

# Primavera Capital

## Stewardship Policy

### 1. Introduction

Primavera Capital (Primavera, we, or the Firm) is committed to responsible ownership and stewardship, recognizing that effective integration of environmental, social, and governance (ESG) factors into our investment and engagement practices enhances long-term value creation. This Stewardship Policy outlines our approach to engaging with portfolio companies, monitoring ESG performance, and fulfilling our fiduciary duty to investors.

The policy complements Primavera's *Responsible Investment Policy* and provides an overview of our engagement and stewardship approach. Primavera may tailor our topics, themes, and methods based on the unique circumstances of each investment, reflecting our commitment to driving ESG improvements across our portfolio while addressing material risks and opportunities.

This version of the policy supersedes all previous versions and any commitments in those versions. Regular annual reviews and updates of this policy are conducted to ensure its ongoing relevance and effectiveness. Any necessary adjustments or modifications will be made accordingly.

### 2. Stewardship Objectives

The primary objective of Primavera's stewardship efforts is to ensure that our portfolio companies create long-term, sustainable value for investors and stakeholders. This is achieved by addressing material ESG risks, identifying opportunities for operational and financial improvements, and aligning business practices with recognized ESG standards and global sustainability goals.

Through active engagement and monitoring, Primavera aims to enhance the resilience and value of its investments while contributing to broader positive outcomes, including environmental sustainability, social well-being, and governance excellence. These objectives underpin our role as a responsible steward of capital and our commitment to sustainable growth.

### 3. Engagement Approach

Primavera Capital employs a structured engagement process to address material ESG risks, seize opportunities, and drive long-term value creation. This engagement is tailored to the specific needs of each portfolio company and aligned with Primavera's sustainability objectives.

- **Identify Opportunities:** Engagement opportunities are identified through ESG assessments conducted during due diligence and ongoing monitoring, prioritizing material issues where Primavera can influence significant outcomes.
- **Define Objectives:** Specific, actionable, and measurable objectives are established for each engagement, aligned with the sustainability action plans developed during the investment phase.
- **Execute Engagement Plans:** Engagement plans are customized based on the nature of the ESG issues and Primavera's role as an active owner. Methods may include direct discussions with company leadership, collaboration with operational teams, or engaging external advisors as needed.
- **Monitor and Record Progress:** Progress is systematically tracked and documented to

ensure accountability and transparency. This process allows for consistent evaluation of outcomes and informs ongoing engagement efforts.

#### **4. Methods of Stewardship and Engagement**

Primavera Capital utilizes a variety of stewardship and engagement methods tailored to the characteristics of its investment strategies and the significance of ESG factors. These methods include:

- **Direct Communication:**
  - Engaging in verbal or written communication with portfolio companies via calls, emails, or video meetings to address ESG risks and opportunities.
  - Conducting regular updates and discussions with senior management teams to align on sustainability priorities.
  - Utilizing both formal and informal communication channels to foster open dialogue and enhance understanding of ESG issues.
- **In-Person Engagement:**
  - Holding meetings or site visits to conduct an in-depth review ESG performance and discuss the implementation of sustainability initiatives.
- **Collaborative Engagement:**
  - Involving external advisors or industry experts to provide specialized knowledge and support ESG initiatives as needed.
- **Periodic Reporting:**
  - Developing templates to encourage portfolio companies to periodically report on their sustainability performance by collecting quantitative and qualitative ESG data.

The frequency and methods of engagement are determined by each portfolio company's specific needs, Primavera's level of influence, and the materiality of ESG issues. Through these approaches, Primavera can:

- Monitor how investments incorporate sustainability into their operations.
- Evaluate annual progress across different metrics.
- Identify best practices for sharing among reporting entities.
- Identify opportunities for enhancement and value creation.

Where appropriate, Primavera encourages companies to leverage the information compiled for its reporting program to develop their own reporting and communication strategies.

#### **5. Escalation Mechanism**

If portfolio companies fail to respond adequately to our engagement efforts or requests related to sustainability issues, or if they are involved in significant violations or controversies, and our stewardship initiatives or proposed corrective action plans do not succeed, Primavera may consider escalating the situation. This could involve reducing the size of our position or pursuing partial or complete divestment.

#### **6. Conflicts of Interest and Inside Information**

Primavera Capital is dedicated to effectively managing conflicts of interest and adhering to regulations concerning material non-public information. We recognize our fiduciary duty to act in the best interests of our funds and investors, prioritizing transparency and integrity in all our operations.

Our protocols for handling material non-public information ensure compliance with relevant laws, and our teams are trained to safeguard sensitive information while upholding high standards of integrity. Conflicts of interest are identified and addressed through our governance structures, ensuring that our stewardship activities align with investor interests. We implement internal processes to mitigate biases and require employees to exercise independent judgment, avoiding personal relationships that may compromise objectivity. For further detail, please refer to our *Code of Ethics* and *Compliance Policies*.

Through these measures, Primavera Capital seeks to prevent the misuse of positions or privileged information and to protect the interests of our clients, employees, and stakeholders.

**Effective Date:** May 1, 2025

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