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VERITAS



Bureau Veritas Certification - Brazil

SECOND PARTY OPINION – SUSTAINABILITY BONDS

STOCK CAPITAL S.A.



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INTRODUCTION

Bureau Veritas Certification Brazil (BUREAU VERITAS) was hired by Stock Capital S.A., a company based in Brazil and Argentina, to conduct an independent verification of its Sustainability Bond Framework (Framework) of May 2024, with respect to compliance with the Principles of Green Bonds, Social Bonds and Sustainability Bonds of the International Capital Market Association (ICMA); Green Loans and Social Loans of the Loan Market Association (LMA).

This opinion is composed of two distinct parts, namely:

- **Part 1:** Sustainability informational data obtained directly from Stock Capital: Suggested eligibility criteria, list of eligible projects and associated metrics;
- **Part 2:** Technical opinion on the alignment and adherence of the proposed KPI and SPTs, against the technical criteria of ICMA and LMA.

The technical basis used for this verification was the *ICMA Guidelines*, called *Sustainability Bond Guidelines* (SBG)¹ of 2021, *Green Bond Principles*² (GBP) of 2021 and amended in 2022, *Social Bond Principles*³ (SBP) of 2021 as amended in 2022, all as “*Voluntary Process Guidelines*” and the *LMA Guidelines*, called *Green Loan Principles* (GLP) of 2023 and *Social Loan Principles* (SLP) of 2023.

The scope of verification is limited to eligible Stock Capital projects as detailed in this Opinion.

¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

CONCLUSION

Based on the verification carried out by us and the evidence obtained, we are of the opinion that the Stock Capital Framework of May 2024 adheres to the GBP, SBP and SBG of the ICMA and GLP and SLP of the LMA and, therefore, is able to be used in debt operations made within the scope of the domestic or international capital market, as well as in bilateral and/or multilateral loans.

In addition, we concluded that, through a Due Diligence, designed to demonstrate the potential of environmental protection, recovery and preservation projects in the Province of Salta, Argentina, and a conceptual project of action in the area of education for regions of social vulnerability, Stock Capital demonstrates a strategic direction about future assets and projects that may be contemplated with proceeds from Sustainability Bonds.

PART 1

1.1 ON STOCK CAPITAL

The information contained in Part 1 of the Opinion was obtained directly from Stock Capital.

Stock Capital is a multinational company with operations in Brazil and Argentina, operating in the sustainable development and environmental preservation sector. The company aims to produce a positive impact for future generations through its actions and initiatives, including the implementation of sustainable practices in all activities, in order to actively promote environmental and social preservation.

Bringing an investment philosophy, Stock Capital is based on the need to build strategies that are increasingly resilient and adaptable to the high volatility of the macroeconomic scenario, building a balanced portfolio that maximizes returns and minimizes exposure risks with a focus on generating long-term wealth.

The company's investment strategy is to know the opportunities that the global sustainable and technological sector can provide, actively seeking investments that promote innovation and sustainable development and thus contribute to more responsible, balanced and committed economic growth with the environment and society as a whole.

Stock Capital is committed to a wide range of international agreements and has signed frameworks that guide the Company's work. This includes the UN Global Compact, the UN Universal Declaration of Human Rights, together with the PRI (Principles for Responsible Investment), making a commitment to align its business with the Paris Agreement, the United Nations and the sustainable development goals. The investments will bring the following benefits:

- Guarantee of service to the current and future market;
- Promotion of the economy, with induction of investments in Brazil and Argentina;
- Investments in innovative technologies and processes that reduce the carbon footprint, optimize the use of natural resources and effectively manage waste and emissions;
- Identification of opportunities for sustainable growth in sectors such as renewable energy, energy efficiency, waste management and drinking water, among others;
- Development of educational training projects.

Stock Capital believes that the environmental theme is intrinsic to its corporate strategy, reflecting not only ethical values, but also the pragmatic long-term vision for business, recognizing that environmental sustainability is not only a matter of responsibility, but also an opportunity to create sustainable value for investors and stakeholders.

1.1.1 General ESG Strategy of Stock Capital

As signatories to the UN Global Compact, Stock Capital conducts business in line with the sustainable development goals (“SDGs”), more specifically in alignment with the SDGs: Quality education, Affordable and clean energy, Decent work and economic growth, Sustainable cities and communities, Action against global climate change and Life on Earth.

Stock Capital's Sustainability Plan aims to:

- Create value for stakeholders;
- Identify risks and opportunities;

- Integrate sustainable principles and practices into the organizational culture;
- Identify the main gaps and points for improvement in the socio-environmental and governance dimensions;
- Keep the company aligned with best practices, reinforcing leadership in Sustainability;
- Improve communication and transparency of the sustainability strategy to stakeholders.

1.2 ELIGIBILITY CRITERIA

The following environmental and social eligibility criteria were considered by Stock Capital:

Environmental

- Environmentally sustainable management of living natural resources and land use;
- Pollution prevention and control.

Social

- Support for education services and infrastructure aimed at underprivileged communities and municipalities with a below-average Human Development Index (HDI);
- Socioeconomic advancement and empowerment (equitable access to resources and opportunities, reduction of income inequality).

1.3 ON THE ISSUANCE OF SUSTAINABILITY BONDS

In order to enhance the impact of Stock Capital's sustainable performance, the Company created a Framework to promote investments that have clear socio-environmental attributes and are aligned with the principles of responsible management. The Company intends to use this Framework as an “umbrella” to issue bonds and/or take out green loans, in the capital market, banking market and/or multilateral transactions. The categories eligible for the Framework have been selected from internal procedures and definitions and are fully aligned with Stock Capital's business strategy. It is worth noting that the Framework contemplates a broad approach to the Company's fundraising, so Stock Capital's capital providers should always consult the relevant documentation for any specific transaction.

1.3.1 Principles of Sustainability Bonds

Bonds and/or debts associated with projects with positive social and environmental attributes are a modality in which proceeds are applied and uniquely labeled to finance or refinance projects and assets that are now called eligible. The Sustainability Bond Guidelines (SBG) recommend alignment with its four core components, known collectively as “The Principles”, and provide guidelines for any type of lending instrument that finances or refinances social and environmental projects.

The components of the *Sustainability Bond Guidelines* are:

- Use of Proceeds
- Evaluation and selection of projects
- Management of Proceeds
- Report

1.3.2 Characterization of the bond as sustainable (sustainability bond)

The eligible categories indicated in the Stock Capital Framework can be considered “Sustainable” due to adherence to the ICMA (Sustainability Bonds Guidelines) Eligibility Criteria and Principles and Loan Market Association (LMA) Social Loans.

The analysis of compliance with the SBG and LMA was conditioned to a verification work, carried out by a duly qualified independent verification company (Verifier).

This Opinion included an analysis of adherence to the SBGs and does not address an *environmental compliance* assessment, since the focus of the verification was the Framework, including the eligibility requirements, Due Diligence and Conceptual Social Project. As there is no specific funding being sought at the moment, the Compliance assessment shall be carried out later, when there is a debt/loan issuance and one or more projects to be labeled and under implementation.

1.4 ON FUTURE PROJECTS AND PERFORMANCE INDICATORS

Stock Capital defined the typology of environmental and social projects described below in the Use of Proceeds Table. The expected impacts of the projects will be measured through qualitative and quantitative indicators, according to the effective implementation of projects and the company's commitment established in its Framework.







USE OF PROCEEDS TABLE WITH ENVIRONMENTAL EMPHASIS		
Category GBP	Eligible projects	UN Core SDG Targets
Pollution prevention and control.	Development of forest projects (REDD+) and projects for carbon removal, projects for the recovery of degraded areas.	 
Environmentally sustainable management of living natural resources and land use.	Development of projects that promote restoration and preservation of natural landscapes, afforestation and reforestation.	 

TABLE USE OF PROCEEDS WITH SOCIAL EMPHASIS

SBP Category	Eligible projects	UN Core SDG Targets
Access to essential services	Development of environmental education programs.	
Access to essential services	Development of programs, educational assistance and vocational training for young people from communities in at-risk regions.	

PART 2

2.1. SCOPE AND METHODOLOGY

The scope of this verification covered the analysis of:

- Framework prepared by Stock Capital in May 2024;
- Justification for the issuance of a Sustainability Bond and consistency with the company's overall sustainability and business strategy;
- Projects defined as to eligibility;
- Definition and application of methodology/metrics for project monitoring;
- Disclosure regarding the future Use of Proceeds.

The scope of this verification was Limited, according to Bureau Veritas internal protocol for verification of Sustainability Bonds. This scope differs from Reasonable in that it emphasizes the verification of adopted systems that allow the generation of reliable data. There is no specific quantitative data accuracy analysis.

2.2 RESPONSIBILITIES OF STOCK CAPITAL AND BUREAU VERITAS

Obtaining the data analyzed by our team is the sole responsibility of Stock Capital's management. BUREAU VERITAS is responsible for providing an independent opinion to Stock Capital in accordance with the scope of work defined in this opinion.

2.3. LIMITATIONS AND EXCLUSIONS

Excluded from this verification is any information related to:

- Activities outside the period contemplated in this opinion;
- Activities not corresponding to this scope of verification.

The verification process brings, due to its limited scope, some restrictions on the possible identification of minor errors, especially in quantitative data.

Due to the characteristics of the Sustainability Bond operations, we clarify that our verification is restricted to the analysis of adherence to the Principles of GBP, SBP, SBG, GLP and SLP and the eligibility of the projects, as mentioned in Part 1 of this Opinion.

Our verification was conducted based on the ICMA Sustainability, Green and Social Bond Principles and LMA Green and Social Loan Principles. We clarify that conceptually the Sustainability Bonds are a combination of Green and Social Bonds, where it is necessary to verify adherence to the requirements of both guidelines. Thus, our Opinion conceptualizes the verification of the scope of Sustainability Bonds.

2.4. TECHNICAL OPINION

2.4.1 Framework

The Stock Capital Framework was analyzed in relation to its completeness and consistency with the company's governance. In our analysis, the Framework meets ICMA GBP, SBP and SBG as well as LMA GLP and SLP. Below we detail the compliance with the requirements of the operation.

2.4.2. On the typology of Projects

The choices of the projects mentioned in chapter 1.4 of this Opinion demonstrate adequate alignment with:

- A) The ESG strategy assumed by the company;
- B) The environmental and social eligibility criteria;
- C) Sustainable Development Goals (SDG);
- D) ICMA's GBP, SBP and SBG and LMA's GLP and SLP;

A. The ESG strategy assumed by the company

Stock Capital demonstrates in its sustainability strategy a commitment to develop economic activities associated with positive socio-environmental impacts. The Due Diligence evidenced for Salta Province, Argentina demonstrates a clear focus on sustainable activities. However, it is important to note that the company has not yet raised funds and has not developed projects in its intended area of initial operation (Brazil and Argentina).

B. The SBG eligibility criteria

In our opinion, there is adequate alignment of the project categories described in the Stock Capital *Framework*, described in Chapter 1.4 of this Opinion, with the ICMA and LMA eligibility criteria, namely:

- Environmentally sustainable management of living natural resources and land use;
- Pollution prevention and control.
- Support for education services and infrastructure aimed at underprivileged communities and municipalities with a below-average Human Development Index (HDI);
- Socioeconomic advancement and empowerment (equitable access to resources).

According to the SBG requirements, it is understood that certain social projects may also have environmental co-benefits, and that certain green projects may have social co-benefits. The classification of a labeled bond as Green, Social or Sustainable shall be determined by the issuer, based on its key objectives for the underlying projects.

Bureau Veritas understands that, due to the combination of social and environmental attributes of Stock Capital's projects, labeling as a Sustainability Bond is the most appropriate.

It is our understanding that the Use of Proceeds Table in Chapter 1.4 of this Opinion clearly and adequately demonstrates the socio-environmental attributes of Stock Capital's projects.

Regarding social eligibility, we evaluated Stock Capital's ability to reach persons considered vulnerable from the perspective of ICMA, in this case, adolescents aged between 15 and 20 years, attending high school and living in poor communities or municipalities with a Human Development Index (HDI) below the local average.

C. Alignment with the Sustainable Development Goals (SDGs)

In our opinion, Stock Capital's projects fall under SDGs 4, 10, 13, 15, reinforcing the environmental and social attributes of labeling, as provided in the sub-goals below:



- 4.4 By 2030, substantially increase the number of youths and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- 4.7: By 2030, ensure that all students acquire knowledge and skills necessary to promote sustainable development, including, but not limited to, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and the contribution of culture to sustainable development.
- 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
- 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, droughts and floods, and strive to achieve a land degradation-neutral world.
- 15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, to improve their ability to provide benefits that are essential for sustainable development.

D. The Principles of GBP, SBP, SBG and GLP, SLP

D.1 Use of Proceeds

We emphasize some relevant aspects about Principle 1, stated by Stock Capital in the audit process:

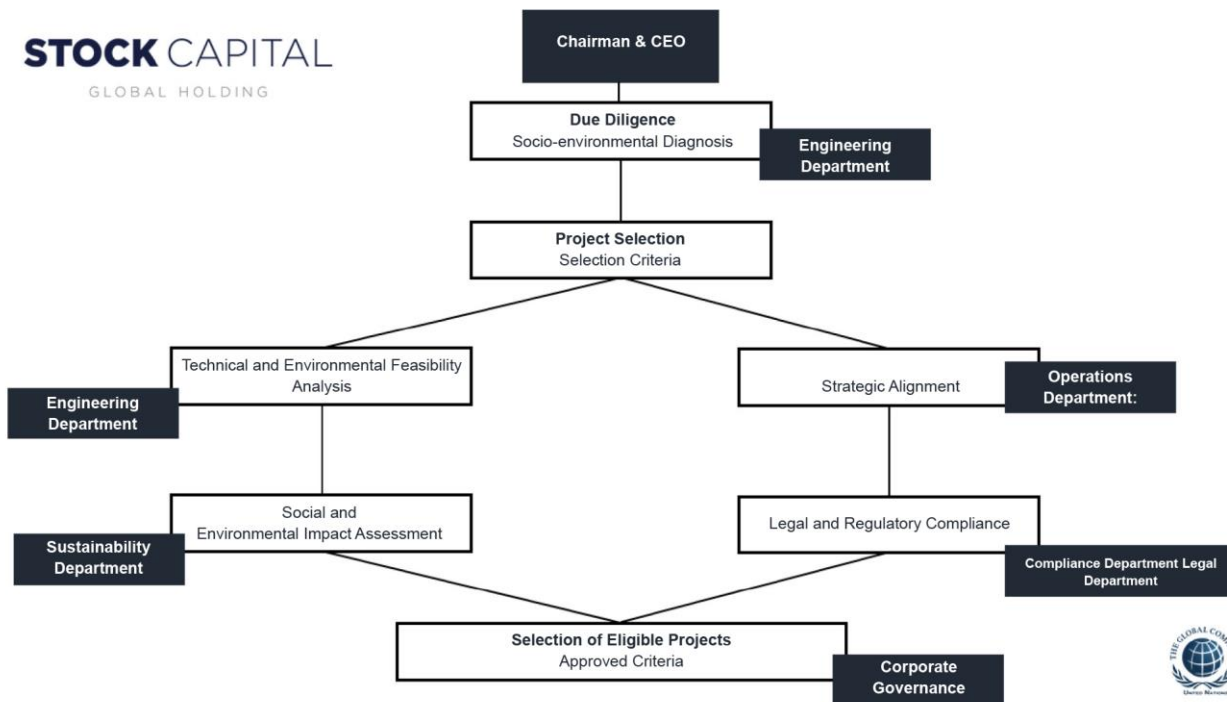
- It must be possible to track the use of the allocated proceeds at any time during the implementation phase of the projects;
- The net amount raised from the bonds and/or sustainable loans will be used to finance, in whole or in part, the eligible projects mentioned in chapter 1.4;
- Stock Capital undertakes to ensure that the ballast will never be used more than once in sustainable, environmental or social labeling operations.

We consider the future issuance of Stock Capital, labeled as *Sustainability Bonds*, to be adherents, provided that the process of Use of Proceeds, detailed in the company's Framework, is respected.

D.2 Process of Project Evaluation and Selection

We found that the Stock Capital Framework is clear in relation to the responsibilities assumed in the process of selection, evaluation and exclusion of projects. In the company's Framework, the existence of a technical and environmental feasibility analysis of each project was declared based on the information obtained during specific diagnoses, contemplating a thorough analysis of technical, economic, social and environmental aspects, ensuring that only projects aligned with sustainability practices (SDGs) are selected. It was further stated that the Compliance and Legal departments will work together to ensure that each project is in full compliance with applicable regulations and laws. Any legal or regulatory risk will be proactively identified and mitigated.

Below we demonstrate the organization chart of Stock Capital, in line with the statements made in its Framework:



The Framework establishes that only projects described in its Chapter on Environmental and Social Eligibility Criteria, copied in our Opinion in chapter 1.4, may receive financial proceeds from operations labeled as sustainable.

Finally, we clarify that we consider the future issuance of Stock Capital, labeled as *Sustainability Bonds*, to be adherents, provided that the process of evaluation and selection of projects, detailed in the Company's Framework, is respected.

In our opinion, the Framework adheres to Principle 2 of the GBPs.

D.3 Management of Proceeds

During the verification carried out by our team, we evidenced that the Framework presents ICMA's minimum requirements associated with the management of the financial operation. We emphasize some relevant aspects:

- The net proceeds of the financing will be managed by Stock Capital;
- Until there is a full allocation of the available proceeds, the Company undertakes to keep the excess net proceeds in cash, cash equivalents or other low-risk liquid investments, following the existing Stock Capital policy;
- The company undertakes not to allocate resources to activities that generate negative social and

environmental impacts. Likewise, the Company will not use the same ESG ballast for more than one fundraising, avoiding double counting, which is prohibited.

Stock Capital declares that, when raising labeled funds, it will exercise specific control by an area independent of the business area, with independent reporting to the Executive Committee to determine and supervise the portfolio of assets and projects in view of the guidelines described in its Framework and the amount of funds raised by the issuance of Sustainable Bonds.

The monitoring of the Use of Proceeds will be carried out periodically through internal reports, using Stock Capital's information systems to track and report eligible projects or assets, according to the scope defined in the chapter "Use of Proceeds".

We consider the future issuance of Stock Capital, labeled as Sustainability Bonds, to be adherents, provided that the process of using resources detailed in the company's Framework is respected.

D.4 Reporting

As stated by Stock Capital, the company undertakes to make available and keep readily available the updated information on the use of the proceeds until the full allocation, and in a timely manner in case of relevant events. Information on the allocation of proceeds in the eligible projects will be provided at least once a year until all proceeds have been allocated and will be verified by Company management.

The information provided must include at least: (i) amount raised, (ii) percentage already disbursed in accordance with the Eligibility Criteria, (iii) whether there is a temporary allocation of proceeds in highly liquid assets, according to the items above, (iv) monitoring of indicators and (v) other information deemed relevant by the Company.

It should be possible to track the use of allocated proceeds at any time during the implementation phase of any project developed in the context of one or more labeled operations.

Regarding the performance indicators that shall be disclosed by the company, we highlight the commitment to establish and monitor qualitative and quantitative indicators for each project, which will make it possible to monitor the performance of Stock Capital over time, in the context of debt issues and/or labeled loans.

We consider the future issuance of Stock Capital, labeled as *Sustainability Bonds*, to be adherents, provided that the process of Use of Proceeds, detailed in the company's Framework, is respected.

2.5. VERIFICATION

As stated by Stock Capital, this Second Party Opinion will be made available in full on the Issuer's website.

Stock Capital declares that it will carry out evaluations of the socio-environmental impacts of the Eligible Projects, as well as prepare an impact report related to referred evaluations and that the information will be forwarded to the verifier and capital providers, whenever relevant.

The Bonds/Loans issued must be evaluated by a Second Party Opinion issuing company (verifier), prior to the issuance of each debt, in order to verify that the operations will be in line with the *SBG* Guideline.

2.6 STATEMENT OF INDEPENDENCE AND IMPARTIALITY

BUREAU VERITAS is an independent professional services company specialized in Quality, Environment and Sustainability Management Systems, among others, with more than 186 years of experience in independent verification services.

BUREAU VERITAS has a quality management system, certified by a third party, according to which it maintains documented policies and procedures for compliance with ethical, professional and legal requirements.

The verification team has no relationship with Stock Capital, conducting this verification independently.

BUREAU VERITAS has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain higher standards of ethics, integrity, objectivity, confidentiality and professional competence/behavior in their daily activities.

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São Paulo, June 2024.



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