Flying Rivers Capital
eB Climate Participações Ltda.

Environmental & Social Management System (ESMS)

September 2026

Flying Rivers Capital

Contents

1. Introduction

EB Climate Participações Ltda. ('eB Climate' or 'Flying Rivers' or 'Manager') is a Latin America–focused investment firm mobilizing capital for the transition economy. We invest in opportunities that enhance energy efficiency and resilience, food security, and the efficient use of natural resources, supporting industrial innovation and sustainable growth where more efficient and resilient systems drive long term competitiveness.

This document describes eB Climate's Environmental and Social Management System (ESMS). It outlines how eB Climate integrates environmental and social (E&S) criteria across every stage of the investment cycle – from origination and analysis through to active portfolio management – with a focus on generating sustainable value and promoting positive socio-environmental outcomes.

This ESMS is a living document. The ESG Team reviews it annually to incorporate any revisions warranted by changes in portfolio composition, applicable standards, or GCF requirements.

2. Objectives

This ESMS aims to:

- Ensure appropriate assessment of environmental and social risks across the full investment cycle.
- Institutionalize E&S processes consistently across eB Climate and its portfolio companies.
- Align with the applicable requirements of the GCF, CVM, ANBIMA, and other relevant regulatory bodies and DFIs.
- Measure and monitor E&S metrics as part of a broader strategy of risk mitigation and long-term value creation.
- Ensure transparency and disclosure to investors and stakeholders in accordance with the GCF Information Disclosure Policy.

Overarching Commitment

eB Climate and its investee companies commit to avoid adverse environmental and social impacts and, where avoidance is not possible, to minimize and mitigate them so that no net harm occurs to people or the environment.

3. Principles

eB Climate orients its operations around four essential principles:

Responsibility – We consider it our fiduciary and ethical duty to incorporate ESG criteria into our operating model, protecting and creating value for our investors and for society.

Integration – We systematically incorporate ESG criteria at all stages of the investment process, from origination and due diligence through to final decision and ongoing portfolio monitoring.

Active Engagement (Stewardship) – We maintain structured, recurring dialogue with investee companies to support appropriate governance, robust ESG practices, and continuous improvement in sustainable management.

Transparency – We value clear, consistent, and accessible communication about our ESG practices, metrics, and results, ensuring credibility, alignment of expectations, and accountability to investors and all other stakeholders.

eB Climate is a signatory to the Principles for Responsible Investment (PRI) and adopts its Six Principles in full:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by investee entities.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together with other signatories to enhance effectiveness in implementing the Principles.
6. Report on activities and progress towards implementing the Principles.

In every process of evaluating, investing in, and monitoring assets — applicable to both new and existing investments — eB Climate adopts the Principles for Responsible Investment and uses a proprietary methodology seeking assertiveness in analyzing all three ESG pillars:

Environmental (E) – We consider aspects related to the preservation and responsible use of natural resources, mitigation of environmental impacts, and adaptation to climate change, seeking practices that reduce environmental risks and contribute to long-term business resilience.

Social (S) – We evaluate how companies relate to their employees, clients, suppliers, and communities, valuing practices that promote respect for human rights, decent working conditions, diversity and inclusion, safety, quality, and positive social impact.

Governance (G) – We analyze corporate governance structure and practices, including transparency, ethics, risk management, composition and functioning of decision-making bodies, and compliance with applicable legislation and regulations.

4. Policies

4.1. Environmental

- Apply the most rigorous standard among applicable national laws and regulations, including the IFC Performance Standards.
- Review and measure the environmental footprint using sector-specific indicators — including Scope 1 and 2 GHG emissions — and encourage portfolio companies to reduce emissions to the extent possible.
- Starting in 2025, eB Climate conducts annual GHG emissions inventories and develops decarbonization plans for portfolio companies, engaging an external consultancy to support this work; both the updated inventory and decarbonization plan are reviewed every year.
- Prepare and disclose a GHG inventory and develop a decarbonization plan.
- Monitor portfolio companies closely and report findings through the annual ESG report.

4.2. Social

- Comply with all applicable local and national regulations, the IFC Performance Standards, and relevant GCF policies, including the GCF Environmental and Social Safeguards, the Updated Gender Policy, and the Indigenous Peoples Policy.
- Adhere to the ILO Declaration on Fundamental Principles and Rights at Work and respect the Universal Declaration of Human Rights.
- Prohibit forced labor and child labor in any form within portfolio companies and their supply chains.
- Ensure fair treatment of all employees regardless of gender, race, disability, political opinion, sexual orientation, age, religion, or other characteristics.
- Monitor health and safety and diversity and inclusion across all investee companies, with a focus on inclusive and sustainable development.
- Encourage investee companies to implement policies and initiatives for inclusion of young people, persons with disabilities, women, Black people, and other underrepresented groups – adopting the same standards as the Manager itself.
- Assess supply chain human rights compliance, particularly the absence of forced or child labor.

4.3. Health and Safety

- Ensure safe and healthy working conditions for employees and contractors across all companies invested.
- Comply with all applicable national regulations and the IFC Performance Standards.
- Assess and monitor all potential health and safety risks arising from work activities, reviewing them at recurring Committee meetings.
- Implement appropriate measures to prevent and mitigate health and safety risks.

4.4. Gender and SEAH

- eB Climate is committed to promoting gender equality and women's empowerment in its portfolio companies and in its own operations, in line with the Women's Empowerment Principles (WEPs).
- eB Climate adopts a strict zero-tolerance policy for Sexual Exploitation, Abuse, and Harassment (SEAH). This applies to all Fund staff, investee company employees, contractors, and any individuals engaged in activities related to eB Climate's investments. Where SEAH risk from contractors, subcontractors, or suppliers is material, this is addressed via the ESAP: contract clauses, onboarding/refresher training, and ESG supervision.
- SEAH screening workflow: the ESG Team screens each investment during ESG DD, using the risk indicators in the Gender Lens Investment Checklist. Enhanced assessment is triggered by elevated-risk indicators (e.g., remote/field-based operations, construction phase, high contractor reliance). Findings translate into ESAP actions, contractual covenants (SPA/SHA), ESG supervision, and quarterly/annual reporting. Full procedures: GRM Annex (Appendix D, Section 3) and the Gender Action Plan (GAP).
- Portfolio companies are required to implement SEAH prevention policies, grievance mechanisms and codes of conduct (detailed in Section 10).

The Fund's gender strategy, targets, and implementation procedures are set out in full in the Gender Assessment and Gender Action Plan, which is the governing document for gender-related obligations across the portfolio.

4.5. Governance

- Require portfolio companies to operate ethically and in compliance with all anti-corruption laws — the same standard of conduct required of the Manager itself.
- Require all investee companies to implement robust integrity programs along the investment cycle, contributing to SDG 16 (Peace, Justice and Strong Institutions).
- Comply with and encourage investee companies to align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- Assess governance criteria including: transparency, ethics and integrity practices; executive remuneration and long-term incentive plans; and quality and structure of the board.

4.6. Mitigation Hierarchy

1. Avoid — Actively prevent adverse E&S impacts wherever feasible, including through early-stage screening and alternative analysis.
2. Minimize — Where avoidance is not possible, reduce the scale, duration, and intensity of adverse impacts through operational design and management systems.
3. Mitigate — Address remaining material impacts through Environmental and Social Management Plans (ESMPs) with actions, timelines, responsible parties, and budgets.
4. Restore and Compensate — Where significant residual impacts remain, implement appropriate restoration or compensation measures (e.g., biodiversity action plans).

5. Environmental and Social Risk Management

5.1. E&S Risk Categorization

eB Climate uses the IFC Environmental and Social Categorization framework to classify investment opportunities. This determines the level of due diligence and risk management required.

Category	Description	eB Climate Decision
Category A	Business activities with potentially significant adverse E&S risks and/or impacts that are diverse, irreversible, or unprecedented.	Not eligible for investment. Discarded at screening.
Category B	Business activities with potentially limited adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible, and addressable through mitigation measures.	Eligible, subject to full ESG Due Diligence and action plan after investment.
Category C	Business activities with minimal or no adverse E&S risks and/or impacts.	Eligible, subject to completion of all analyses. ESG Due Diligence and action plan also required (possibly less complex)

Companies classified as Category A will not be considered for investment. eB Climate will also decline investment where: (i) E&S risks are judged to be unmanageable; (ii) shortcomings cannot be addressed in a reasonable timeframe or at reasonable cost; or (iii) the Management Team does not demonstrate the leadership required to foster a culture of E&S responsibility.

5.2. E&S Risk Using the IFC Performance Standards

The E&S risk assessment follows the IFC Performance Standards framework across eight thematic areas. For each standard, the ESG Team identifies key risks associated with each potential investment and the mitigants applied:

PS 1 — Assessment and Management of E&S Risks and Impacts

- Risk: Portfolio companies may lack a formal ESMS or adequate internal E&S capacity.
- Mitigant: eB Climate actively encourages and supports portfolio companies in adopting or strengthening E&S management practices aligned with GCF and IFC standards, including the development of internal procedures, periodic E&S performance monitoring, and, where appropriate, the use of independent assessments. During ESG DD, the assessment considers baseline E&S conditions, potential associated facilities, and where relevant, indirect, induced, and cumulative impacts. Where relevant to the nature and scale of the investee activity, ESG DD considers feasible alternatives, such as siting, design, technology, sequencing and operational alternatives, to avoid or minimize E&S risks and impacts. Where the complexity or

scale of identified risks warrants it, specialist assessment is commissioned. Specific PS-level risks and mitigants are set out in PS2–PS8 below.

PS 2 — Labor and Working Conditions

- Risk: Non-compliance with labor laws, restriction of workers' rights, SEAH incidents, or child/forced labor in supply chains.
- Mitigant: Labor compliance (covering direct workers, contracted workers, and supply-chain workers) is assessed during ESG DD. eB Climate's baseline expectation at investee level is compliance with applicable Brazilian labor law and the ILO Fundamental Conventions (freedom of association and collective bargaining, elimination of forced and child labor, and non-discrimination in employment) together with documented terms of employment, occupational health and safety, and management of contracted and supply-chain workers. Where material PS2 risks are identified, investees are expected to maintain occupational health and safety practices proportionate to identified risks and to establish a confidential worker grievance channel, which may be integrated into the fund-level GRM structure (Appendix D). Forced labor is on the Exclusion List (Appendix A).

PS 3 — Resource Efficiency and Pollution Prevention

- Risk: Excessive water or energy use, pollution from manufacturing or waste facilities, difficulties tracking GHG emissions.
- Mitigant: eB Climate requires portfolio companies to conduct annual GHG inventories (Scope 1 and 2) and develop decarbonization plans; Scope 3 is tracked where data is available and material. During ESG DD, investees are screened for material PS3 risks including effluents, hazardous waste, contaminated land, hazardous materials, pesticides and biological inputs, and water use. Where material PS3 risks are identified, investees are expected to implement pollution prevention and control measures proportionate to the risk, consistent with IFC PS3 and applicable national requirements. Where these risks require continuous operational management (e.g., permitted effluent discharge, significant air emissions, or routine handling of hazardous materials or waste) a stand-alone ESMP or equivalent site-specific plan is required, finalized at IM3 alongside the ESAP.

PS 4 — Community Health, Safety, and Security

- Risk: Accidents involving heavy machinery, inappropriate behavior by workers towards communities, SEAH incidents, inadequate emergency response.
- Mitigant: Community health and safety risks are assessed during ESG DD. Where material PS4 risks are identified (including activities involving heavy machinery, construction, hazardous processes, or security arrangements) investees are expected to implement community health and safety measures proportionate to the risk, including emergency response procedures where relevant. SEAH risks are assessed and managed in line with the GRM Annex (Appendix D). Significant adverse incidents are reported promptly to eB Climate and notified to the GCF in accordance with GCF requirements

PS 5 — Land Acquisition and Involuntary Resettlement

- Risk: Land transactions lacking formal processes or fair compensation; economic displacement of communities.
- Mitigant: During ESG DD, investees are screened for PS5 risks including historic and current land acquisition, informal land use, access restrictions, and livelihood and economic displacement impacts. Where PS5 risks are identified, investees are expected to document land acquisition processes and demonstrate adequate consultation and compensation of affected persons. A site-specific RAP (physical displacement) or LRP (economic displacement) is required where PS5 impacts are identified and cannot be avoided through the mitigation hierarchy. Consultation and disclosure follow the Stakeholder Engagement Plan: the instrument is disclosed at least 30 days before the IC approval decision, in accordance with the GCF Information Disclosure Policy, conducted in the local language and with direct engagement of affected persons, whose input informs the final instrument. Preparation of a RAP/LRP does not by itself determine eligibility; investments involving land acquisition or displacement remain subject to E&S risk screening to confirm consistency with the program's applicable risk categorization, and investments that would be classified as Category A remain excluded (Appendix A).

PS 6 — Biodiversity Conservation

- Risk: Operations encroaching on sensitive habitats or causing ecosystem degradation.
- Mitigant: eB Climate will decline investments likely to convert or significantly degrade critical habitat (Exclusion List, Appendix A). During ESG DD, investees are screened for PS6 risks using official cartography of protected areas and legally designated habitats, including proximity to federal and state protected areas, areas of high biodiversity value, and ecosystem-service dependencies. Where material PS6 risks are identified, specialist input is sought and investees are expected to implement biodiversity management measures proportionate to the risk, including invasive species controls where relevant.

PS 7 — Indigenous Peoples

- Risk: Operations near Indigenous lands without identification or adequate consultation, failing to obtain FPIC.
- Mitigant: During ESG DD, eB Climate screens for proximity to officially recognized Indigenous lands or territories with pending claims, and quilombola territories. Where Indigenous Peoples or equivalent traditional communities are present and may be affected, portfolio companies must adopt appropriate measures aligned with GCF Indigenous Peoples Policy (B.19/11) and IFC PS7. Engagement processes must be culturally appropriate, conducted in local languages, and based on the principles of Free, Prior and Informed Consent (FPIC). Full procedures are set out in the Indigenous Peoples Planning Framework.

PS 8 — Cultural Heritage

- Risk: Unearthing artefacts during construction without proper procedures; unauthorized use of cultural heritage.
- Mitigant: Cultural heritage risks are screened during ESG DD. Where investee activities include construction, land conversion, or material expansion, chance-find procedures aligned with IFC PS8 and applicable local requirements (including consultation with IPHAN where relevant) are expected to be in place prior to commencement.

Preliminary Checklist

PS	Question	Suggested Next Steps (if applicable)
PS1	1. Does the company have a defined E&S management structure (policies, roles, processes)? 2. Does the company have the capacity to implement ESG-related actions? 3. Have key environmental and social risks and impacts been identified?	1. If not: require implementation of a basic ESMS after investment 2. If not: include implementation support in ESAP 3. Include full scope in ESG DD
PS2	1. Is there any risk of child labor, forced labor, or informal labor practices? 2. Are there material occupational health and safety (OHS) risks? 3. Are contractors or third parties properly managed from a labor perspective?	1. Conduct labor audit and define corrective action plan 2. Require OHS management plan with mitigation hierarchy 3. Map critical suppliers and enforce minimum standards
PS3	1. Does the activity generate significant emissions, effluents, or hazardous waste? 2. Does the operation rely heavily on natural resources (e.g., water, energy)? 3. Are there known environmental liabilities or past incidents?	1. Require pollution prevention and control measures 2. Assess efficiency and identify optimization opportunities 3. Conduct deeper due diligence and define remediation plan
PS4	1. Could the project impact community health and safety (e.g., traffic, emissions, accidents)? 2. Is there a risk of sexual exploitation, abuse or harassment (SEAH)?	1. Require Community Health & Safety plan 2. Implement SEAH policy and reporting mechanisms
PS5	1. Does the project involve land acquisition, resettlement, or restricted access to resources? 2. Is there risk of economic or physical displacement? 3. Was land acquired through transparent and voluntary processes?	1. If yes, require RAP/LRP and stakeholder engagement plan 2. Assess impacts and define mitigation measures 3. Validate documentation and identify potential disputes
PS6	1. Is the project located near protected areas, critical habitats, or sensitive ecosystems? 2. Could the activity result in habitat loss or ecosystem degradation?	1. Require biodiversity screening and specialist input 2. Develop biodiversity management plan
PS7	1. Could the project affect Indigenous Peoples' lands, resources, or cultural practices? 2. Are Indigenous Peoples directly impacted?	If yes, then: 1. Conduct targeted assessment 2. Require FPIC process and Indigenous Peoples Plan
PS8	1. Could the project affect archaeological, historical, or cultural heritage sites?	1. Implement Chance Find Procedure and safeguards

6. Safeguard Architecture

All investments receive an Environmental and Social Action Plan (ESAP) as the baseline safeguard instrument. The ESAP is agreed with the investee during the investment process, reflects findings from ESG due diligence, and is monitored throughout the investment period. Additional site-specific instruments are determined on a case-by-case basis based on the PS screening outcome at IM2 stage, as set out in the Table below.

At program level, the following instruments are already in place and apply across the portfolio: the Indigenous Peoples Planning Framework (Appendix C); the Grievance Redress Mechanism (Appendix D); the Gender Assessment and Gender Action Plan; and the Stakeholder Engagement Plan.

Safeguard instruments by PS triggered

PS triggered	Additional instrument(s)
PS1 - Assessment and Management of E&S Risks and Impacts	• **ESAP:** required for all investments
PS2 - Labor and Working Conditions	• **Occupational Health and Safety (OHS) plan:** where material OHS risks identified
PS3 - Resource Efficiency and Pollution Prevention	• **Pollution prevention and control measures:** where material risks identified
PS4 - Community Health, Safety and Security	• **Community Health and Safety (CHS) plan:** where material risks identified • **SEAH protocol:** per GRM Annex (Appendix D)
PS5 - Land Acquisition and Involuntary Resettlement	• **RAP (Resettlement Action Plan):** where physical resettlement risk • **LRP (Livelihood Restoration Plan):** where economic displacement risk
PS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	• **Biodiversity Management Plan (BMP):** where proximity to protected areas or sensitive habitats confirmed
PS7 - Indigenous Peoples	• **Indigenous Peoples Plan (IPP) and FPIC process:** per IPPF (Appendix C)
PS8 - Cultural Heritage	• **Chance-find procedure:** where construction, land conversion, or material expansion

A single investee may include multiple distinct sites or activities requiring separate site-specific instruments; in such cases, instruments are prepared and disclosed per site or activity as applicable. Category B disclosure (including relevant E&S instruments) occurs at least 30 days before the IC approval decision, consistent with GCF Information Disclosure Policy requirements and as detailed in the SEP (Stakeholder Engagement Plan). Where a follow-on investment or material expansion changes the E&S risk profile of an investee, E&S screening is repeated, and safeguard instruments are revised as needed.

7. E&S Assessment and Investment Process

7.1. Governance: Roles and Responsibilities

Partners' Committee (Comitê de Sócios)

The Partners' Committee is composed of the partners of the Manager. It is the executive body of highest authority and has a strategic character. Its deliberations must observe the provisions of this ESMS and the ESG Investment Policy, ensuring that E&S issues are addressed in decision-making.

Investment Committee (IC)

The Investment Committee is responsible for deliberating on investment and divestment opportunities. Its E&S responsibilities include:

- Applying the results of ESG analyses in the evaluation and execution of investment strategies.
- Reviewing E&S risks and opportunities of each proposed investment as presented in the Investment Memorandum.
- Monitoring and overseeing the ESG KPIs defined for invested assets.

ESG Committee

Integrated into the Investment Committee and with the participation of the ESG Team, the ESG Committee ensures that the ESG agenda is incorporated transversally into investment and monitoring processes, acting as the forum for discussion of risks, opportunities, and the evolution of sustainable practices.

ESG Team

The ESG Team is composed of the ESG Officer and, when necessary, third parties engaged for advisory or consulting services on ESG matters. The ESG Officer is also a member of the investment team, reinforcing eB Climate's conviction that sustainability and investment decisions must be strategically integrated.

The ESG Officer's responsibilities include:

- Development of policies, procedures, and specific tools for implementing and monitoring ESG initiatives within portfolio companies.
- Driving the ESG agenda within eB Climate and portfolio companies, bringing market insights and new approaches.
- Supporting the investment team during screening, due diligence, and post-investment monitoring stages.
- Structuring and tracking action plans and KPIs with portfolio companies and the investment team.
- Preparing internal and external reports on ESG performance.
- Ensuring internal alignment with applicable regulations and best practices in sustainable investing.

The ESG Officer reports directly to the managing partners of eB Climate.

7.2. Investment Process: E&S Integration at Each Stage

Stage 1 — Market Screening

All investment opportunities go through an initial screening to assess whether they fall within eB Climate's sustainability thesis. We look for assets where sustainability is core to the business model — not simply in the company's ESG practices or reporting.

Screening methodologies applied:

- Thematic Investment — sectors are pre-selected aligned to specific climate themes.
- Positive Screening — we only invest in assets where ESG is embedded in the core business model, using a pre-mapped sector list; for new sectors, we assess whether the company can scale a profitable and sustainable solution.
- Negative Screening — we exclude assets with material exposure to sectors or practices incompatible with eB Climate's policies or with the fund's mandate, based on the Exclusion List (Appendix A).
- SDGs Mapping — each asset must demonstrably contribute to at least one SDG; ESG alignment must be core to the business model.
- Climate Risk Screening — material physical and transition climate exposure is flagged based on the target's sector and locations.

Stage 2 — Target Evaluation: IM1 (Pre-NBO)

IM1 is the first formal analysis document, intended to secure IC approval for submitting a Non-Binding Offer and authorizing the due diligence budget. At this stage, eB Climate stress-tests the sustainability thesis by applying both the SDGs and the IMP framework (Five Dimensions of Impact — Who, What, How Much, Contribution, and Risk).

The IM1 already includes initial ESG risks identified and other areas of early attention. The NBO explicitly states that an ESG due diligence will be required for the investment.

Stage 3 — ESG Due Diligence: IM2 (Post-NBO, during due diligence)

With the IC's approval of IM1 and the NBO accepted by the counterparty, eB Climate begins the diligence process. Alongside other diligences, a dedicated ESG Due Diligence (ESG DD) is conducted.

The ESG DD evaluates:

- The company's current stage in addressing ESG issues.
- The company's capacity to manage identified risks and address potential gaps

- Key social and environmental risks (including physical and transition climate risks) associated with its activities, sector, and locations.
- Alignment with eB Climate's minimum ESG criteria as set out in this ESMS and ESG Policy.
- Assessment against all eight IFC Performance Standards.
- SEAH risk assessment.
- Indigenous Peoples risk screening and, where relevant, full assessment.
- Reputation and image risk (media coverage, legal proceedings, environmental violations, background check on the company and its shareholders).

If any points of concern are identified during the ESG DD process, eB Climate may: (i) fully discontinue the investment analysis; (ii) suspend the analysis until the issue is resolved; or (iii) continue analyzing and propose a post-investment action plan. In such cases, the IFC risk categorization tool is applied to help determine how to proceed.

IM2 summarizes the key findings, presents our view on potential ESG risks and opportunities, and recommends how to proceed. At this stage, contract negotiations are also underway, and ESG, gender-related and reporting obligations applicable to portfolio companies are contractually embedded in the relevant transaction documents, including the SPA and/or SHA. Board participation serves as a monitoring and enforcement mechanism, not as the sole basis for such obligations.

Remedies for material non-compliance are graduated:

- Written notice and an agreed 60-day remediation plan;
- Escalation to the ESG and Investment Committees;
- Judicial exercise of contractual remedies for unresolved or repeated breaches;
- Inclusion in investor reporting;
- Constrained access to follow-on capital from the Fund where no credible remediation is provided.

Where the Fund holds control or significant-influence positions, it directs implementation through its governance rights; in minority positions, it promotes alignment through board representation, governance engagement and value-creation dialogue, recognizing its more limited decision-making authority.

Stage 4 — Final IC Approval: IM3

If all diligence phases are completed satisfactorily and the investment team recommends moving forward, a final memo is submitted for investment approval and deal signing.

IM3 includes a dedicated section consolidating the ESG results, conclusions, and diagnostics, as well as the proposed Environmental and Social Action Plan (ESAP) and KPIs for post-investment monitoring (based on the Theory of Change), establishing a company-specific mitigation and/or adaptation additionality assessment for that investment relative to a business-as-usual counterfactual. The ESG Officer provides mandatory sign-off from an E&S perspective before funds are disbursed. The ESG Officer has authority to escalate E&S concerns directly to the ESG Committee and Partners' Committee independently of commercial considerations. E&S obligations (including ESAP implementation, GRM operation, gender and SEAH commitments, and monitoring and reporting requirements) are conditions of investment reflected in the Fund's investment documentation.

Stage 5 — Signing, Closing and Post-Investment Monitoring

At signing, provided there are no adverse findings or developments after IC approval and the legal documentation has been successfully finalized, the investment team takes the formal steps toward closing the transaction. At closing, the ESG Team ensures that all environmental and social matters have been satisfactorily addressed before the release of funds.

8. Post-Investment Monitoring

8.1. 100-Day Plan

Following closing, eB Climate supports portfolio companies in implementing a structured post-investment plan to address key operational, financial, and ESG priorities identified during due diligence. This typically includes:

- Action Plan: Definition of priority actions to address key business, ESG, and risk issues.
- Monitoring: Establishment of financial and ESG KPIs, with regular performance tracking.
- Governance: Implementation or strengthening of governance structures, including boards and relevant committees (e.g., ESG Committee).
- People & Organization: Assessment of key talent, organizational needs, and incentive structures.
- Communication: Structured engagement with key stakeholders.
- Audit Readiness: Preparation for financial reporting and audit processes.

8.2. ESG Routines

eB Climate maintains structured ESG monitoring routines at both portfolio company and firm level, including quarterly KPI tracking, biannual ESG Committees, and annual re-underwriting, GHG inventory reviews, and climate risk review. Full details are governed by eB Climate's internal ESG Playbook.

E&S monitoring at investee level follows a standardized process covering KPIs, ESAP progress, incident reporting, and gender and SEAH indicators, reviewed quarterly by the ESG Officer and reported to investors through the Fund's quarterly reporting package and annual ESG report.

8.3. Governance and Stewardship

In addition to specific ESG agendas, eB Climate maintains an active governance role through board participation and other committees, aiming to stay aligned and help guide portfolio companies — including on risk and sustainability matters.

At shareholder meetings, eB Climate's votes are based on the best interests of investors and fiduciary duties, aligned with ESG principles, with the goal of enhancing the environmental, social, and governance practices of portfolio companies.

eB Climate contributes to portfolio companies' impact through two channels: (i) financially, by providing capital; and (ii) operationally, through active participation in boards and committees, with support and guidance in decision-making, presenting solutions for investees to reach excellent operational standards aligned with best practices — always with full respect for each business's culture and particularities.

8.4. Site Visits

On-site visits are conducted to observe assets firsthand, understand day-to-day operations, engage with the operational team, and verify ESG-related aspects in practice — such as workplace safety, waste management, and environmental controls. The on-site visit is carried out both by the consultancy engaged for the ESG due diligence and by the investment team. From the investment team's side, it takes place at least once before the investment and, after the investment, whenever deemed appropriate.

8.5. Monitoring Unplanned Events

Portfolio companies must respond appropriately and in a timely manner to serious accidents, incidents, or other changes in the ordinary course of business, and must notify the ESG Team of any of the circumstances below within 48 hours of occurrence. SEAH allegations must be reported to the ESG Team within 72 hours of receipt. The following circumstances require prompt notification to the ESG Team:

- Serious accidents resulting in loss of life, serious injury, adverse impacts on human rights, labor strikes, or material adverse impacts on communities and/or the environment.
- SEAH incidents.
- Material non-compliance matters that may potentially result in closure of operations.
- Adverse findings by legal or regulatory authorities (notices, warnings, closure orders).

Reporting to the GCF follows the standard reporting channel: incidents and their resolution are captured in the Fund's Annual Performance Report to the GCF. Separate ad hoc notification to the GCF is provided, as soon as reasonably practicable, where an incident raises or potentially raises the E&S risk category of a GCF-financed activity; in such cases the ESMP is revised and the relevant E&S documents are disclosed in accordance with the GCF Information Disclosure Policy. Corrective actions are tracked through the quarterly ESG monitoring cycle and reported through the Annual Performance Report.

8.6. Divestment

At the end of the investment and development cycle, eB Climate evaluates the effects of its exit, aiming to ensure that the effects are positive and lasting, observing fiduciary duties to investors. The Manager works to prepare the investee's team and processes so that positive impact is maintained and perpetuated after divestment.

It is also eB Climate's objective to create scale of positive externality through the development of talent and capabilities, so that purpose-driven investments multiply; so that investees maintain their growth and impact trajectory and serve as examples for other market players.

9. Annual Reporting

eB Climate collates E&S and development impact performance data across its portfolio to assess the overall E&S and development impact its investments achieve. The annual E&S report covers:

- Portfolio companies' ESG KPIs tracked.
- GHG emissions and progress on decarbonization plans (Scope 1 and 2, and where available Scope 3).
- Progress on ESG Action Plans and corrective actions (when applicable).
- Contribution to the aligned SDGs.

As required by ANBIMA for 'IS' funds, eB Climate also submits a standardized ESG report following ANBIMA's template and methodology. An annual internal review of ESG policies and methodologies ensures consistency with internal practices and the information disclosed to ANBIMA.

E&S and gender performance is a standing agenda item at investor meetings, with aggregated portfolio-level results presented annually through the Fund's ESG report.

10. Grievance Mechanisms

The Fund operates a three-tier grievance structure covering E&S, SEAH, gender, and IP-related complaints.

Tier 1 is an investee-level focal point, designated within each portfolio company's existing ESG, HR, or management structure via ESAP. Tier 2 is the fund-level Canal Confidencial (canalconfidencial.com.br/ebcapital), an independent confidential reporting platform managed by Aliant and supervised by Flying Rivers Legal and Compliance, accessible anonymously and without retaliation. Tier 3 is the GCF Independent Redress Mechanism (IRM), accessible directly at irm.greenclimate.fund at any stage, without prior engagement with Tier 1 or Tier 2.

Tier 1 operates as a single integrated investee-level mechanism, accessible to workers, community members, and other affected parties through the same focal point. SEAH cases receive differentiated, survivor-centered handling through the dedicated investee-level SEAH Focal Point (GRM Annex,

Appendix D, Section 3.2); other material labor, OHS, or retaliation concerns are addressed through the same Tier 1 focal point, with escalation to the ESG Team where material.

All three tiers are communicated to affected communities and workers at investee onboarding, in ESAPs, and at stakeholder consultations. Full procedures, including SEAH-specific protocols and IP provisions, are set out in the GRM Annex (Appendix D).

11. Methodologies and Tools

11.1. International Frameworks Applied

- Principles for Responsible Investment (PRI) — overall responsible investment approach.
- UN Sustainable Development Goals (SDGs) — thematic alignment and impact mapping; each asset must contribute to at least one SDG.
- Impact Management Project (IMP) — Five Dimensions of Impact for assessing opportunities and defining KPIs.
- IFC Performance Standards (2012) — E&S risk categorization and due diligence framework.
- World Economic Forum's Measuring Stakeholder Capitalism — general KPI framework for portfolio monitoring.
- OECD Guidelines for Multinational Enterprises — responsible business conduct standards.
- UN Guiding Principles on Business and Human Rights — social and labor standards.
- TCFD recommendations — assessment of physical and transition climate risk.

Appendix A — Exclusion List

Companies involved in the following activities are excluded from investment by eB Climate:

1. Category A investments under the IFC Environmental and Social Categorization framework.
2. Projects or activities that restrict people's individual rights and freedoms, or that involve harmful or exploitative forms of forced labor or child labor, as defined by ILO Fundamental Labor Conventions.
3. Production, trade or commercialization of any product or activity deemed illegal under host country laws, regulations or applicable international conventions.
4. Projects or companies in violation of applicable local law related to environment, health, safety, labor, land use and public disclosure.
5. Activities that significantly affect protected areas, legally protected ecosystems or cultural heritage sites, including UNESCO World Heritage Sites, without appropriate mitigation and applicable approvals.
6. Activities involving significant degradation, fragmentation or conversion of Critical Habitats, as defined under IFC Performance Standard 6.
7. Projects that would result in the degradation or fragmentation of legally protected areas, critical habitats or areas of high biodiversity value.
8. Logging in tropical, primary or high conservation value forests.
9. Conversion of natural forests into plantations.
10. Activities that impinge on lands owned, occupied, claimed, under adjudication or traditionally used by Indigenous Peoples or traditional communities, without full documented consent and compliance with applicable consultation and consent requirements.
11. Activities that may affect Indigenous Peoples in voluntary isolation or initial contact, as defined in the GCF Indigenous Peoples Policy
12. Unsustainable fishing methods, including blast fishing, electric shocks, drift-net fishing or other practices that materially harm marine ecosystems.
13. Agricultural or rural projects not duly registered in the applicable rural environmental registry, including the Cadastro Ambiental Rural (CAR) in Brazil, when required by law.
14. Extraction, transport, commercialization or generation of energy from mineral coal.
15. Extraction, transport, commercialization or generation of energy from oil, petroleum products or derivatives.
16. Fossil-fuel power generation facilities with material greenhouse gas emissions, unless explicitly and consistent with a credible transition use case.
17. Mining activities that involve rudimentary mining practices, informal mining or *garimpo*.
18. Mining activities, including exploration-stage activities, located on Indigenous lands or lands of traditional occupation.
19. Cross-border trade in waste or waste products, unless fully compliant with the Basel Convention and applicable regulations.
20. Activities involving material pollution or environmental contamination, including significant unmanaged emissions, effluents, hazardous waste, soil contamination or other material environmental liabilities.

21. Other activities classified as materially polluting under applicable law, regulation or the Fund's environmental and social standards.
22. Production, manufacturing, processing, distribution or trade of tobacco or tobacco-related products.
23. Production, trade, distribution or commercialization of weapons, ammunition, military equipment, police equipment or related infrastructure.
24. Correctional facilities, prisons and related infrastructure.
25. Gambling, casinos, betting, lotteries or equivalent enterprises.
26. Equipment, infrastructure or hotels primarily linked to gambling, casinos, betting or equivalent enterprises.
27. Sex trade and any related infrastructure, services, media or businesses.
28. Pornography, prostitution or related services, infrastructure or media.
29. Motels.
30. Saunas and spas.
31. Clubs or similar adult entertainment or sexually oriented venues.
32. Production or distribution of racist, anti-democratic, extremist or neo-Nazi media, products or content.
33. Businesses whose primary activity involves political or religious content, advocacy or proselytizing.
34. Alcoholic beverages, except beer and wine, when they represent a substantial part of the company's or project's primary financed business activities.
35. Media businesses, unless specifically approved and aligned with the Fund's mandate.
36. Use, breeding or trade of live animals for scientific or experimental purposes, except where strictly compliant with applicable law, recognized ethical standards and not material to the financed business.
37. Production, use, trade, import or distribution of genetically modified organism (GMO) seeds or transgenic horticultural crops, where not compliant with applicable regulation or not aligned with the Fund's environmental and social standards.
38. Companies found by a court, regulatory authority or competent administrative body to have engaged in unlawful monopolistic practices.
39. Companies, projects or activities associated with corruption, fraud, money laundering, terrorist financing, sanctions violations or other material unlawful conduct.
40. Projects or companies providing significant direct support to governments or entities engaged in a consistent pattern of gross violations of internationally recognized human rights.
41. Projects or companies in which a host country government has majority ownership or effective management control, unless specifically approved under the Fund's governance framework and consistent with the Fund's private-sector mandate.
42. Any company, project or activity that fails to comply with Flying Rivers Fund II's environmental, social, governance, integrity, anti-corruption, AML/CFT or reputational risk standards.

Appendix B — Environmental and Social Action Plan (ESAP) Structure

An ESAP is prepared for each portfolio company following the ESG Due Diligence, consolidating the ESG results, conclusions, diagnostics, and the proposed post-investment actions. At minimum, the ESAP must include:

1. Summary of E&S findings from due diligence.
2. Risk categorization (Category A / B / C) with justification.
3. Identified E&S gaps and required corrective actions.
4. Time-bound action plan: actions, responsible party, target date, and success indicator for each item.
5. KPIs to be monitored post-investment (specific, aligned to the Theory of Change; and general, aligned to WEF Measuring Stakeholder Capitalism and SDGs).
6. Funding source and responsible party for each action (portfolio-company budget as an ESAP obligation, or fund-level management fee where applicable).

The ESAP is reviewed and updated at each quarterly monitoring meeting until it is concluded.

Appendix C — Indigenous Peoples Planning Framework (IPPF)

1. Purpose and Scope

This Indigenous Peoples Planning Framework (IPPF) is an annex to the Flying Rivers Environmental and Social Management System (ESMS). It sets out how Flying Rivers identifies, assesses, and manages risks and impacts on Indigenous Peoples and equivalent traditional communities across its portfolio. This IPPF applies across the full investment lifecycle.

Flying Rivers invests in New Energies, Food Security, and Circularity in Brazil. Given Brazil's significant Indigenous and quilombola territorial presence, investments, particularly in Food Security, may operate in proximity to such communities.

The GCF Indigenous Peoples Policy (decision B.19/11) is the primary standard. IFC Performance Standard 7 (2012) is a complementary operational reference where consistent with the GCF IP Policy.

2. Definitions

Term	Definition
Indigenous Peoples	Distinct social and cultural groups characterized by: self-identification; collective attachment to ancestral territories; customary cultural, economic, or political systems distinct from mainstream society; and a distinct language or dialect. As defined in the GCF IP Policy.
Quilombola communities	Afro-descendant communities with historical territorial attachment and distinct cultural identity. The GCF IP Policy explicitly includes Afro-descendant communities of South America and the Caribbean within its scope. Flying Rivers applies the same processes and safeguards to quilombola communities as to Indigenous Peoples.
Traditional communities	Other traditional communities exhibiting similar characteristics, including riverine, extractivist, and fishing communities, are covered where applicable under this IPPF.
Peoples in voluntary isolation	Indigenous peoples with no or limited contact with mainstream society. Flying Rivers will not invest in activities that may affect such peoples.
FPIC	Free, Prior and Informed Consent: consent obtained before project activities begin, through an inclusive and transparent process, in local language(s), free of coercion, and documented.
IPP	Indigenous Peoples Plan: a time-bound plan setting out measures to avoid, minimize, and compensate for adverse impacts and to enhance benefits for affected communities.
Meaningful consultation	A two-way, inclusive process conducted in local language(s), engaging representative governance structures, documented, and reflected in project design.
ESAP	Environmental and Social Action Plan: the binding commitment agreed with each investee, embedded in the shareholders agreement, tracking E&S obligations throughout the investment.

3. Screening and Assessment

3.1 Screening

IP screening is conducted for all investments. Relevant indications assessed include: geographic location in or near mapped territorial areas; sector of activity; or information identified during standard E&S due diligence. The screening outcome, including the documented absence of IP, quilombola, or traditional community presence, is recorded in the investment appraisal documentation.

Screening draws on applicable official databases, such as those maintained by FUNAI and INCRA, alongside other relevant sources available at the time of assessment. Results are documented in the investment appraisal documentation.

3.2 Full IP Assessment

A full IP Assessment is triggered where screening confirms or finds uncertain IP, quilombola, or traditional community presence, and is conducted with qualified IP expertise. The assessment covers:

- Identification and characterization of affected communities, including governance structures and land use
- Legal and institutional context under Brazilian law and applicable international standards
- Nature and scale of potential positive and adverse impacts on communities, including on land, livelihoods, and cultural heritage
- Whether FPIC is required (see Section 5)
- Design of the engagement and consultation process
- Investee capacity to manage IP-related risks
- Alternatives to avoid identified impacts
- Conflict sensitivity
- Existing consultations and grievance arrangements

Assessment findings are documented in the investment appraisal and reflected in the ESAP.

4. Integration into the Investment Process

IP compliance is a condition for Investment Committee (IC) approval. The table below summarizes requirements at each stage of the investment appraisal process.

Stage	IP Requirement	Responsible party
Investment Memorandum 1 (IM1): initial appraisal	Document initial ESG risks, including indicators that may inform PS7 screening at IM2	ESG Officer
Investment Memorandum 2 (IM2): due diligence	Conduct IP screening. Where screening confirms or finds uncertain IP presence: complete IP Assessment. Define engagement approach. Initiate FPIC process if required. Reflect findings in ESAP.	ESG Officer, with external specialists if required
Investment Memorandum 3 (IM3): final IC approval	No IC approval without: (a) completed IP Assessment where triggered; (b) engagement plan or IPP in place; (c) FPIC evidence where required.	ESG Officer, Investment Committee
Post-investment	Implement IPP and ESAP obligations. Monitor and report annually.	ESG Officer, portfolio company

Where IP presence is confirmed and impacts are possible, non-compliance with the above requirements results in suspension or exclusion of the investment.

5. Free, Prior and Informed Consent (FPIC)

FPIC is required in the following circumstances, aligned with the GCF IP Policy:

- Physical or economic displacement of affected communities
- Significant changes in land use or access to natural resources under traditional or customary use
- Adverse impacts on cultural heritage or sacred sites
- Commercial development on lands under customary occupation
- Commercial development or use of Indigenous knowledge or cultural heritage

Where required, the FPIC process must be:

- Initiated before IM3 approval, with documented evidence of progress
- Based on prior disclosure of project information in local language(s)
- Conducted through recognized community governance structures, including women and youth
- Free of coercion, with sufficient time for internal community deliberation
- Iterative, continuing throughout the investment lifecycle as circumstances evolve

- Documented, with records maintained and available to GCF on request
- Conducted through good-faith negotiations, with the agreed process and outcome documented

Where FPIC is not obtained, the investment is suspended or excluded. However, FPIC does not require unanimous support from all members of the affected community. The process should aim to reflect the broad collective position of the community, while documenting any dissenting views and how they were addressed.

6. Meaningful Consultation

Meaningful consultation is required whenever IP, quilombola, or traditional community presence is confirmed, regardless of whether impacts are adverse. It must:

- Begin as early as possible in the appraisal process
- Engage representative bodies, including women and youth
- Be conducted in local language(s) and be culturally appropriate
- Be documented, with community views reflected in project design and the ESAP
- Continue throughout the investment period

7. Indigenous Peoples Plan (IPP)

An IPP is mandatory when IP, quilombola, or traditional communities are present and may be affected by investment activities. Where specific locations are not yet determined, this IPPF serves as the operative framework; site-specific IPPs are developed as investments progress.

Each IPP must include at minimum:

- Baseline description of affected communities
- Impact assessment (positive and adverse), including on land, livelihoods, and cultural heritage
- Avoidance, mitigation, and compensation measures
- Benefit-sharing arrangements: culturally appropriate, gender-inclusive, proportionate to the scale of impacts, and determined through consultation with affected communities, consistent with the customs and traditions of the communities involved. Arrangements are documented in the IPP, reflected in the ESAP, and monitored through the reporting cycle.
- FPIC documentation where required
- Consultation records and outcomes
- Grievance redress mechanism (project-level, cross-referenced to the GRM Annex (Appendix D))
- Monitoring indicators, responsibilities, and timeline

- Land and tenure assessment
- Implementation budget and financing responsibilities
- Future engagement arrangements
- Community-based or participatory monitoring, where appropriate

IPPs are prepared and disclosed in accordance with the GCF Information Disclosure Policy prior to final IC approval and, in any case, before the relevant activities begin.

8. Grievance

At the investee level, each portfolio company is required via ESAP to designate an internal grievance focal point within its existing ESG, HR, or management structure as the first point of contact for workers and affected communities on project-level E&S matters.

Flying Rivers operates a Confidential Channel managed by third-party provider Aliant, accessible in Portuguese at canalconfidencial.com.br/ebcapital, supervised by the fund's Legal and Compliance team. The channel guarantees anonymity and protection from retaliation.

Where an investment involves affected IP communities, Flying Rivers will acknowledge and respect customary IP governance structures and dispute resolution mechanisms as complementary pathways to the formal channel, without prejudice to either party's rights under applicable law.

As part of the consultation process, affected communities must be informed of all grievance pathways available to them, including the fund-level Confidential Channel and the GCF Independent Redress Mechanism (GCF IRM). Communities may access the GCF IRM directly, without prior engagement with the fund-level mechanism.

Full grievance procedures, (including response timelines, appeal options, accessibility, language and translation needs, confidentiality, protection from retaliation, and links with customary dispute resolution mechanisms) are detailed in the GRM Annex (Appendix D).

9. Roles, Capacity and Resources

Role	Responsibility
ESG Officer	IP focal point at fund level, Fernanda Toledo. Conducts screening, commissions IP Assessments, oversees consultation and FPIC processes, monitors IPP implementation, and reports to the Investment Committee.
Investment Committee	Reviews IP findings at each IM stage. Has authority to suspend or exclude investments on IP compliance grounds. Does not approve IM3 without required IP documentation.
External specialists	Engaged when an investment triggers an IP Assessment or FPIC process. Provide technical support for assessment, consultation facilitation, and translation where needed.
Portfolio companies	Implement IPP and ESAP obligations at project level. Report to Flying Rivers on IP matters as part of the quarterly E&S reporting cycle.

Budget for IP-related activities, including specialist fees, consultation support, and translation, is allocated per investment via the ESAP and tracked in the annual ESG reporting cycle.

10. Monitoring and Disclosure

Flying Rivers tracks a set of IP indicators at fund level, reported annually to GCF:

- Number of investments screened for IP presence
- Number triggering a full IP Assessment
- Number requiring an IPP
- FPIC processes initiated and completed
- Grievances related to IP matters: received, resolved, and pending

Monitoring is proportionate to the level of IP engagement: where no trigger has been activated, documentation of the screening result is sufficient. Where an IPP is in place, portfolio companies report on implementation as part of the quarterly E&S cycle.

This IPPF is publicly available on the Flying Rivers website. IPPs are disclosed in accordance with the GCF Information Disclosure Policy.

Appendix D — Grievance Redress Mechanism (GRM)

1. Purpose and Scope

This annex sets out the grievance redress mechanisms available to workers, affected communities, and any other person or group who may be impacted by the activities of Flying Rivers Capital or its portfolio companies. It covers environmental and social (E&S) matters, sexual exploitation, abuse and harassment (SEAH), gender-related concerns, and Indigenous Peoples (IP) and Quilombola community rights.
The mechanisms are:

- Free of charge to complainants at all tiers.
- Available without retribution; retaliation against any person who submits a complaint in good faith is strictly prohibited.
- Accessible without prejudice to judicial or administrative remedies available through state systems.
- Independent of and complementary to the GCF Independent Redress Mechanism (GCF IRM), which may be accessed directly at any stage.

2. Three-Tier Structure

The Fund operates a three-tier grievance structure. Any tier may be accessed directly, without prior engagement with other tiers.

	Tier 1	Tier 2	Tier 3
Name	Investee-level focal point	Canal Confidencial	GCF Independent Redress Mechanism (IRM)
Operated by	Portfolio company (designated via ESAP)	Aliant, an independent third-party provider, supervised by Flying Rivers Legal and Compliance	GCF
How to access	Via designated focal point within investee ESG, HR, or management structure	canalconfidencial.com.br/ebcapital (in Portuguese)	irm.greenclimate.fund
Direct access	Yes	Yes	Yes, at any stage without prior engagement with Tiers 1 or 2
Covers	Project/activity-level E&S, SEAH, and gender concerns	Fund-level and investee-level E&S, SEAH, gender, IP, and compliance concerns	Complaints regarding GCF-financed activities and non-compliance with GCF policies

All three tiers are communicated to affected communities and workers at investee onboarding, in ESAPs, and at stakeholder consultations, in Portuguese and in culturally appropriate formats where IP communities are involved, consistent with the commitments made in the Indigenous Peoples Planning Framework.

2.1. Tier 1: Investee-Level Grievance Focal Point

Each portfolio company is required, as a condition of its ESAP, to designate an internal grievance focal point within its existing ESG, HR, or management structure within 18 months of investment. The focal point serves as the first point of contact for workers, community members, and other affected parties at the project or activity level. Once the grievance channel is operational, and for as long as no dedicated focal point has been designated, the investee must appoint an interim responsible person from within its existing organization to receive grievances and relay them to management and to the Fund's ESG Team, until the dedicated focal point is formalized.

Tier 1 operates as a single integrated mechanism for workers, community members, and other affected parties, consistent with the Fund's confidential, survivor-centered approach. SEAH cases receive differentiated handling through the dedicated investee-level SEAH Focal Point set out in Section 3.2. Where an investee presents material labor, OHS, or retaliation risk requiring dedicated handling capacity (for example, where security personnel are deployed) this is addressed through the ESAP on a case-by-case basis.

Minimum requirements embedded in the ESAP:

- A designated focal point identified by name or role, accessible to all workers and affected communities.
- At least one confidential submission channel (in-person, written, or electronic) accessible without cost.
- A written grievance log recording all complaints received, actions taken, and outcomes.
- The investee-level grievance channel is operational within 60 days of closing, with the designated focal point formalized within the standard 18-month timeline (or earlier where IP or Quilombola communities may be affected, per below). Complaints are acknowledged within 7 calendar days and resolved within 90 days. Where the complainant is not satisfied, the matter may be escalated to Tier 2 (Canal Confidencial) or Tier 3 (GCF IRM) at any time.
- An appeals process available to complainants who are not satisfied with the proposed resolution.
- Communication of Tier 2 (Canal Confidencial) and Tier 3 (GCF IRM) to all workers and community members, including how and when each can be accessed.

For investments involving IP or Quilombola communities, Tier 1 mechanisms must additionally:

- Be co-designed with affected Indigenous Peoples and Quilombola communities, with the final mechanism communicated back to them before it becomes operational.
- Recognize customary dispute resolution mechanisms as complementary pathways, without prejudice to either party's rights under applicable law.
- Provide translation and interpretation support where needed.
- Offer mediation as an option where complainants are not satisfied with the proposed resolution.

2.2. Tier 2: Fund-Level Canal Confidencial

The fund-level grievance mechanism is the Canal Confidencial, an independent confidential reporting platform managed by Aliant, a third-party provider and supervised by Flying Rivers Legal and Compliance.

Feature	Detail
Name	Canal Confidencial
Provider	Independent third-party provider
Access	canalconfidencial.com.br/ebcapital (in Portuguese)
Who can submit	Any employee, partner, contractor, supplier, investor, portfolio company worker, affected community member, or third party
Anonymity	All reports are treated anonymously and confidentially
Non-retaliation	Retaliation against any good-faith reporter is strictly prohibited and subject to disciplinary action up to dismissal for cause, as set out in the Code of Ethics and Compliance Manual
Oversight	Reports reviewed by the Compliance and Risk Committee, operating independently of the activity under review

The Canal Confidencial is disclosed to portfolio company workers and affected communities through investee onboarding, ESAPs, and stakeholder consultations, so that it serves as an accessible Tier 2 channel for project-level complainants.

2.2.1. Case Handling

Complaints received through the Canal Confidencial are handled through the following steps: receipt and logging, acknowledged within 5 business days; eligibility screening; investigation and dialogue, with progress updates provided at least every 30 days; proposed resolution within 60 days, with any extension communicated in writing; and closure, once the complainant confirms satisfaction or, if unresolved, is referred to Tier 3 (GCF IRM), which remains accessible directly at any stage.

These steps apply equally to grievances raised by Indigenous Peoples and Quilombola communities. Investigation and dialogue in such cases take into account the community's governance structure and collective decision-making, using culturally appropriate protocols as set out in Section 4 below. Confidentiality and protection from retaliation apply throughout, consistent with the safeguards described in Section 4.

The Canal Confidencial operates consistent with the UN Guiding Principles effectiveness criteria for non-judicial grievance mechanisms: it is legitimate, accessible, predictable, equitable, transparent, rights-compatible, and dialogue-based. Complainants receive updates at each step of the process.

2.3. Tier 3: GCF Independent Redress Mechanism

The GCF Independent Redress Mechanism (IRM) addresses complaints from people, groups, or communities affected by GCF-financed activities. The IRM is accessible at irm.greenclimate.fund.

- Any affected person may access the GCF IRM directly, at any stage, without prior engagement with Tier 1 or Tier 2.
- Flying Rivers will cooperate fully with the IRM if a complaint is filed and will implement any remedial actions stipulated by the GCF Board on the IRM's recommendation.
- The GCF IRM and the means to access it are communicated to affected communities and workers at onboarding, in ESAPs, and at stakeholder consultations, consistent with the Indigenous Peoples Planning Framework (Appendix C).

3. SEAH-Specific Procedures

SEAH-specific procedures apply at all tiers and to all people handling SEAH complaints. These procedures are consistent with the commitments made in the Gender Assessment and Gender Action Plan. Where an investee's SEAH risk involves material exposure through contractors, subcontractors, or suppliers, this is addressed via the ESAP: contract clauses, onboarding/refresher training, and ESG supervision.

3.1 Core Principles

- Informed consent of the survivor is required before any investigation proceeds.
- Confidentiality and anonymity are maintained throughout the process.
- Do-no-harm applies at all steps: the safety and wellbeing of the survivor take precedence.
- Alleged perpetrators are removed from direct contact with the survivor pending resolution.
- Survivors may withdraw from the process at any time without consequence.

3.2 Focal Points

The ESG Officer (currently Fernanda Toledo) is the designated fund-level SEAH Focal Point, responsible for overseeing SEAH case handling at Tier 2 and for coordinating with investee-level focal points. Each portfolio company is required via ESAP to designate an investee-level SEAH focal point within 18 months of investment.

Investee-level SEAH focal points will complete focal-point-specific training, covering survivor-centered and confidential case handling, informed consent, do-no-harm, referral pathways and data protection, within 60 days of their nomination, and refresher training at least annually thereafter or whenever procedures change. Flying Rivers provides the training materials and supports the first training cycle for each investee; from the second cycle onward, delivery is an ESAP obligation of the investee, monitored by the Fund's ESG Team.

3.3 Referral Pathways

For investments with elevated SEAH exposure (remote or field-based operations, construction phase, or high contractor reliance), available referral services (e.g., medical, psychosocial, legal, and protection) are mapped during ESG due diligence and documented in the ESAP before first disbursement. Where local capacity is absent or insufficient, the ESAP documents how access to the nearest available providers would be arranged and financed.

For investments with low to moderate SEAH risk, referral identification is activated if a trigger event occurs. Survivor support costs are covered by the Fund as needed, proportionate to the nature and location of the incident.

3.4 Monitoring

SEAH complaints are tracked quarterly by the ESG Officer: complaints received by tier, case resolution status, and ESAP action status. Suspected underreporting in elevated-risk contexts triggers a targeted review, which may include anonymous staff surveys or engagement of an external specialist. Aggregated and anonymized SEAH data are reported annually to investors and to GCF as part of the Fund's annual ESG report.

4. IP-Specific Provisions

For investments involving indigenous peoples or Quilombola communities, the following additional provisions apply, consistent with the Indigenous Peoples Planning Framework (Appendix C):

- The grievance mechanism is communicated to communities during consultation, prior to project commencement.
- Customary IP governance structures and dispute resolution mechanisms are recognized as complementary pathways, without prejudice to either party's rights under applicable law.
- Translation and interpretation support is provided where needed.
- Mediation is available as an option at Tier 1 or Tier 2 where complainants are not satisfied with the proposed resolution.
- Complainants' identities are kept confidential.
- All three tiers, including the GCF IRM, are communicated to IP communities at each consultation in culturally appropriate formats.

5. Communication and Disclosure

Flying Rivers ensures that affected communities, workers, and other relevant stakeholders are informed of all three grievance tiers at the earliest opportunity through the following channels:

- Investee onboarding: the Canal Confidencial and the GCF IRM are included in onboarding materials provided to all portfolio company staff.
- ESAPs: each ESAP includes a section describing the three-tier GRM and how each tier can be accessed.
- Stakeholder consultations: the three tiers are communicated at all consultations involving communities or workers affected by investee operations.
- Project disclosure materials: GRM information is included in project-level disclosure materials published in accordance with the GCF Information Disclosure Policy.

All materials are provided in Portuguese. For investments involving IP or Quilombola communities, materials are provided in relevant local languages and culturally appropriate formats where needed.

6. Monitoring, Reporting, and Adaptive Management

Flying Rivers maintains a written grievance log covering all complaints received across Tiers 1 and 2. The log records: date of submission, tier, nature of complaint, actions taken, resolution, and current status. Complainants' identities are kept anonymous in the log where requested. The log is available to the GCF IRM on request.

Tracking and reporting:

- Quarterly: complaints by tier, resolution status and timeline, SEAH incidents, and ESAP action status are reviewed by the ESG Officer.
- Annually: aggregated and anonymized grievance data are reported to investors and GCF, covering complaints received, resolved, and pending by category (E&S, SEAH, IP, gender).

Adaptive management: patterns of underreporting, recurring complaint types, or changes in contextual risk trigger a review of the relevant ESAP and, where warranted, an update to safeguard measures