



ESGG Report
December 2024

MAS Equity Fund III
Private Equity Fund

ESGG ANNUAL REPORT
2024
MAS EQUITY PARTNERS

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1. Introduction

Amid a deep global transformation, MAS Equity Partners faces new challenges as investment managers. Business management requires giving our best as people, companies, and society. Today, more than ever, our mandate is to invest with purpose, in the best interests of our investors, companies, their communities, and the region.

At MAS Equity Partners we are committed to environmental and social care, the highest standards of corporate governance, and the promotion of merit-based hierarchy. Investing with purpose is part of our vocation. Therefore, we create opportunities, build value, and combine our traditional investment experience with the new environmental, social, governance, and gender equity (ESGG) approaches, to enhance the value of our investments and their stakeholders, and contribute to building a more sustainable future.

We are committed to the sustainable development of the economies in which we invest. We follow the IFC's performance standards, which reflect our commitment to transparency and governance of our investments. Adhering to these standards allows us to identify environmental and social risks and impacts, to help prevent, mitigate, and manage the risks and impacts of our investments in a sustainable manner, and to involve stakeholders in this process. Our compliance with the standards covers environmental and social risk and impact assessment and management, labor and working conditions, resource efficiency and pollution prevention, community health and safety, land acquisition and involuntary resettlement, biodiversity conservation, and sustainable management of living natural resources, indigenous peoples, and cultural heritage.

We believe that equal opportunities, quality of the workplace, and diversity in decision-making are essential for value creation. Fostering diversity and improving the work environment contribute to the development of our most important asset, the people, who are the fundamental pillar of growth and success in our organization.

We hope to continue to be role models for the private equity industry, committed to the cultural change that our society needs.

MAS Equity Partners

2. About MAS Equity Partners

MAS Equity Partners (MEP) is a pioneer Colombian private equity firm, with 20 years of successful investments in mid-size companies in the Andean region. The firm specializes in hands-on private equity investments in high performing, innovative and scalable companies, including award winning investments like Clínica Las Américas (Best Deal of Colombia 2018 – ColCapital), Andrés Carne de Res (Best Deal of Latin America, 2017 – LAVCA) and Bodytech (Best Deal of Colombia 2016 – ColCapital).



MEP has offices in Bogotá and Lima. A targeted, regional focus with local presence and a management team with more than 50 years of combined experience in private equity, investment banking and commercial banking, from 12 to 4 years working together, gives MEP important advantages throughout the investment process.

Central America	Colombia	Argentina	Peru
<p>Investments: 1 Sectors: Real Estate Development</p>	<p>Investments: 16 Sectors: Chemicals, Food Production, Healthcare, Industrials, Financial Solutions, Fitness, Oil and Gas Services, Restaurants, Transportation and logistics</p>	<p>Investments: 1 Sectors: Security</p>	<p>Investments: 1 Sectors: Healthcare</p>

The firm’s successful track record is the result of a structured approach to value building, through local presence and hands-on involvement.

“Our mission is to build long term partnerships with our investors, based on integrity, diligence and transparency to create sustainable value and deliver superior returns”

3. ***Our commitment to the United Nations Sustainable Development Goals***



In 2015, all United Nations Member States adopted the 17 Global Goals, the Sustainable Development Goals (SDG) defined as a universal call to action for a sustainable economic development that will allow the population to enjoy prosperity and peace.

At MEP, we are aligned with the main objective of increasing quality of life and creating a more prosperous and bright future for humanity. For this reason, our investment thesis excludes any company that cannot demonstrate a commitment to work towards the SDGs.

We promote inclusive and sustainable economic growth, creating employment by investing and creating a partnership with medium-sized resilient companies that positively impact their communities and employee’s life quality. This way, we have a multi-sector approach and support fast-growing companies stimulating emerging economies. Moreover, we direct our efforts working toward strengthening merit, creating new job opportunities, providing an equal treatment, and empowering women.



























At MEP, we encourage the implementation of responsible business practices as part of the action plan of each portfolio company. This way, we positively influence companies and management to combat climate change, taking care of the planet and enhancing sustainability. With the implementation of ESGG practices, we seek sustainable growth and the creation of lasting benefits for the portfolio companies, while meeting the needs of the present without compromising the ability of future generations to meet their needs and reinforcing the positive impact on neighboring communities¹.

Our primary Impact:



¹ The 17 Goals, United Nations

The MEF III portfolio companies are aligned with the Sustainable Development Goals of the United Nations, as follows:

	Company	Sector	Investment Type	Client Type	SDGs2
Exited	 ROCSA COLOMBIA S. A.	Chemicals	Equity	Category B ³	  
Exited	 LABORATORIOS	Healthcare	Convertible loan	Category B	 
Active	 SOLUÇÕES EQUITATIVAS	Industrials	Equity	Category B	     
Active	 PELPAK	Industrials	Convertible loan	Category B	    
Active	 DEIKEL HOLDINGS	Real Estate Development	Equity	Category C ⁴	    
Exited	 FAZENDA	Food production	Loan	Category B	     

2SDG 3: Ensure healthy lives and promote well-being for all at all ages.

SDG 5: Achieve gender equity and empower all women and girls.

SDG 7: Ensure access to affordable, secure, sustainable and modern energy for all.

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

SDG 10: Reduce inequality among countries.

SDG 12: Ensure sustainable consumption and production patterns.

SDG 13: Take urgent action to combat climate change and its impacts.

³Medium risk (category B): Transactions typically involve clients/investors with business activities with specific environmental and social impacts that are few, generally site-specific, largely reversible, and easily addressed through mitigation measures and best international practices. Potential adverse environmental impacts on human populations or areas of environmental significance are less adverse than for high-risk transactions.

⁴Low risk (category C): Transactions usually involve clients/investors with business activities with minimal or no environmental and social impact.



4. MEP ESG & Gender Strategy (ESGG)

4.1. Social and Environmental Management System

In addition to having investment principles with purpose and impact, MEP has a Social and Environmental Management System (SEMS), which establishes the policies, processes and procedures to follow during the investment and divestment process.

4.1.1. Due Diligence

The fund manager together with a third-party expert should guarantee the following:



Methodology

- Compliance with applicable regulations.
- Alignment with international standards:
 - Environmental and Social Sustainability Performance Standards-PS of the International Finance Corporation -IFC.
 - Environmental and social sustainability policy of the Inter-American Investment Corporation.
- Review of the corporate governance of the company in relation to the identification and management of environmental, social, safety and health risks at work.
- World Bank Group Environmental, Health and Safety (EHS) Guidelines.



Deliverables

- Screening: exclusion list and categorization of projects.
- Analysis of environmental and social gaps: validation of compliance with international standards.
- Environmental and social action plans.
- ESGG indicators that the Professional Manager will monitor.



Documentation

- SEMS for risk categorization and exclusion list.
- External advisor reporting format for due diligence and the action plan for each investee.

4.1.2. Asset Monitoring and reporting

The main objective of asset monitoring is to verify compliance and follow-up on the commitments established in the action plan defined in the due diligence.



Methodology

- Compliance with applicable regulations.
- Compliance with international standards:
 - IFC environmental and social sustainability performance standards.
 - Environmental and social sustainability policy of the Inter-American Investment Corporation.
 - Guide on the environment, health and safety of the World Bank (MASS).
- Preparation of checklists, according to the topics to be audited.
- Documentation review, in which the relevant documentation for the fulfillment of commitments established in the action plan will be verified.



- Visits and inspection at company facilities
- Preparation of the monitoring report, which will include: i) Gaps found, ii) ESHS risks and critical aspects, iii) Recommendations for closing gaps, iv) Verification of the structure of the company necessary to fulfill commitments.
- MEP monitors the E&S action plan through MEP's Investment officer and the company management team.
- Meetings with third-party advisors: presentation of monitoring findings and discussion of results between the Professional Manager and the external advisor.

Deliverables / Documentation



- **Annually:** Monitoring report with the status of the action plan, the conclusions regarding the status of compliance with commitments established in the action plan and recommendations.
- **Semi-annually:** Supervision report from an external consultant with the status of the action plan, new risks identified and recommendations.
- **Quarterly:** In the framework of the quarterly reports to investors, a brief description will be included for each company, on the construction of value through compliance with ESGG indicators environment, society and corporate governance:
 - a. Compliance and relevant aspects of the action plan.
 - b. Performance of ESGG indicators.
 - c. ESGG Risk Alerts.
 - d. Benchmark relative to other industries.
- **Corporate Governance:** The Professional Manager will make use of the corporate governance mechanisms to monitor the implementation of ESGG policies:
 - a. Fund Portfolio Assets: ESGG report for the company's shareholders.
 - b. Boards of directors of the fund's portfolio assets: the boards of directors and management teams of each company will monitor the progress of the action plans periodically.
 - c. External Advisor (independent from the GP): will carry out the annual validation of the progress of the action plans.

4.1.3. Training

Training of the investment team, including the independent members of the investment committee and the board of directors and management team of the companies to which due diligence was conducted to ensure they comply with the action plan. The main objective is strength capacities related to environmental, social, and occupational health and safety management, in the context of IFC's Performance Standards and standards requested by multilateral banks that contribute to the financing of MAS Equity Partners operations

4.1.4. Gender Evaluation

4.1.4.1 Gender Policy

MEP has a Gender Policy to measure the impact on profitability through diversity; the main objectives are:

- a. To implement strategies and policies that intentionally and measurably address gender disparities.
- b. To examine gender dynamics to better, inform investment decisions and gender lens programs.

4.1.4.2. Gender Lens Approach

The fund manager works on diversity and gender equity from two dimensions. On the one hand, from the management firm itself and on the other from the fund portfolio companies.

Firm Level



MEP Strengthens Diversity

- Set targets.
- Attract and promote female talent.
- Build a respectful workplace culture.
- Measure and report progress.
- Commit publicity to Gender diversity.



MEP has a Wide Gender Strategy

- GLIS Strategy.
- Encourage our people.
- Enhance progress.
- Gender Lens Advisory Board, gender lens compliant.
- Investment Committee, gender lens compliant.

Portfolio Level





MEP focuses its investment process including the following considerations:

	Strategy (Gender lens)	Gender-smart origination (For new investment opportunities)	Gender-smart Portfolio Management (For existing investments)
	Invest in companies...	Identify and consider...	Support portfolio companies to...
<p>LEADERSHIP</p>	With women represented in leadership (founder, co-founder, gender-balanced leadership team).	Companies where women are represented as founders, co-founders, gender-balanced leadership team and are committed to increasing gender diversity within their leadership as represented in senior leadership and the Board of Directors.	Increase gender diversity of leadership.
<p>EMPLOYEES</p>	Committed to a gender diverse and equitable workforce.	Companies that have a gender-diverse workforce or those who are committed to increasing diversity throughout the workforce or supply chain.	Increase the gender diversity of employee base and enhance workplace equity for both female and male employees.
<p>COMMUNITY</p>	Committed to ensuring their operations do no harm to women in the community.	Consider the representation and needs of women community stakeholders that could be impacted by company operations.	Develop gender-inclusive community engagement process and operations.

4.1.4.3. Gender Lens Investment Strategy (GLIS)

The professional manager has a transversal strategy for the investment process, starting with the investment criteria, the origination process, due diligence and monitoring of investments.


Gender Lens Investment Strategy

 <p>GENERAL INVESTMENT CRITERIA</p>	<ul style="list-style-type: none"> • Growth Equity. • Midsize companies with high growth potential. • Visionary and disciplined management. • Model replication potential / International Expansion.
 <p>DUE DILIGENCE</p>	<p>Regarding the investment criteria, MEP looks for companies that are aligned with the 2x Challenge⁶ and at least 30% (1 of 5 criteria) of the criteria must be comply:</p> <ul style="list-style-type: none"> • Entrepreneurship: 51% women ownership or the business is founded by a woman. • Leadership: 20-30% women in senior leadership (depending on sector) or 30% women on the board of investment committee. • Employment: 30-50% share of women in the workforce (depending on sector) and one “quality” indicator beyond compliance. • Consumption: Product(s) or service(s) that specifically or disproportionately benefit women. • Investments through financial intermediaries: 30% of the DFI loan proceeds or portfolio companies meet the 2X criteria.
 <p>DUE DILIGENCE</p>	<ul style="list-style-type: none"> • Proactively consider gender in investment analysis. • Inclusion of gender indicators analysis in due diligence and investment process. • Development and implementation of gender lens policies at portfolio companies.
 <p>MONITORING</p>	<ul style="list-style-type: none"> • Develop and report gender lens compliance and performance indicators for portfolio companies. • Include gender disaggregation in portfolio companies’ management report. • Reporting gender lens performance indicators for portfolio companies in the management reports.

4.1.4.4 Mandatory Gender Lens Policies (GLP) for portfolio companies

These policies shall be included as company commitments in the investment contracts⁷.

Gender Lens Policies for Portfolio Companies

 <p>RECRUITMENT EQUITY</p>	<ul style="list-style-type: none"> • Equal Employment Opportunity policy. • Pay Equity policy. • Women seeking to reenter the workforce after a period of absence. • Women who are the primary source of household income.
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⁶ The “2X Challenge” calls for the G7 and other DFIs to join to collectively mobilize USD 3 billion in commitments that provide women in developing country markets with improved access to leadership opportunities, quality employment, finance, enterprise support and products and services that enhance economic participation and access. ⁷ MAS Equity Partners, ESGG.



QUALITY OF WORKPLACE

- Policies designed to provide employees with a friendly, respectful work environment in which harassment and discrimination are strictly forbidden and condemned.
- Company-wide prevention training.
- Mechanisms in place to report abuse anonymously and commitment to investigate all incidents and take appropriate action.
- Equal pay for equal-value work.
- Working flexibility for parents and non-parents alike.



WORKPLACE COEXISTENCE COMMITTEE

- Effective implementation of legal “Workplace Coexistence Committee (*Comité de Convivencia Laboral*)”.



WEP TOOL

Annual Gender Equality diagnosis report (based on WEP Toolkit). This tool allows measuring leadership in gender issues, equity policies, non-discrimination, compensation, maternity and paternity leave, work-life balance, non-violence, non-abuse and harassment, health and safety, relationship with communities and gender issues in the companies' sustainability strategy.



OTHER INITIATIVES⁹

- Gender lens programs with quantitative targets.
- Woman leadership development programs.
- Enhanced maternity and paternity leave.
- Anonymous employee ethics and complaint hotlines.
- The Fund will seek to develop and provide companies' access to informational and/or training programs.

4.2. Fund Management

4.2.1. Key ESGG Personnel

Currently, the team of the fund manager responsible for ESGG - Environmental, Social, Governance and Gender issues are:



Leidy Caro
Legal Director &
ESGG



Mateo López
Analyst



Investment team
Associates and
Analysts

4.2.2. External Consultants

In addition to the ESGG and Gender Policies, the firm collaborates with ERM (Environmental Resources Management) to monitor the implementation of action plans and proactively identify emerging environmental, social, and governance (ESG) risks across its portfolio companies.

ERM is a global leader in sustainability consulting, providing specialized services in environmental, health, safety, risk, social performance, and security. With over 5,500 professionals across more than 160 offices in 40+ countries, ERM partners with the world's most influential organizations to help them address complex sustainability challenges and regulatory requirements.

ERM brings deep technical expertise and industry knowledge, offering innovative solutions that support responsible investment, regulatory compliance, operational efficiency, and long-term value creation. Through its partnership, the firm gains access to global best practices in ESG risk management and ensures a high standard of accountability and sustainability performance within its investment portfolio.

4.2.3. ESGG lessons learned.

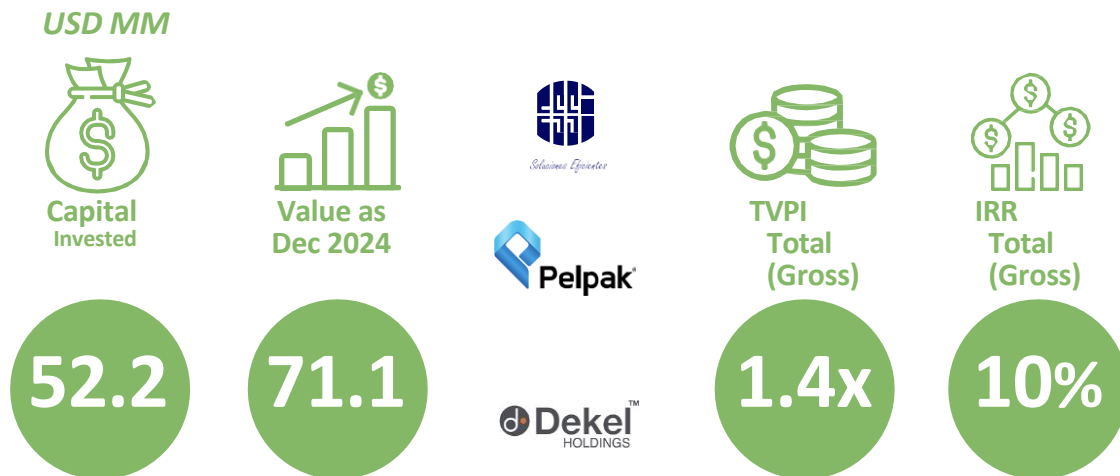
The difficulties and/or constraints related to the implementation of the social and environmental procedures have been:

- Although the E&S action plan is an annex to investment contracts, the companies do not prioritize its implementation in the day-to-day operations.
- ESGG-related topics are traditionally not a priority for management of mid-size companies in Latin America.
- Defining indicators for each portfolio company is challenging, since there are no measurement standards, either by company or by sector.
- The implementation of gender initiatives tends to be heterogeneous, due to lack of indicators or actions that allow measurement and progress within each investment. We plan to develop standard indicators and actions with the external consultant to implement and monitor future reports.
- The support of the IFC and IDB has been key for MEP in ESGG matters such as the review of environmental and social due diligence and the review of each portfolio company's action plan.

5. MAS Equity Partners Impact

MAS Equity Partners has been able to raise more than USD 245 mm of international capital to leverage the growth of medium-sized companies in the Andean region. At the same time, MEP has enabled investors to obtain differential returns to date.

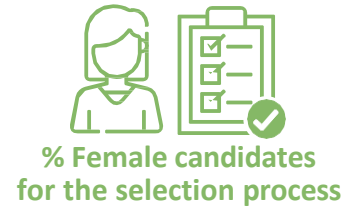
5.1. MEFIII Indicators as December 2024



5.2. MEP Gender Indicators

MEP is convinced that companies with greater diversity within their leadership team have stronger financial results. Furthermore, part of the firm's philosophy is that diversity has a positive effect on the Fund Manager, its portfolio companies and the economy. In recent years, the firm has increased the participation of women in different positions in the Fund Manager and has made progress in building a culture and environment conducive to fostering diversity.





5.3. MEF III Portfolio Level Indicators

MAS Equity Partners invests with impact and through its investments not only channels fresh capital to companies for their growth but also strengthens ESGG-related processes. The six portfolio companies (three exits) of the MEF III fund represent +2,800 jobs, of which 25% are women. The companies have been increasing the participation of women in C-Level positions.



Jobs Represented in Portfolio Companies
2024: 2800



of Women Employed
2024: 715

% Women Employed
2024: 25%



Women in C-Level Positions
2024: 60



6. *ESGG MEF III Portfolio Report*

This section details the results pertaining to the level of compliance by the companies in the MAS Equity Fund III - MEF III portfolio, specifically regarding their environmental and social action plans. It is important to reiterate that the action plan of each company is the result of a robust due diligence process conducted by the Fund Manager and experts in the relevant field. This action plan includes the actions, responsible parties, indicators, and resources that each company must allocate to be aligned with the international performance standards on environmental and social sustainability set out by the International Finance Corporation - IFC.

Compliance with the performance standards reiterates the strategic commitment to sustainable development in relation to environmental and social aspects by the Fund Manager and its companies. Their compliance allows the identification, prevention, mitigation and management of risks and impacts that promote a sustainable way of doing business, including the obligation to include stakeholders and disclose the activities of each company.

MAS Equity Partners (MEP) has partnered with an external advisor, Environmental Resources Management (ERM), to support the Fund Manager in periodically assessing and validating the compliance of each company's E&S action plan.

The following section presents the compliance results of portfolio companies, both in aggregate and broken down by individual performance standard.

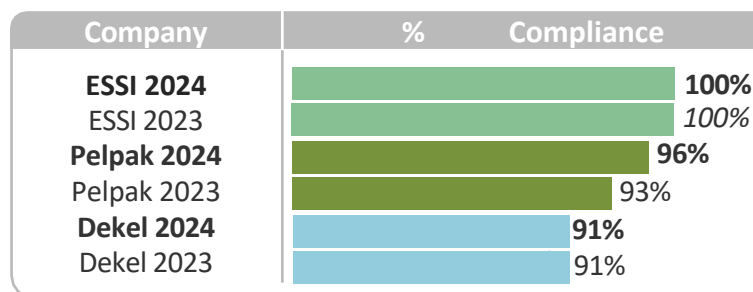
Significant progress has been made across the portfolio in strengthening ESG tracking and implementation within each company. In the sections that follow, we provide a company-by-company overview of reported progress, based on the evaluations conducted by the external auditor, in order to maintain objectivity and demonstrate alignment with IFC standards.



SUMMARY OF COMPLIANCE WITH INTERNATIONAL PERFORMANCE STANDARDS OF THE IFC - MEF FUND III 2024

The percentage of compliance with the IFC Performance Standards according to the action plans of portfolio companies will be evaluated as of December 2024. The following chart shows the progress in compliance with the actions that fall under each of the IFC Performance Standards evaluated during the environmental and social due diligence of the portfolio companies. The Performance Standards on Environmental and Social Sustainability are as follow¹¹:

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts.
- Performance Standard 2: Labor and Working Conditions.
- Performance Standard 3: Resource Efficiency and Pollution Prevention.
- Performance Standard 4: Community Health and Safety.
- Performance Standard 5: Land Acquisition and Involuntary Resettlement.
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
- Performance Standard 7: Indigenous Peoples.
- Performance Standard 8: Cultural Heritage.



Company	% Compliance ND 1	% Compliance ND 2	% Compliance ND 3	% Compliance ND 4	% Compliance ND 6
ESSI	100%	100%	100%	100%	N/A
Aliar	100%	100%	N/A	N/A	95%
Rocsa	100%	96%	100%	100%	100%
Pelpak	95%	100%	100%	90%	N/A
Dekel	89%	100%	N/A	N/A	N/A
EAL	56%	39%	50%	N/A	N/A

The calculation methodology to obtain the percentage of compliance with each of the Performance Standards consists of a simple arithmetic average, taking as numerator the sum of the progress percentages of the activities agreed with the external consultant (ERM) and as denominator the number of activities that fall under the Performance Standard to be evaluated. On the other hand, the percentage of compliance with the entire action plan is evaluated as a weighted average according to the number of activities under each Performance Standard. Below is a detail of each of the fund's active investments.

¹¹ Normas de Desempeño sobre Sostenibilidad Ambiental y Social, IFC

Portfolio Report by Company.

ESSI

ESSI Colombian is an engineering firm based in Girón, Santander. It designs and builds machines for flexible aseptic packaging and processing—mainly for the dairy, food, and beverage industries reaching not only Colombian market but also expanded its presence internationally, reaching Central and Latin America countries and India.

From start to finish, its machines handle the full production line for pasteurized and ultra-pasteurized milk. ESSI also provides automation and maintenance for advanced production plants, including those used in manufacturing and energy generation. On a global scale, ESSI is one of just three specialized companies operating on this niche market—alongside Elecster from Finland and Thimonnier from France.

ESSI provides a suite of services in the operation and maintenance of low and medium-voltage electrical systems. Within Colombia, the company has implemented high-standard maintenance and supervision projects that promote operational efficiency and deliver value to clients and stakeholders.

ESSI's services include:

- Expansion and refurbishment of production plants and equipment
- Assembly and installation of industrial systems and equipment
- Design and implementation of automation solutions
- Maintenance shutdowns for electric, hydraulic and thermal systems for industrial, agro-industrial, and biofuel facilities
- Consulting, technical training, and engineering analysis, including Reliability, Availability, Maintainability (RAM) modeling, life-cycle analysis (LCA), and root cause analysis (RCA).

With more than 450 employees and 28 years of experience across the industrial, energy, agro-industrial, and hydrocarbons sectors, ESSI has developed tailored engineering methodologies that ensure equipment availability, efficiency, and cost optimization. The company has also demonstrated a strong commitment to environmental sustainability and energy transition. Through its ESSI Energy division, it develops and implements photovoltaic solar energy systems for both industrial and residential applications, contributing to the reduction of energy costs and carbon emissions.

ESSI - ESG Progress as of December 2024

ESSI continues to apply high standards of corporate governance and maintains robust systems for managing environmental, social, health, and safety risks. As of December 2024, the company had demonstrated consistent progress on ESG performance aligned with Mas Equity Partners requirements. Key achievements include the assignment of qualified professionals to manage its Environmental and Social Management System (ESMS), and the development of key performance indicators. The company maintains compliance with Colombia's environmental

regulations, including continuous monitoring of wastewater, which remains within the limits established by Colombian Resolution 631 of 2015.

ESSI has also taken important steps in climate risk management. Throughout 2024, the company conducted carbon footprint assessments. These assessments serve as a foundation for identifying emissions reduction opportunities and for addressing potential physical and regulatory risks. As part of its decarbonization strategy, ESSI is installing photovoltaic panels capable of supplying up to 12% of its monthly electricity consumption.

The company's operations are aligned with the Environmental, Health, and Safety (EHS) Guidelines of the International Finance Corporation (IFC). In 2024, ESSI completed 84 of the 90 planned activities under these guidelines, achieving 100% compliance in energy and water conservation, and 88% compliance in sector-specific measures related to the manufacturing of metal, plastic, and rubber products. Progress in occupational health and safety reached 67% completion, with two remaining items under implementation.

ESSI remains committed to further strengthening its ESG performance. Priority actions include the implementation of stakeholder's engagement and reporting plan, a chemical risk management program, expanded training and evaluations for contractors and suppliers, strengthening of food safety control, and the dissemination of emergency response plans to nearby communities.

ESSI - Environmental and social outlook for 2025

ESSI has identified the following ESG priorities for the 2025 reporting period:

- Supporting ecological restoration in the Río de Oro buffer zone to promote environmental resilience and water protection
- Engaging customers in sustainability initiatives through education, awareness campaigns, and eco-labeling strategies

ESSI's ongoing efforts reaffirm its long-term commitment to responsible business practices, environmental stewardship, and sustainable development.

While the company attained full compliance with the E&S action plan in 2024, ESSI recognizes that there is always potential for enhancement. One of the company's primary aims for 2024 is to ensure the ongoing implementation of the action plan and its related initiatives.

The company is planning other initiatives for 2025, including:

- Optimizing solar panel performance Enhancing the efficiency of its solar panel systems through preventive and corrective maintenance
- Advancing reforestation and landscaping at the main facilities located in Giron to improve safety by marking walkways and access for people to enter the plant enhancing surroundings through native vegetation for biodiversity
- Reforestation efforts in the Río de Oro buffer zones, helping to restore local ecosystems, strengthen natural barriers against erosion, and promote environmental resilience and water protection

- Customer engagement in carbon footprint reduction, by promoting responsible consumption practices, raising awareness about product life-cycle impacts, and incentivizing the adoption of low-emission behaviors through communication campaigns, training, or eco-labeling initiatives.

ESSI – Good practices for sustainability

Fostering a Culture of Sustainability: ESSI's 2024 Environmental Initiatives

Throughout 2024, ESSI implemented a series of environmental awareness campaigns aimed at strengthening its internal sustainability culture and promoting employee health and safety. These initiatives sought to engage staff across all levels, encouraging active participation in environmental stewardship.

A highlight of the year was the campaign titled “Act Now, Act Always, Leave Your Mark”, which featured an ecological rally designed to reinforce environmentally responsible practices throughout the organization. The campaign also included a nature-based team-building activity focused on restoring a degraded area close to the operations. This hands-on effort not only promoted teamwork but also raised awareness among employees and surrounding communities about the importance of preserving natural ecosystems.

Complementing these efforts, ESSI hosted an Environmental Fair, where employees collaborated in designing and constructing exhibition stands using recycled materials. As part of this initiative, employees created practical crafts made entirely from recyclable materials, specifically intended for use in the workplace, demonstrating creativity and environmental consciousness.

The Environmental Fair combined educational and interactive components, offering workshops and demonstrations that encouraged sustainable habits and highlighted the role individuals play in environmental protection. In line with its waste management goals, ESSI launched the “Bottle of Love” campaign to educate staff on proper plastic waste separation and to promote more responsible disposal practices. The initiative aimed to embed circular economy principles into daily routines and enhance organizational awareness around plastic pollution.

Through these campaigns, ESSI continued to cultivate a workplace culture rooted in sustainability, personal accountability, and community engagement—demonstrating its ongoing commitment to environmental responsibility.



As part of the “Act Now, Act Always, Leave Your Mark” campaign, ESSI organized an ecological cleanup day, during which employees participated in the restoration of a degraded natural area. The activity aimed to promote environmental awareness, strengthen teamwork, and reinforce the company’s commitment to the preservation of natural resources.



Employees participated in the design and construction of the exhibition stand, which incorporated materials recovered and repurposed from recyclable waste as part of the company’s environmental awareness campaigns.

Pelpak

Pelpak is a Colombian company founded in 1979, specializing in the design and manufacturing of rigid plastic packaging solutions for a wide range of sectors, including personal care, pharmaceuticals, household and cleaning products, food and beverages, and lubricants. The company offers a comprehensive product portfolio that includes a diverse selection of caps, closures, and containers, complemented by value-added services such as labeling, printing, and packaging.

In addition, Pelpak operates an in-house mold design and production facility, covering both injection and blow molding technologies. This internal capability enables the company to respond with agility to customer-specific requirements, ensuring the delivery of customized solutions in line with increasingly complex and sophisticated packaging demands.

Pelpak - ESG progress as of December 2024

The ESG action plan established for Pelpak comprises 29 initiatives, of which 25 have been successfully completed during the monitoring review. Among the key initiatives undertaken prior to 2024 is the development and implementation of an Environmental and Social Management System (ESMS). This comprehensive system includes the establishment of policies, identification of risks and impacts, management programs, enhancement of organizational capacities and competencies, preparedness for emergency response, engagement with social stakeholders, and a robust mechanism for monitoring and evaluating the system's effectiveness.

During 2024, Pelpak achieved significant progress in the implementation of its ESG action plan. Improvements were made to the facility infrastructure, strengthening the company's operational conditions.

Pelpak's 2024 sustainability report highlights significant progress through the adoption of the Global Reporting Initiative (GRI) standards as a reference framework, underscoring the company's growing commitment to transparency and alignment with international best practices. In parallel, supplier management was notably enhanced through the consolidation of an ESG evaluation and monitoring system. This system achieved an average supplier rating of 99.4%, with compliance rising to 95%, reflecting high standards in the oversight of ESG performance and sustainability risks across the supply chain.

Additionally, with the aim of generating positive environmental, social, and financial impacts, Pelpak has implemented a range of initiatives aligned with its sustainability commitments and operational efficiency objectives. These efforts are structured around the following key programs and strategies:

- **Efficient Water Use Program:** Focused on the maintenance of storage tanks, cleaning of channels and downspouts, replacement of piping in injection cooling systems, and the enhancement of internal drainage infrastructure.
- **Efficient Energy Use Program:** Centered on the modernization of production equipment, improvements in thermal control, and the rational use of heat to optimize energy performance.

- **Circular Economy and Responsible Disposal Strategy:** Designed to minimize waste generation, promote resource reuse, and ensure the proper handling and disposal of waste materials.

On the social front, Pelpak has developed a strategy to promote equity and employee well-being, with an emphasis on fair and inclusive working conditions. This includes targeted inclusion programs and dedicated support for women—particularly pregnant and breastfeeding mothers—through the provision of safe and better spaces that safeguard their health and support their continued participation in the workplace. The company also actively promotes professional growth by encouraging internal career development opportunities for its workforce.

Pelpak - Environmental and social outlook for 2025

Pelpak has identified several opportunities to further enhance its sustainability performance in the near term. Key areas for improvement and innovation include:

- Deepening the integration of GRI standards into the company’s annual sustainability reporting.
- Developing targeted stakeholder engagement plans focused on sustainability themes, with the aim of strengthening partnerships.
- Building on the foundation established through its Efficient Water Use and Efficient Energy Use programs at Pelpak, the Company is designing a structured implementation roadmap to help to outline specific targets to effectively monitor progress in ecoefficiency.

Pelpak – Good practices for sustainability

Pelpak believes in the transformative power of people. Guided by this principle, the company fosters fair, inclusive, and equitable work environments, supports those most in need, and creates opportunities for the growth and well-being of both its employees and the communities where it operates.

In 2024, Pelpak made significant progress in advancing labor practices grounded in respect, stability, and holistic employee development. The company promotes a culture in which well-being is a core priority and values the commitment and contributions of its workforce.

As part of its broader social impact strategy, Pelpak has implemented a comprehensive approach to equity and employee well-being, with a strong emphasis on fair and inclusive working conditions. This includes targeted efforts to hire female heads of household and promote the economic participation of local women by facilitating access to formal employment. Currently, women represent 75% of Pelpak’s workforce, and the company is actively working toward increasing this figure to 80%, reinforcing its commitment to gender equity and empowerment.

To support career development, Pelpak invests in the professional growth of its employees through training programs, promotion pathways, and opportunities for advancement—enabling internal talent to thrive within the organization.

Environmental Performance: Energy, Water, and Innovation

In 2024, Pelpak also made meaningful strides in environmental performance, particularly in energy efficiency and water stewardship.

On the energy front, the company prioritized the transition to electric technologies across key production processes. A major milestone was the acquisition of a 150-ton electric injection molding machine, increasing the share of electric equipment to 31% and achieving energy savings of up to 50%. Additional upgrades included the installation of high-efficiency servo motors and drivers in transport systems, molds, and controls, which resulted in operational efficiency gains of up to 70%.

Thermal efficiency was enhanced using fiberglass insulation and advanced temperature control systems. Furthermore, the replacement of an electric boiler with a gas-powered one reduced energy consumption by 40% in the steam shrink process. Pelpak also advanced the adoption of UVLED ink drying technology and upgraded hot runner systems and auxiliary infrastructure, including compressed air, refrigeration, and electrical systems.

In water management, the company introduced systematic monitoring practices, achieving 83% of its annual water efficiency target and implementing corrective actions in response to deviations.

Toward a Circular and Low-Impact Future

Beyond operational efficiencies, Pelpak has taken steps to reduce its environmental footprint by exploring sustainable alternatives to conventional plastic resins. In partnership with Universidad de los Andes in Colombia, the company launched an applied research initiative focused on developing bio-based polymers using natural materials such as cashew shells and rice husks. These innovations demonstrate Pelpak's commitment to building efficient, cost-effective, and environmentally responsible production systems.

Dekel

Dekel is an international real estate developer based in Panama. With a strong focus on community-centered development, the company identifies underutilized urban areas and transforms them into high-value neighborhoods. Through the strategic acquisition of real estate assets, Dekel seeks to generate long-term value at a pace that outperforms conventional real estate approaches.

Dekel - ESG progress as of December 2024

Dekel has traditionally maintained a results-oriented approach to development. However, as many of its projects are in culturally significant areas, the company has encountered social challenges such as archaeological findings that require careful and responsible management.

Drawing on its experience in environmental and social due diligence, Dekel is formulating an Environmental and Social Management System (ESMS) aimed at identifying, mitigating, and managing potential environmental and social risks across its project value chain.

As of 2024, the company formalized a corporate commitment that encompasses environmental, social, and occupational health matters. It also includes procedures for risk identification and mitigation, as well as general frameworks for emergency preparedness, community engagement, grievance mechanisms, performance monitoring and evaluation, and resource efficiency related to energy, water, and materials within office operations. This commitment also defines internal procedures for employee onboarding and separation and is currently being integrated into the company's Environmental and Social Management System (ESMS) Manual.

While the ESMS framework continues to evolve, the company's Environmental and Social Management System Manual has not yet been updated to incorporate recommendations aimed at strengthening the management of environmental and social risks. The following areas for improvement remain:

- The contractor selection procedure acknowledges cultural heritage risks but does not include mechanisms to monitor social risks related to contractor and supplier operations.
- The contractor compliance assessment process would benefit from updated criteria that incorporate social and archaeological risk considerations, as well as the evaluation of greenhouse gas (GHG) emissions.
- The current ESMS review does not sufficiently address risks related to GHG emissions, biodiversity, ecosystem services, or the cumulative environmental and social impacts of projects, in line with recent regulations applicable to Dekel's business activities.

Dekel - Environmental and social outlook for 2025

To strengthen its ESG performance and ensure full alignment with the best practices, Dekel advises updating its Environmental and Social Management System Manual to incorporate the following actions:

- Evaluate the actual implementation of the ESMS and its alignment with the most recent environmental and social regulations in Panama and apply corrective measures as necessary.
- Commit to conducting regular emergency preparedness drills.
- Maintain detailed records of community and stakeholder engagement sessions related to project development.

These improvements are essential for enhancing risk management, fostering constructive stakeholder relations, and ensuring compliance with environmental and social responsibilities.

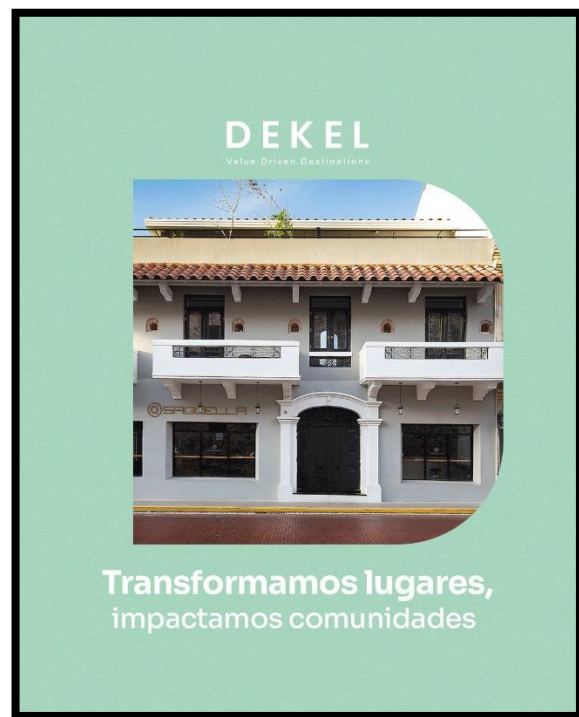
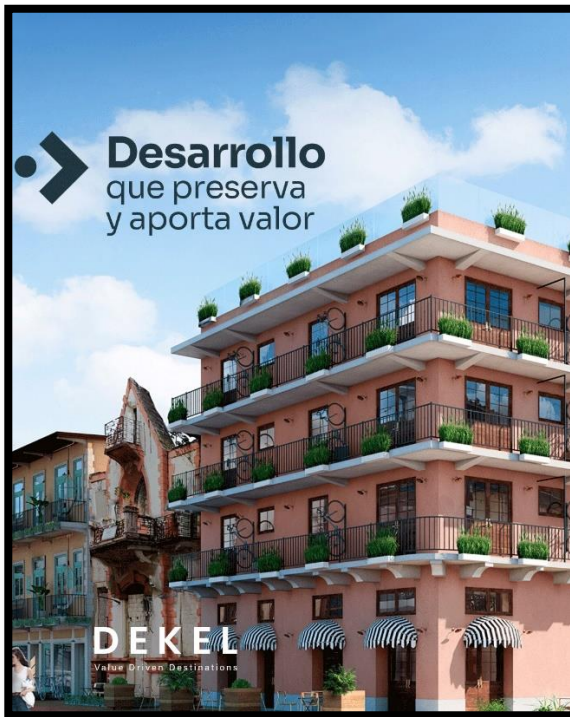
Dekel– Good practices for sustainability

Urban Green Spaces with Purpose: The Casco Community Garden Initiative

Dekel launched its flagship social initiative, the "Casco Community Garden," aimed at fostering community engagement and promoting environmental awareness through hands-on, nature-based activities.

The project involved the creation of a garden and playground that became a hub for diverse community-led initiatives. Activities included the adoption and installation of plants and composting worms, hands-on workshops on planting and soil health, and plant and soil exchanges in return for donations. Additionally, participants prepared beverages using fruits and vegetables grown directly in the garden, reinforcing principles of local production and sustainable consumption.

Now continuing into 2024, the Casco Community Garden has evolved into a space that promotes environmental sustainability, strengthens community bonds, and fosters appreciation for urban green spaces.



From Plastic to Purpose: How Dekel Transforms Waste into Action

In 2024, Dekel continued its participation in a community art exhibition organized in collaboration with Clandestino Art and Design Studio. The exhibition, centered on artistic sculpture, featured Dekel's installation titled "M³ (Cubic Meter)," which consisted of 411 sculptural cubes, each representing one cubic meter of waste diverted from disposal.

Since the beginning of its collaboration with Clandestino in 2020, Dekel has transformed more than 15 tons of plastic collected in partnership with City of Knowledge (a relevant innovation Hub for the city of Panama), Social Action Foundations (FAS) Panama, and Fundación Remar. Through this initiative, Dekel has helped avoid the generation of approximately 37,500 kilograms of CO₂ emissions, showcasing its continued commitment to environmental innovation and circular resource use.

ESGG Compliance

After evaluating compliance with the E&S action plan for the MEF III portfolio companies as of December 2024. It is of vital importance to clarify that as of this date there has not been any non-compliance in terms of accidents, litigations, complaints, regulatory notices and fines or incidents of non-compliance with the E&S requirements.



Accidents/litigations/complaints regulatory notices and fines

There hasn't been any during 2024.



Incidents of non-compliance with the E&S requirements

There hasn't been any during 2024.



Covenants/conditions imposed by MEP as a result of any non-compliance.

There hasn't been any during 2024.





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