Origination**

**2. Due Diligence**

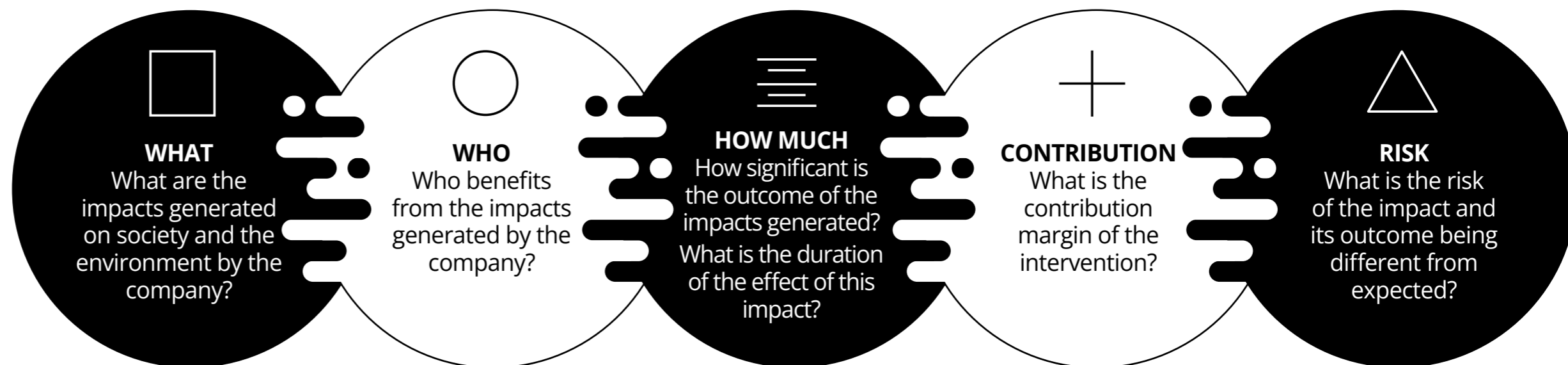
**3. Shared Value Creation**

We seek to expand the **connections between social and economic progress** by enhancing a company's **competitiveness** and driving **positive economic and social impact**.

# 1. Origination

In the early stages of our investment cycle, we categorize the environmental and social risks of the target company according to its industry and geography. Based on this assessment, we exclude from our investment universe those companies involved in activities with a high potential to negatively impact the environment and society, as well as those located in sensitive regions, such as areas close to water bodies or protected areas, among others.

Next, we evaluate the alignment of the company's business with the targets of the **Sustainable Development Goals (SDGs)** to identify companies with a direct impact on the UN's Agenda 2030. Finally, we conduct an initial diagnosis of the company's alignment with the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** and assess its impact based on the **five dimensions of the Impact Management Project (IMP)**:



## 2. Due Diligence

At this stage, we employ a rigorous assessment for an ESG diagnosis based on international standards, such as the IFC Performance Standards. Through the diagnosis and analysis of documents, as well as mapping climate-related risks and opportunities, we gather a wealth of relevant information about our investees.

This allows us to develop a personalized **Action Plan** for each company, addressing identified gaps and opportunities for value creation related to environmental, social and corporate governance issues.

## 3. Shared Value Creation

Third stage seals the conclusion of the investment operation. From this moment on, a new relationship with the company invested begins, and it expands to the whole monitoring cycle. For that, we have established committees, such as the ESG Committee, to hold meetings and follow-up the implementation of the **Action Plan**.

We also monitor through performance indicators, mainly based on metrics of the IRIS+ and SASB. These strategies aim to assess, discuss, and broaden the strategy and the shared values of the company.

*“The size of your dreams must always exceed your current capacity to achieve them. If your dreams don’t scare you, they aren’t big enough.”*

**Ellen Johnson-Sirleaf**



An aerial photograph of a lush green forest bordering a large body of water. The water on the left is dark, while the water on the right is a vibrant turquoise color. The text 'PORTFOLIO COMPANIES' is overlaid in white on the left side of the image.

# PORTFOLIO COMPANIES

# Automalógica

Automalógica is a software solutions development company focused on control, digitalization, protection, and supervision of energy generation, transmission, and distribution assets, with focus on renewables. Through its developed software, the company aims to manage assets in a way that promotes energy efficiency and maximizes energy extraction from the systems where its solutions are implemented. Serving major energy players in Latin America, Automalógica provides customized solutions that contribute to the energy transition by enabling more efficient management of renewable energy systems, reducing GHG emissions and other pollutants, lowering operational costs, enhancing energy supply reliability, and preventing accidents.

## Direct SDG:



## Indirect SDG:



## 2022 Highlights:

**Total emissions: 45.14 tCO<sub>2</sub>e**

**scope 1: 43.12 tCO<sub>2</sub>e**

**scope 2: 1.44 tCO<sub>2</sub>e**

**scope 3: 0.58 tCO<sub>2</sub>e**

**6,845.03 tCO<sub>2</sub>e** in emissions avoided through efficiency gains from solutions provided to its clients

**35 GW** of installed energy capacity served, being:

**5.1 GW** of solar energy

**11.0 GW** of wind energy

**1.3 GW** of small hydropower

**NPS equals to 79**



## Improvements Implemented:

- ✓ The ESG Committee has been established.
- ✓ An Organizational Climate Survey has been conducted and resulted in a score of 8.1.
- ✓ A Whistleblowing Channel managed by a third-party company has been implemented.
- ✓ The recertification process of the Integrated Management System (IMS), which includes ISO 9001, ISO 14001, and ISO 45001, has been initiated, and the company will be certified for the 4th consecutive year.
- ✓ A Diversity Survey has been conducted.

## Impact Dimensions



**WHAT:** Automalógica has a positive impact on society and the environment through the provision of automation, digitization, and control solutions for energy generation clients and assets. By combining software and customized solutions, the company helps to manage the generated, transmitted, and distributed energy, reducing losses and potentially increasing efficiency by up to 5%.



**WHO:** By implementing customized solutions, energy companies can reduce grid losses and increase production, resulting in cost savings on operations and maintenance, as well as reducing dependence on polluting sources. This provides end consumers with greater energy consumption stability and access to clean energy sources. As an indirect result, it contributes to both climate change mitigation and adaptation by reducing energy losses and increasing the efficiency of electrical systems, benefiting the environment and society as a whole.



**HOW MUCH:** The company is responsible for monitoring over 35GW, representing approximately 15% of the country's total capacity. In relation to wind energy, this number increases to 50%, and for solar energy, it reaches 67%. Through customized automation and digitization solutions, Automalógica can reduce inefficiencies and increase system production by up to 5% of installed capacity. This avoids the need to implement new assets or use more polluting sources during periods of high energy demand. The impacts generated by these solutions are significant and long-lasting, resulting in continuous improvements in long-term energy efficiency.



**CONTRIBUTION:** Automalógica stands out in the energy sector by offering customized automation and digitization solutions to its clients. These solutions have a significant advantage and contribute to avoiding losses, increasing generation efficiency, and reducing operational costs. This is especially relevant in the Brazilian context, where energy losses are higher than the global average. With its outstanding performance, Automalógica has the potential to expand its business and develop new solutions that have an even more significant impact on energy efficiency.



**RISKS:** The main risk is the possibility that the expected impacts may not be measured due to potential imprecision or fragility of metrics, as they rely on the provision of information from its clients. However, Automalógica has been working on the consolidation and treatment of data to measure its impacts and has demonstrated a solid management of ESG risks and opportunities.



# HCC Solar

With a focus on solar energy generation and over 17 years of experience, HCC Solar has technology, knowledge, and skilled professionals for the installation of systems, as well as a franchise business model available. HCC Solar aims to promote photovoltaic energy as a right for all and contribute to the transition to a cleaner and more sustainable energy matrix. Furthermore, the company has launched its new business model, HCC Liberty, which will operate in the solar energy subscription segment and help the company expand its solutions within the renewable energy sector.

## Direct SDG:



## Indirect SDG:



## 2022 Highlights:

**Total emissions: 391.65 tCO<sub>2</sub>e**

**scope 1: 372.37 tCO<sub>2</sub>e**

**scope 2: 3.89 tCO<sub>2</sub>e**

**scope 3: 15.39 tCO<sub>2</sub>e**

**7,709.44 tCO<sub>2</sub>e** avoided by the energy generated in 2022

**70% of women** in leadership positions

**30% of women** in the workforce



## Improvements Implemented:

- ✓ The GPTW certification has been obtained.
- ✓ The ESG Committee has been established.
- ✓ A Whistleblowing Channel managed by a third-party company has been implemented.
- ✓ A Diversity Survey has been conducted.
- ✓ A company has been hired to recycle the photovoltaic panels.
- ✓ Electric cars have been adopted in part of the company's own fleet.

## Impact Dimensions



**WHAT:** HCC Solar has a positive environmental and social impact by promoting the transition to a more sustainable energy matrix through solar energy generation. This includes reducing the consumption of fossil fuels and, consequently, GHG emissions, as well as contributing to decrease energy losses through distributed energy generation. At the same time, the company promotes social inclusion by providing energy independence and savings for customers, as well as generating jobs through its franchise model.



**WHO:** The impacts generated benefit both the environment and customers significantly. By reducing the consumption of fossil fuels, GHG emissions, and pollution, the company contributes to environmental preservation. In turn, customers enjoy a range of benefits, including clean energy, reduced electricity costs, and greater energy independence. These positive impacts extend to society as a whole, with the mitigation of climate change and equal access to clean and renewable energy.



**HOW MUCH:** HCC Solar has a significant impact in terms of depth, scale, and duration. With the implementation of 110 MW of solar plants across more than 80 franchises in 20 Brazilian states, the company holds an annual market share of 2-3% of Brazil's total distributed generation. Solar PV systems have a lifespan of at least 25 years, contributing to the long-lasting impact generated.



**CONTRIBUTION:** The company stands out in the solar energy market due to its advanced technology, specialized knowledge, and skilled team, as well as its investment in the training of its franchise network, creating job opportunities. Furthermore, HCC Solar demonstrates its capacity for innovation and commitment to sustainability by seeking to verticalize its operations, promoting additional service sales, and developing hybrid solutions.



**RISKS:** The risk of the impact not being as expected is low, as it is intrinsic to its core business, and the company's extensive experience and expertise in solar energy generation ensure the quality of the services provided. Additionally, the company has good risk management and addresses opportunities related to ESG issues. However, it is important to highlight that external factors, such as public policies and energy sector regulations, may influence the effectiveness of the generated impacts.





# Clean Medical

Clean Medical is a hospital equipment rental company founded in 2010. Currently, it has over 6,000 equipment units rented throughout the national territory. The company aims to provide convenient solutions for healthcare providers in order to treat patients more efficiently. Additionally, the rental of medical equipment offers an asset-light strategy for clients, extending the lifespan of devices and providing preventive and corrective maintenance, as well as efficient equipment replacement as needed. The service offered by Clean Medical contributes to the development of the healthcare system in the country and promotes broader access to high-quality devices.

## Direct SDG:



## Indirect SDG:



## 2022 Highlights:

**Total emissions: 601.49 tCO<sub>2</sub>e**

**scope 1: 16.99 tCO<sub>2</sub>e**

**scope 2: 2.73 tCO<sub>2</sub>e**

**scope 3: 581.77 tCO<sub>2</sub>e**

**50% of women**  
in the workforce

**86% of generated**  
common waste is recycled

**9,721 kWh of solar energy**  
consumed, representing  
26% of the total electricity  
consumption since the  
installation of the solar  
panels



## Improvements Implemented:

- ✓ The ESG Committee has been established.
- ✓ The HR Manual has been prepared and an Organizational Climate Survey has been conducted.
- ✓ A process mapping in compliance with ISO 9001 has been developed.
- ✓ Solar panels have been installed at the headquarters.
- ✓ A Whistleblowing Channel managed by a third-party company has been implemented.
- ✓ A waste management policy has been implemented and a company for recyclables collection has been hired.

## Impact dimensions



**WHAT:** Clean Medical operates in the market of hospital equipment rental, sales of medical products and accessories, and medical services. The company offers high-quality and effective products with extended lifespans and an asset-light strategy that benefits its customers and reduces environmental impact. The company also stands out for providing guidance on preventive and corrective maintenance, as well as efficient equipment replacement.



**WHO:** Society as a whole benefits from Clean Medical's operations as the company offers quality equipment that is essential for healthcare services. Additionally, its clients, such as hospitals and clinics, also benefit from the solutions provided by the company, which contribute to cost optimization and resource management for equipment maintenance, both in terms of financial aspects and time required for repairs.



**HOW MUCH:** The impacts generated by Clean Medical are significant and long-lasting as the company offers high-quality equipment with extended lifespans and solutions that contribute to the efficiency and safety of healthcare services. The scale of these impacts is relevant as the company has a nationwide presence and is constantly expanding, currently owning over 6,000 equipment units.



**CONTRIBUTION:** Clean Medical positively contributes to the extension of the lifespan of medical equipment, reducing premature disposal and associated environmental impact. The company stands out for providing guidance on preventive and corrective maintenance and efficient equipment replacement, which contributes to the efficiency and safety of healthcare services. Furthermore, after investment in the company, it expanded its customer base, which was previously 75% concentrated in São Paulo but has now reduced to 50% — the opening of a branch in the Northeast is one of the actions that contributed to reducing this geographic concentration.



**RISKS:** The main risks associated with Clean Medical are related to competition and the company's ability to maintain the quality of its services and medical equipment. Additionally, it may face regulatory and compliance risks, which can negatively impact its reputation and positive influence. However, the company stands out for offering innovative solutions and constantly striving for excellence in its services, which helps to minimize these risks.



# Pro Solus

Pro Solus is a company based in Campo Mourão, Paraná, that manufactures and distributes precision agriculture equipment and solutions focused on the spraying stage of planting since 2003. Their products include furrow sprayers, self-propelled sprayers, planting monitors, GPS systems, among others. The company aims to help farmers increase efficiency and reduce costs while minimizing the environmental impact of agricultural activities. Through a network of dealerships that spans the entire country, Pro Solus is committed to providing customized solutions, adapting to the specific needs of each customer.

## Direct SDG:



## Indirect SDG:



## 2022 Highlights:

**Total emissions: 816.79 tCO<sub>2</sub>e**

**scope 1: 404.38 tCO<sub>2</sub>e**

**scope 2: 3.70 tCO<sub>2</sub>e**

**scope 3: 408.71 tCO<sub>2</sub>e**

**30,000 liters of water** saved through rainwater harvesting

**33% women** in the board of directors

**34% women** in the workforce

**R\$ 247,000.00 invested** in social initiatives in the local community



## Improvements Implemented:

- ✓ The Materiality Matrix was developed based on a survey with different stakeholders.
- ✓ An ESG Manifesto with goals for the next two years was defined.
- ✓ Rainwater harvesting and reuse were implemented at the Campo Mourão branch.
- ✓ An Organizational Climate Survey was conducted and had a participation rate of 90% of employees.
- ✓ An Education Incentive Policy was created to provide financial support for higher education to leaders who do not already possess it - 8 employees are already participating in this program.
- ✓ A Whistleblowing Channel managed by a third-party company has been implemented.

## Impact Dimensions



**WHAT:** Pro Solus offers precision agriculture technology solutions, helping farmers increase efficiency and reduce costs while minimizing the environmental impact of agricultural activities. Their products include monitors, sensors, mapping systems, and data analysis tools, among others, that contribute to more sustainable agriculture by reducing the use of pesticides, decreasing the agricultural carbon footprint, and increasing crop productivity.



**WHO:** The company serves clients throughout Brazil, including farmers, cooperatives, agricultural companies, and equipment dealers. The solutions provided by the company help improve the productivity and profitability of these businesses while reducing their environmental impact. As a result, society as a whole benefits from more sustainable and efficient agricultural production.



**HOW MUCH:** The impact generated by Pro Solus is significant, especially for rural producers who have access to equipment that contributes to improving the efficiency of their production, reducing costs, and increasing productivity. These impacts can have a long-term effect on soil quality and, if the equipment is well operated and maintained, a medium-term effect on production efficiency. Additionally, the company operates on a national and international scale, serving clients throughout Brazil, Paraguay, Argentina, and Bolivia.



**CONTRIBUTION:** Pro Solus stands out in the market by offering customized solutions to each client, adapting to their specific needs, especially in terms of size and investment capacity. Additionally, the company is recognized for its responsive post-sales support and its commitment to providing high-quality and high-performance products.



**RISKS:** The risk of the impact generated by Pro Solus being different from expected is low, as the company works with well-established technologies in the market and has an extensive distribution network serving clients throughout Brazil and other countries. However, the company is exposed to inherent risks in the sector, such as the effects of climate change and the regulatory landscape. Additionally, the measurement of the impacts of its products relies on data provided by clients, but the company is committed to measuring the impact of its products for rural producers.



# UCB

Founded in 1973, UCB is a company that stands out in the energy storage solutions market, with a focus on stationary and portable batteries, serving various segments and clients such as telecommunications companies, financial institutions, and data centers. The company has been investing in lithium-iron phosphate (LFP) battery technologies to ensure greater energy efficiency and environmental impact reduction. These batteries are ideal for isolated areas as they offer enhanced durability and resistance to extreme temperatures. UCB has been developing projects in partnership with private companies to bring clean and renewable energy to communities without access to conventional electrical grids. In doing so, the company has been contributing to promoting the socioeconomic development of these regions while reducing GHG emissions.

## Direct SDG:



## Indirect SDG:



## 2022 Highlights:



**Total emissions: 686.96 tCO<sub>2</sub>e**  
**scope 1: 321.59 tCO<sub>2</sub>e**  
**scope 2: 175.08 tCO<sub>2</sub>e**  
**scope 3: 185.30 tCO<sub>2</sub>e**

**10,000** solar systems in isolated communities (only 100 were delivered in 2021), contributing to a **reduction in emissions of 43,384 tCO<sub>2</sub>e**

Issuance of a **\$25 million green bond** and a **R\$70 million green FIDC** (Fund for Investment in Receivables)

The number of **employed refugees increased from 8 to 21**

**51,4% of women** in the workforce

## Improvements Implemented:

- ✓ The Diversity Committee has been established, involving employees from various areas.
- ✓ A Whistleblowing Channel managed by a third-party company has been implemented.
- ✓ Measures have been adopted to promote efficient resource use and waste management, such as the installation of automatic faucets and donation of wooden pallets to cooperatives.
- ✓ The Risk Management Program (RMP) and the training implementation schedule have been revised.



## Impact Dimensions



**WHAT:** The main impact generated by UCB comes from projects aimed at providing clean and renewable energy to isolated communities, driving socio-economic development, and reducing GHG emissions. Also, the company is focused on using LFP battery technologies, which offer greater energy efficiency and lower environmental impact. These batteries are more resistant to high temperatures, reducing the risks of overheating and fires, and have a longer lifespan, generating less waste.



**WHO:** By supplying more sustainable and efficient energy storage solutions, as well as through cleaner production and increased revenue from LFP batteries, UCB benefits various stakeholders. In addition to helping preserve the environment, the company also promotes the socio-economic development of isolated communities that often lack access to electricity or rely solely on diesel generators.



**HOW MUCH:** The company holds a relevant position in the energy storage solutions market, especially through LFP batteries. Although currently representing 30% of the company's revenue, the stationary battery segment is advancing and is now driving most of the company's growth. Moreover, the company has a profound impact on people's lives and local economic and sustainable development by bringing energy through solar panels and transforming the lives of hundreds of inhabitants in small communities distant from urban centers.



**CONTRIBUTION:** UCB stands out in the energy storage solutions market, with a focus on stationary and portable batteries, and has invested in the expansion and LFP battery technologies to ensure greater energy efficiency and reduced environmental impact. The company has also developed projects in partnership with local companies and governments to bring clean and renewable energy to isolated communities, which sets it apart from other market players that do not have the same focus on solutions for these areas.



**RISKS:** Although UCB plays a significant role in promoting socioeconomic development in isolated regions, reducing GHG emissions, and increasing energy efficiency, there is a risk that the expected positive impacts may not be achieved. This is because there may be limitations to future expansion in isolated communities. However, UCB has an effective management of ESG risks as well as opportunities, particularly those related to new business opportunities aligned with the climate agenda.



# ENC Energy Brasil

ENC Energy is one of the leading companies in Brazil in renewable energy generation from landfill biogas. With nine plants spread across six Brazilian states, the company has invested in innovative and sustainable technologies to produce clean and renewable energy in the free energy market and the distributed generation system, with a focus on small and medium-sized businesses primarily. ENC was the first company in the biogas segment to issue I-RECs, which are renewable energy certificates.

## Direct SDG:



## Indirect SDG:



## 2022 Highlights:

**Total emissions: 73,025.43 tCO<sub>2</sub>e**  
**scope 1: 72,705.88 tCO<sub>2</sub>e**  
**scope 2: 293.46 tCO<sub>2</sub>e**  
**scope 3: 22.5 tCO<sub>2</sub>e**

**1,033,886.76 tCO<sub>2</sub>e**  
 avoided through landfill  
 biogas energy generation

**15 thousand m<sup>3</sup> of biogás**  
**captured** per hour, on  
 average

**34 MW of installed**  
 capacity

**44% of women** in the  
 workforce



## Improvements Implemented:

- ✓ The B Corp Certification was achieved.
- ✓ Three projects were registered in the carbon credit market regulated by the United Nations Clean Development Mechanism, enabling the sale of credits internationally.
- ✓ A system to monitor licenses and permits for operation in different units has been implemented.
- ✓ HR processes were reviewed, including the creation of a People and Management Policy, Occupational Health and Safety Manual, HR Manual, and a job positions and salary plan.
- ✓ Water meters for monitoring and controlling water consumption were installed.
- ✓ Engine lamps were replaced with LED lamps to reduce energy consumption.
- ✓ Through the Clean Energy Donation Program, it contributed to fully offsetting the energy consumed by nine institutions dedicated to actions related to human rights and the environment.

## Impact Dimensions



**WHAT:** By utilizing biogas as an energy source, ENC avoids the emission of methane, contributing to reducing global warming and its negative impacts on the environment and society. Additionally, producing energy from biogas brings socioeconomic benefits by supplying industries, businesses, and households, reducing dependence on polluting energy sources. The company also carries out social actions focused on ESG, empowering local communities as environmental agents.



**WHO:** ENC has a positive impact primarily on the environment due to the reduction in GHG emissions, both by avoiding biogas emissions and reducing the consumption of fossil energy. This impact can also be perceived by communities nearby, which have avoided landfill biogas emissions and locally generated energy at lower costs (with a potential reduction of up to 20% in energy costs), promoting sustainable development and improving people's quality of life.



**HOW MUCH:** The company is a leader in Brazil in generating energy from landfill biogas, with plants in six states, and is still seeking to expand its activities to new regions. In addition to reducing the consumption of non-renewable energy sources, the use of biogas has an even more significant impact due to the global warming potential (GWP) of methane, the main component of biogas, which is about 28 times higher than that of carbon dioxide (CO<sub>2</sub>).



**CONTRIBUTION:** Among the main challenges for renewable energy sources is intermittency, and this is where ENC stands out. Its technology operates nearly 90% of the time, which is consistently higher than other intermittent sources. Additionally, the company is a pioneer in issuing I-REC certificates, contributing to the promotion of renewable energies and the transition to a low-carbon economy.



**RISKS:** The risk of the impact and results being different from expected is low, as the impact is intrinsic to the nature of the business and is measurable. Therefore, there is no risk of a trade-off between financial returns and impact generation, and this impact is consistently measured by the company. However, it is exposed to risks of regulatory changes in the energy sector.





# Luminae

Luminae was founded in 2008 and operates throughout Brazil. The company has a strong expertise in developing high energy efficiency solutions for various sectors, particularly in supermarkets and wholesalers, industry and logistics, non-food retail, pharmacies, and education. Currently, it is represented by **four business units:**



**Direct SDG:**



**Indirect SDG:**



## 2022 Highlights:

**Total emissions: 15,962.70 tCO<sub>2</sub>e**

scope 1: 57.23 tCO<sub>2</sub>e

scope 2: 40.04 tCO<sub>2</sub>e

scope 3: 15,865.41 tCO<sub>2</sub>e

**33% of women**  
in the workforce

**50% reduction**  
in minor accidents –  
compared to 2021

**17% reduction**  
in energy consumption –  
compared to 2021

**22% reduction**  
in waste generation –  
compared to 2021



## Improvements Implemented:

- ✓ The 1<sup>st</sup> edition of the Sustainability Report was launched.
- ✓ The 2<sup>nd</sup> edition of the Recognition Program for Values and Leadership Examples of the Luminae Group was conducted.
- ✓ A dashboard was created to monitor People and Management indicators.
- ✓ The Compliance Program was launched.

## Impact Dimensions



**WHAT:** Luminae operates in the energy efficiency market, providing innovative solutions to its clients. This results in a reduction of GHG emissions, a decrease in dependence on fossil fuels, and the preservation of natural resources.



**WHO:** The savings achieved through more efficient systems and the use of solar energy benefit not only the clients, through reduced energy consumption, but also the environment, through the reduction of losses by increasing energy efficiency and reducing GHG emissions.



**HOW MUCH:** Luminae operates throughout Brazil and is a leader in the segments of supermarkets and wholesalers, industry and logistics, non-food retail, pharmacies, and education. This is achieved through proprietary LED lighting systems technology, which can offer up to 80% energy savings compared to conventional alternatives. Additionally, through the monitoring and intelligence division, an additional 20% savings can be achieved.



**CONTRIBUTION:** The company stands out in the market for its expertise in energy efficiency and the development of customized solutions for different segments. Furthermore, it is among the largest professional lighting companies in the country in the private sector and provides one of the most efficient solutions through its proprietary technology.



**RISKS:** Luminae generates a positive impact through its core business, eliminating the risk of compromising financial returns in favor of impact generation. Although there is a challenge in measuring these impacts due to the need for third-party data to monitor project performance, the company has made progress in its ESG practices and has a solid track record of successful projects in energy efficiency and renewable energy.



# EXITS



# AGV Health & Nutrition



Founded in 1998, AGV is a 3PL logistics service provider with an asset-light business model and integrated storage and transportation systems. The company has a strong presence in sectors that demonstrate a growing demand for logistics solutions in Brazil, including animal health and nutrition, human health, and consumer goods. GEF Latam successfully exited the company in the fourth quarter of 2019 through a strategic sale.

AGV creates value and generates impact by supporting a more efficient protein supply chain and contributing to healthier food, ensuring the effective delivery of vaccines and key medications to farmers in all regions of Brazil. The consolidation of partial loads (Less Than Truckload/LTL) and full loads (Full Truckload/FTL) throughout the country reduces the number of trucks on the roads and, together with efficient fleet management that adheres to strict temperature and safety standards, reduces CO<sub>2</sub> emissions.

Direct SDG:



# Tecverde



Tecverde is an innovative construction company based in Curitiba, Paraná, that has developed a modular and industrialized construction system. With this system, it can build up to 80% of a house in a factory setting, with final assembly on-site. This allows Tecverde to complete constructions in one-third of the time and with cost savings of up to 10%. The houses also provide superior thermal and acoustic comfort.

There is a connection between value creation and the impact generated by Tecverde. There is evidence that the construction and promotion of sustainable buildings result in increased sales. At the same time, through its practices, the company has managed to significantly reduce waste and CO<sub>2</sub> emissions, providing direct benefits to approximately 8,000 people.

Direct SDG:



## New milestones achieved

In 2022, Tecverde launched a new housing model called Casa 1.0. Made with wood panels, this construction becomes more cost-effective and efficient, as 85% of the production comes ready from the factory and can be assembled in about seven hours. With prices up to R\$ 80,000, this project costs 15% less compared to other models. The housing unit has 40m<sup>2</sup>, with two bedrooms, a living room, kitchen, and laundry area. The wood used is only pinewood from planted forests, which is renewable and utilizes minimal waste and reduced water consumption in the production process.

In early 2023, the company was contracted for the emergency construction of 518 housing in São Sebastião, in the northern coast of São Paulo, which suffered significant destruction from heavy rains during that period. The choice of the São Paulo State Government for Tecverde was related to the institution's high speed and sustainable efficiency. Through the pioneering "wood frame" model, houses are constructed in an economical manner, with lower demand for labor and the use of other resources.

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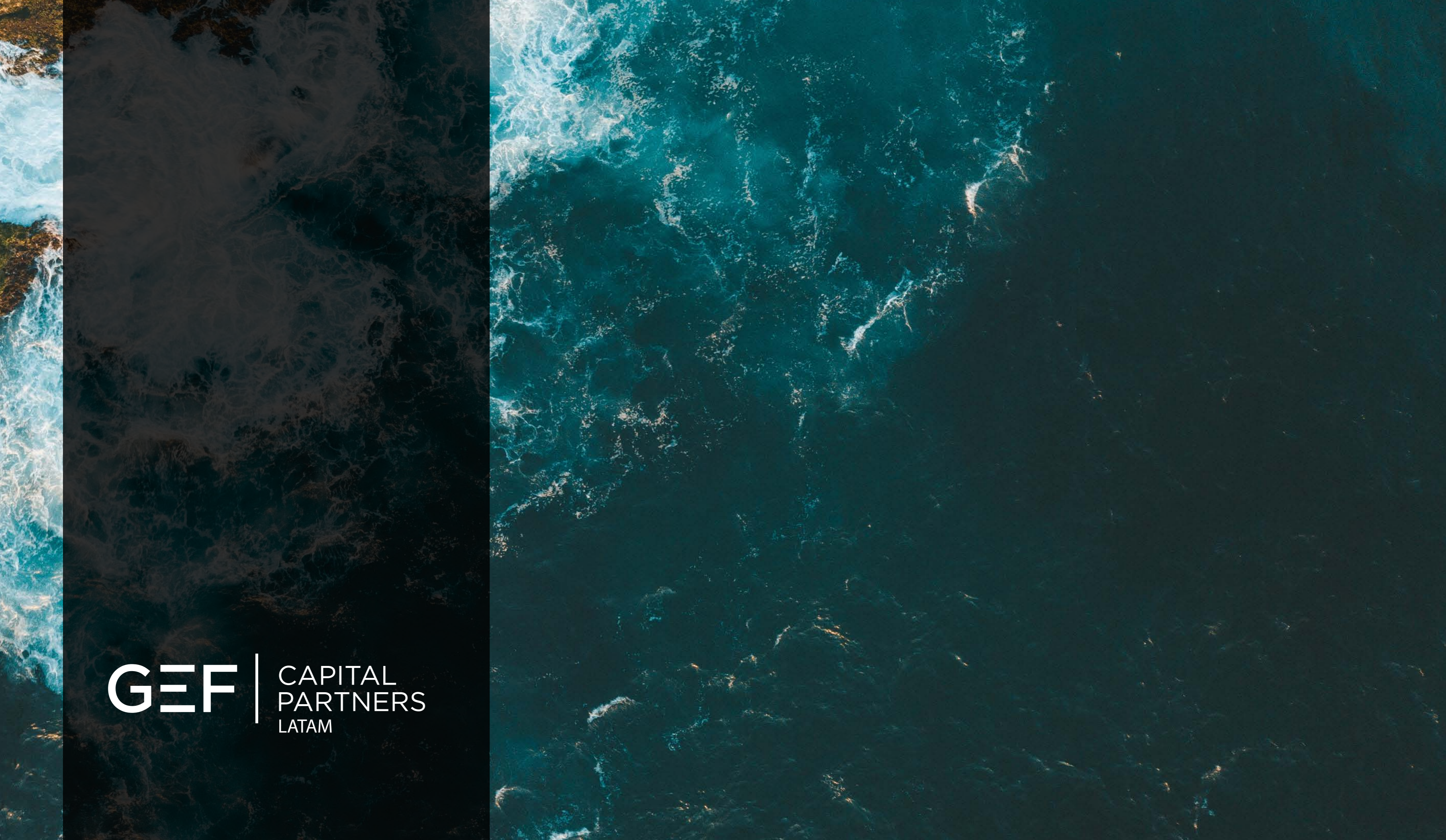
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