



asset
management

Real Estate Sustainability Report 2023

Published: April | 2024

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1. MESSAGE FROM THE MANAGEMENT TEAM

GRI 2-22

We are very proud to present, for the second consecutive year, the Real Estate Sustainability Report, whose objective is to disclose the ESG actions in the Calendar Year of 2023. Our department's first report was released in 2023, with the actions in the Calendar Year of 2022, and it was welcomed by the market and by our investors. The 2023 report was assessed by the GRESB *Public Disclosure*¹ and rated as Level A, the highest, which emphasizes our commitment to transparency on information disclosure, a value we hold dearly.

After another annual cycle in our ESG journey, it became evident how much our comprehension about this topic and its integration into our funds has advanced. The results of our team's effort in the past couple of years have already become tangible benefits: we have increased the data coverage percentage, the number of lease contracts with specific ESG clauses, namely the green lease, and the stakeholder's engagement in our ESG actions.

In 2023, once again, we submitted part of our portfolio to the Annual GRESB Real Estate Assessment, adding a new fund (XP Malls FII), and our results offered great progress. All three of our funds assessed by GRESB (XP Log FII, XP Properties FII and XP Malls FII) were awarded the *Green Star*² designation, and the XP Log FII fund was within the top three in Latin America and The Caribbean. In the end of the year, we were thrilled to celebrate the LEED O+M certification (for building operation and maintenance) of two assets in our portfolio: Catarina Fashion Outlet from XP Malls FII and Faria Lima Plaza from XP Properties FII.

For funds whose assets we have a greater operational control, the data collected allows us to understand the impact of our operations and draw up an action plan to improve the environmental performance. These actions have been studied with criteria and gradually implemented over the past years. For funds which we do not have operational control and/or for assets we have a minority stake, we have implemented ESG practices to the best of our ability, taken responsibility in sharing knowledge and information about the importance of ESG, and influenced other investors and stakeholders in their decision-making process to improve the environmental performance of these assets.

As an independent portfolio manager with third-party capital, we believe that the ESG issue, in addition to being part of our fiduciary duty, contributes to improving risk and return for our shareholders and offers better operational performance for our tenants, making the strategy of real estate investment funds (that have real estate as income) more sustainable in mid to long term. We reckon that the ESG agenda is in constant evolution, with new issues being added constantly. Among the main challenges, it is imperative that companies have their awareness raised to Climate Change issue and Net Zero initiatives.

¹ This is a tool provides a general overview of the ESG disclosures of listed property companies and REITs. The assessed entity may be rated from A to E, being A the highest level. Source: <https://www.gresb.com/nl-en/gresb-public-disclosure/>

² The Green Star is a special designation that recognizes real estate entities with a score higher than 50% of the points allocated to each relevant component. Source: <https://www.gresb.com/nl-en/faq/what-is-a-green-star/>



2. ABOUT THIS REPORT

GRI 2-22

The integration of environmental, social, and corporate governance topics, aka ESG, in the XP Asset investments and strategies is part of our fiduciary duty and reflects our approach to the responsibility in the global scenario. We have the best ESG practices in all classes of our assets, identifying opportunities that promote not only solid financial return, but also positive and long-lasting impacts in the environment and people affected by the real estate funds operations managed by XP Asset.

The general values and guidelines that steer our ESG practices are documented in our [Responsible Investment Policy](#). We believe that the effective ESG integration practices adds value in the long run and contributes to the well-being of the communities where we operate.

This annual report started to be published in 2023 and it stresses our commitment to transparency and to setting up long term value for our stakeholders. It is aligned with EPRA³ *Best Practices Recommendations on Sustainability Reporting* (2017), chosen for being specific to the real estate sector and for being aligned with the *Global Reporting Initiative* (GRI)⁴ Standards 2016.

The Real Estate Portfolio Manager and the ESG Real Estate Forum, with the support of all the real estate team, are responsible for the content, therefore, for the accuracy and completeness of this report. In our opinion, it represents a fair account of our performance in the reported period, and highlights the opportunities identified for implementation in subsequent periods.

1.

We integrate ESG factors in various strategies, with emphasis on equity, fixed income, allocation funds, real estate and infrastructure. We use proprietary methodologies and specialized third-party agencies to improve the risk-return ratio in our investment funds.

2.

Aligned with PRI guidelines, over 50% of XP Asset's AuM is already submitted to ESG analysis, but we continue to pursue the 100% goal. We also offer ESG-labeled products to our clients, in line with the best market practices and combating greenwashing practices.

3.

We are accountable for our legacy, which is why we follow the XP Inc. guidelines (the holding company that owns XP Asset) when it comes to implementing the best corporate practices in terms of social, environmental and corporate governance. Find out more at: <https://lp.xpi.com.br/esg>

Report Period: January 1st to December 31st, 2023.

For questions about the report, the funds submitted for evaluation, or regarding the reported information: ri@xpasset.com.br

³ EPRA (European Public Real Estate Association) is the voice of the publicly traded European Real Estate sector. EPRA's mission is to promote, develop and represent the European public real estate sector Source: <https://www.epra.com/about-us/who-we-are>.

⁴ O GRI (*Global Reporting Initiative*) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. Source: <https://www.globalreporting.org/about-gri/>

3.ABOUT XP ASSET

GRI 2-6

XP Asset Management (or "XP Asset") provides a comprehensive portfolio of products for both institutional investors and private individuals who pursue independence, robustness, and consistency in investment management. It is acknowledged as the most complete asset management firm in Brazil, distinguished by the diversity of funds it offers.

With more than R\$ 167 billion in assets under its management in the closing of 2023, XP Asset has more than four million investors. Its portfolio has 13 strategies: Equity, Macro Hedge Fund, Fixed Income and High Grade, Structured Credit, Special Situations, Infrastructure, Real Estate, Agribusiness, Private Equity, Venture Capital, Private Market Solution, Investment Solution and ETFs & Index. We invest with an innovation mindset and ideas sharing. Their team has over 165 highly qualified professionals, dedicated to the risk management.

They have created their own intelligence with investigation, reports and market information. Over the years, they have consolidated our processes, controls and governance. This way, they stimulate synergy by joining different views and expertise in an exchanging routine that enable them to build each of the strategies.

XP Asset is based on the following pillars to provide distinctive management to our investors:

INDEPENDENCE

a combination of the solid investment platform of XP Inc. with the independent asset management model.

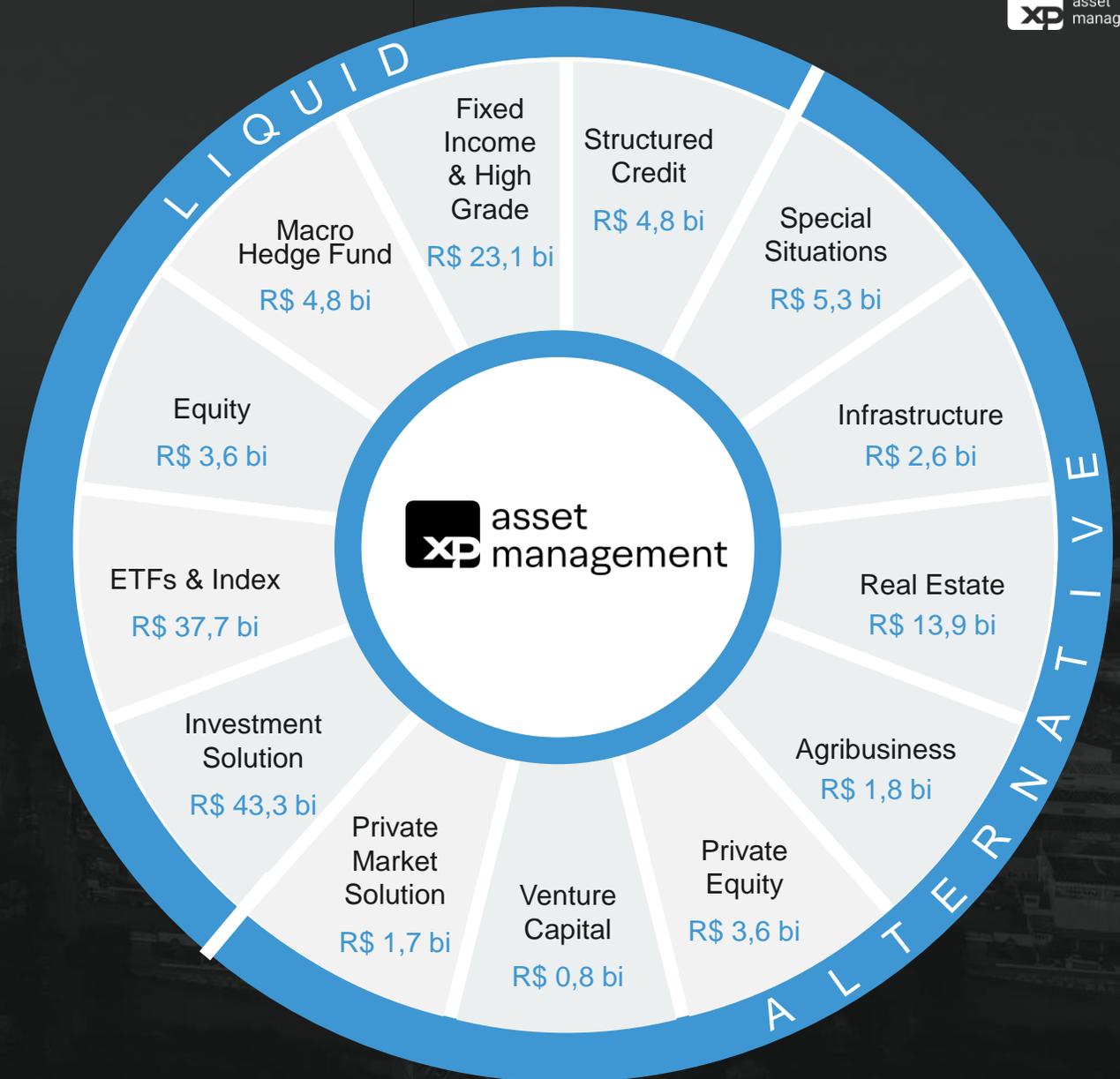
LONG-TERM ALIGNMENT

A multi-desk management model that delivers independent performance results for each strategy, driven by meritocratic partnerships.

SHARED KNOWLEDGE

Integration between teams to broaden managers' perspectives and facilitate decision-making.

Here are XP Asset's strategies in numbers, baseline date December 2023.

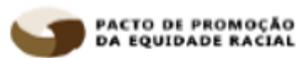


Voluntary ESG Commitments

GRI 2-28

As part of the XP Inc. Group, XP Asset supports the following ESG commitments

Diversity & Human Rights:



Climate Changes & Environmental:



Sustainable Development



XP ASSET's Commitments



The *Código de Administração de Recursos de Terceiros*⁵ (Third Parties' Resources Management Code) by ANBIMA – Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais (Brazilian Association of Entities of the Financial and Capital Markets) – establishes principles and rules that prioritize the diffusion of the preservation of high ethical standards and the institutionalization of fair practices in the financial and capital markets, fair competition, procedure standardization, greater quality of the information provided by participating institutions, and the elevation of the fiduciary standards and diffusion of best practices in the market.

A signatory of the PRI (Principles for Responsible Investment) since 2020. PRI⁶ is an international network of investors, supported by the United Nations, who work together to implement the principles for responsible investment and have as a major objective to support asset managers across the globe in the integration of asset analyses from an ESG perspective.

A participating member of GRESB Real Estate since 2022. GRESB⁷ is a global organization specialized in assessing the environmental, social and governance (ESG) performance of companies and funds in the real estate and infrastructure sector. Every year, members provide comprehensive data on a range of indicators, covering topics such as energy consumption, greenhouse gas emissions, waste management, diversity and inclusion policies, and stakeholder engagement..



⁵ More information can be found at: https://www.anbima.com.br/pt_br/autorregular/codigos/administracao-de-recursos-de-terceiros.htm | ⁶ <https://www.unpri.org/> | ⁷ <https://www.gresb.com/nl-en/>

Highlights and Awards

GRI 2-6

As a result of its growing ESG development and the actions it enfold, XP Asset has received the following acknowledgements

 <p>2023 MQ1.br Investment Manager Quality Assessment⁸</p>	 <p>2023 GREEN STAR⁹ For the funds participants in the Annual GRESB Real Estate Assessment¹⁰</p>	 <p>2023 Level A For the funds participants in the GRESB Public Disclosure Assessment¹¹</p>
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⁸The MQ1.br rating reflects high quality attributes that include: (i) solid and consistent investment results of its funds over a considerable time horizon; (ii) performance in various strategies, allowing retention of assets under management in different economic cycles; (iii) support and supervision from the XP Group and (iv) continuous improvement of its management activities through investments in controls and systems, as well as strengthening the risk and compliance areas.

⁹The Green Star designation is only provided to Real Estate Valuation participants, and it is characterized by a distinct marking on the Scorecard and Benchmark Reports. It is an absolute performance rating given to real estate entities scoring over 50% of the points awarded for each relevant component. Source: <https://www.gresb.com/nl-en/faq/what-is-a-green-star/>

¹⁰ GRESB is a global organization specialized in assessing the environmental, social and governance (ESG) performance of companies and funds in the real estate and infrastructure sector. Source: <https://www.gresb.com/nl-en/>

¹¹This is a tool provides a general overview of the ESG disclosures of listed property companies and REITs. The assessed entity may be rated from A to E, being A the highest level. Source: <https://www.gresb.com/nl-en/gresb-public-disclosure/>

¹² Find our policies at: <https://www.xpasset.com.br/>

Governance Policies

GRI 2-23

As part of the XP Inc. Group, we are committed to maintaining a responsible, ethical and transparent behavior and reciprocally respect our employees and society. Our actions are guided by good judgement, transparency and truth, focusing on avoiding ethical diversion and conflicts, and are established in the XP Inc.'s Code of Ethics.

Therefore, we have our own policies and procedures¹², containing concepts, business principles, and rules related to internal controls, conflict of interests, privileged information controls, non-disclosure agreement, as well as employee's training programs. Part of these documents is available on the company's official site and provides support for decision making across the organization. Policies/manuals that are not available may be requested.

In November 2021, we published the first edition of the Responsible Investment Policy for XP Asset, which includes an annex dedicated to describing the ESG integration of into Real Estate strategy. Both, the Policy and its annex are updated accordingly, ensuring their alignment with our most up-to-date concerns and market practices.

Social, Environmental and Climate Risk Analysis

GRI 2-23

Throughout 2023, we strengthened our climate risk governance, addressing the topic at a Social, Environmental and Climatic Risks Commission, responsible for monitoring the institution exposure to social, environmental and climate risks, deliberating limits for exposure and risk appetite, as well as following the progress and the establishment of goals linked to social, environmental and climate aspects.

As this process evolves, we establish a limit for exposure to Climate Sensitivity for our portfolio and a limit for the credit portfolio exposure to Social, Environmental and Climate Risk in the institution's RAS (Risk Appetite Statement). In addition to these indicators, we measure internally the financed emissions of our portfolio and integrate the climate risk to the risk analysis in every operation of the institution.

Aiming at the integration of ESG agenda into all company's department and contribute to its development, we have specialized technicians in some of our internal departments and controlled companies who contribute to the performance of our action pillars related to ESG theme.

Also, to ensure the transparency and the alignment to the market initiatives, in 2021, XP Inc. started to answer the annual CDP¹³ Climate Change survey, following the recommendations by TCFD¹⁴, as well as publishing the Integrated Annual Report based on the SASB and GRI indicators.

¹³ CDP is a non-profit international body that helps companies, cities, states and public authorities to disclose their environmental impact. For further information: <https://www.cdp.net/pt>

¹⁴ O TCFD (Task Force on Climate-Related Financial Disclosure) gives investors information about what companies do to mitigate climate change risks, as well as transparency on how they are governed. For further information: <https://www.fsb-tcfid.org/>

4. ABOUT XP ASSET'S REAL ESTATE AREA

GRI 2-1/2-6

XP Asset's Real Estate area has more than **20 funds** under management, among listed and non-listed, more than **1.8 million** shareholders and more than **R\$ 13.9 billion** of Asset under Management (AuM), divided into funds with real assets and structured credit portfolios, as shown next.

Solid Track Record in the Real Economy

Senior team of managers and analysts who have a relevant history in each of the segments we cover, thus increasing our ability to retain the best opportunities.

Acquisitions with governance

We seek to become partners of the main players in each segment, leveraging our management capacity without sacrificing the alignment of interests.

Broad coverage

Synergy between real and credit assets. We offer broad coverage in all relevant segments of the local real estate market: credit, residential development, logistics and industrial warehouses, international hotels, corporate slabs, and malls.

Investment process

Robust governance from sourcing of opportunities to actual allocation after committee approval, with technical, environmental, financial, legal and credit diligence.

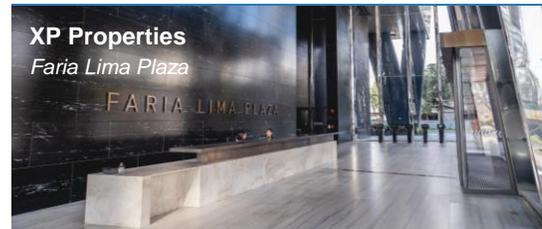
REAL ASSET FUNDS

INCOME FUNDS



XP Malls
Shopping *Cidade Jardim*

XPML11 - Active management of shopping centers (malls). Earns income from the real estate operation of malls and from capital gains on assets sales.



XP Properties
Faria Lima Plaza

XPPR11 – Active management focused on corporate buildings, education and hospitals. It earns income by leasing assets and real estate profits through portfolio recycling.



XP Logística
CD *Leroy Merlin*

XPLG11 – Active management focused on the logistics segment. Earns income from leasing assets and real estate profits from portfolio recycling.



XP Industrial
Condomínios *BBP*

XPIN11 – Active management focused on the industrial segment. It earns income by operating industrial warehouses owned by the fund.

DEVELOPMENT FUNDS

XP IDEA!ZARVOS

Partnership with Idea!Zarvos. Capital gain through residential developments/construction in São Paulo.

XP EXETER I e II

Partnership with the American consultancy Exeter Property Group. Capital gain through investment (direct or indirect) in real estate assets in the logistics segment.

FIPs JHSF

Partnership with JHSF for investments in real estate assets in the USA, especially in Miami and New York City.

Carnaúba

Partner with Flow City Brazil for investments in real estate development of allotments and hotels in the Preá region of Ceará (CE), in the northeast of Brazil.

REAL ESTATE CREDIT FUNDS AND FoF

SWAPS/RECEIVABLES/REAL ESTATE LOANS

XP CRÉDITO IMOBILIÁRIO

Investment of funds in financial assets backed securities, such as CRI, Debenture, LCI, LH and Flls.

MAXI RENDA

Investment in CRIs and residential real estate development, through financial operations.

HABITAT LISTADO and XP HABITAT CETIPADO

Investment in pulverized CRIs related to the development of plotted residential condominiums.

FUNDS of FUNDS

XP SELECTION E FoF90

Active management focused on the allocation of listed Flls.

XP HEDGE FUND

Main investment in financial assets of real estate origin, including financial swaps.

4. ABOUT XP ASSET'S REAL ESTATE AREA

GRI 2-1/2-6

Specifically regarding the real asset funds, with which our ESG work is intense, here are some of their outstanding characteristics at the close of December 2023:



XP Log - WT Cajamar



XP Malls - Shopping da Bahia



XP Properties - Evolution e Itower

Informations	XP Log FII (XPLG11)	XP Properties FII (XPPR11)	XP Malls FII (XPML11)
Accounting Net Equity (book value) (R\$)	3.319.205.164,22*	507.419.907,76*	3.449.365.012
Market Value (R\$)	3.224.881.074,00	166.662.375	3.609.897.587
Number of Shareholders	320.686	55.733	409.164
Number of Properties/condominiums	17	3	16
Own Gross Lettable Area ("GLA") (m ²)	968.804	65.799	148.153
Vacancy (% GLA)	2,3%	43,0%	4,2%
Number of Tenants	46	15	NA**

*Fund in the audit process, therefore the value may vary until the effective publication of the audited financial statements.

**The administrator of each mall centralizes the store leasing process.

Governance Practices and Structure

GRI 2-1/2-6/2-9/2-13

The real estate area is managed by a XP Group partner that holds the position of Real Estate Portfolio Manager, who is responsible for the decision making in all real estate investment funds, including ESG and climate changes issues. Each real estate investment fund has a Fund Leader, appointed by the Real Estate Portfolio Manager, responsible for implementing practical actions and keep track of the fund's performance, periodically reporting to the Real Estate Portfolio Manager and to investors. The Fund Leaders are supported by investment analysts and technical teams, such as engineering, legal, compliance, controllers, structuring, among others.

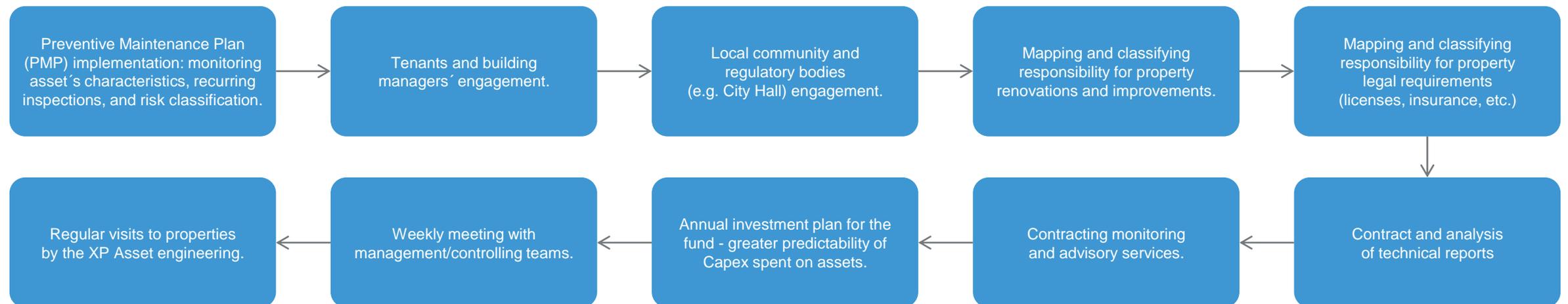
Assessment and deliberation related to investment operations and changes in the characteristics of the invested assets, among other activities, are carried out by the Investment Committee in periodical meetings.

The Committee is composed of managers, leaders, and fund analysts, including team members from other strategies; representatives of technical areas (on demand, depending on the

complexity or theme of the proposals), and the XP Asset Controls/Governance team representative, with the Risks Area's support. The decisions are approved when this group reach a unanimous agreement.

When deciding about the investment processes, we carry out an intense and painstaking process of due diligence, which is used for general investment operations and include topics linked to ESG. In relation to monitoring, we have an integrated process for the management, financial and technical areas, with emphasis on the processes below, which are applicable to real assets that integrate our portfolio.

Across the board, the real estate area counts on the ESG Real Estate Forum, a group of people responsible for guiding and monitoring the ESG integration with different funds. This group is composed of investment analysts and the engineering team and is supported by an outsourced consulting company.



5. ABOUT OUR COMMUNICATION AND REPORTING CHANNEL

GRI 2-16/2-26

XP Asset uses the Confidential Reporting channel of the Group XP Inc. for the reporting of any act or behavior of any employee, supplier or contractor that is not compatible with the internal regulation and applicable legislation, including ESG matters. The incoming messages are forwarded to competent bodies, including the Compliance Board and the Ethics Committee of the XP Inc. Group, accordingly with the Compliance Policy.

The channel can be used by all employee, partner, client, contractor or supplier, including in anonymous and secure manner. It works 24/7 with electronic service (English and Portuguese), from 9am to 5pm Monday to Friday, with analysts for personal assistance. The Audit Committee monitors and ensures the proper operation of the Channel, with regard to the receiving, retention and handling of the reports received and related especially, but not limited to, accounting issues, internal controls, audit, and fraud.

www.canalconfidencial.com.br/grupoxpinvestimentos

6. MANAGING OUR STAKEHOLDERS

GRI 2-6 / 2-29

We understand that our stakeholders¹⁵ engagement is essential for achieving our goals and improving the sustainability performance of our funds. In 2023, for enhancing our relationship with the various social actors involved in ESG themes, we mapped all engagement initiatives in progress since 2022. This process was consolidated in a document called STAKEHOLDERS ENGAGEMENT PROGRAM, based on the recommendations by AccountAbility 1000 *Stakeholder Engagement Standard 2015*¹⁶. The creation of this program allowed us to identify opportunities for improving our engagement processes and better align XP's and our stakeholders' ESG actions. It also helped us to strengthen communication with all parties involved.

The results and the knowledge obtained were internalized and are being spread strategically to increase the awareness and the comprehension of the best practices. The preparation and the disclosure of this report reflect our commitment to have an efficient, responsible and transparent management and relationship with our stakeholders.

¹⁵ Stakeholder is the term used to refer to individuals or groups inside or outside an organization that have an interest or a function in a project, program or portfolio, or are impacted by it.

¹⁶ The engagement standard guidelines for projects and programs for stakeholders' high-quality engagement. For further information: <https://www.accountability.org/standards/aa1000-stakeholder-engagement-standard/>

¹⁷ Available on: <https://www.xpinc.com/esg/>.

OUR EMPLOYEES

GRI 401-2 | 404-2 | 405



As part of the XP Inc. Group, the real estate area's employee follows the organization's Human Resources policies. We consider our employees' engagement, satisfaction, health, and well-being key elements for the good performance of our funds. For this reason, we keep a healthy and inclusive workplace, where our employees' quality of life is ensured.

Diversity, Equity & Inclusion

We compose the XP Inc.'s diversity goals, which is a priority issue for promoting an inclusive and equitable workplace. We are committed to goals to ensure the representation and advancement of diverse individuals within the institution.

We value gender diversity and create equal opportunities for growth and leadership for women in all departments and areas. We also want to reach a benchmark presence of Afro-Brazilians at XP Inc., including leadership positions. We understand the importance of promoting racial equality and we are committed to create an environment where Afro-Brazilians can thrive personally, professionally and socially.

The goals and indicators for gender and racial diversity can be checked in the Integrated Annual Report from XP Inc¹⁷.

The XP Inc. collectives, created by our employees, have a vital role in guiding the company's actions towards diversity and inclusion. XP Asset is aligned with the same practices and guidelines. These groups committed to the diversity cause work actively to create an inclusive workplace, where different perspectives are valued and respected thanks to events, awareness-raising initiatives and development programs to ensure that all employees feel represented and supported. The collectives currently operating are:



Women and allies for gender equality in the financial market



For the inclusion of people with disabilities and accessibility in the financial market



Promotes racial inclusion and equity in the financial market



Promotes a safer, more respectful work environment for LGBTQIAP+ people

Our Employees

Gri 401-2|404-2|405

Health and Well-being

We recognize that health and well-being are increasingly important in today's world. They are frequent included on the agenda of our leadership meetings, and we periodically reassess our benefits, and redesign our wellness strategy as a whole. Our goal is to encourage our employees to seek a sustainable balance between their personal and professional lives, so that they have a better quality of life.

Our employees have access to XP Inc. benefits and Human Resources policies, which include a series of actions and partnerships in four main areas:

PRESERVE YOUR HEALTH

Health and dental plan, Gympass, running group, and access to Optum, a program for psychological, financial, social, and legal support.

SAVE MONEY

Meal voucher, food voucher, daycare allowance, exclusive investment advice, and access to exclusive investment opportunities.

OPTIMIZE TIME

Extended maternity and paternity leave, breastfeeding support room, bicycle parking with changing rooms.

INVEST IN YOURSELF

Free or up to 80% discounted XP Educação courses, partnership with Udemy Academic for learning and development programs, openings allocated by class following internal criteria, exclusive investment advice, and access to exclusive investment opportunities.

Through monthly pulse surveys, employees continually evaluate the company and its leaders. The surveys are carried out by an independent third party responsible for monitoring and managing the entire process. The Human Resources area crosses references of all internal surveys to ensure employee satisfaction and to guide decision-making. The surveys serve as the basis for all the improvement action plans carried out by the Gente & Gestão (People & Management) area, as well as by XP Inc. leaders. The general satisfaction index of the company is measured by eNPS (*employee Net Promoter Score*)¹⁹.

¹⁸ XP Inc. Financial Education School

¹⁹ The employee Net Promoter Score is a methodology that allows organizations to measure the level of loyalty of their employees.

Training and Development

All XP Asset employees have access to Udemy Academic and Instituto XP, education platforms that offer content to accelerate employees' careers and develop essential skills for the future of XP Inc. Instituto XP focuses on transforming people's life through financial education for a healthier relationship with money. We offer free courses and educational opportunities for our team to have more security and financial autonomy.

Moreover, our employees have access to institutional initiatives and workspaces segmented by area or project. New content (soft and hard skills) is periodically recommended for the team's constant development. We encourage continuous learning in the company, making employees the protagonists of their own careers.

In 2023, we held an extra training session for our real estate team. We explored issues related to each of the ESG pillars. In the environmental sphere, we debated about climate change and the actions to achieve carbon neutrality (Net Zero). In the social pillar, we addressed the issue of stakeholder's engagement to make our employees aware of its importance to achieve our goals. Finally, in the governance pillar, we deepened our understanding of frameworks, standards and protocols for ESG reports, consolidating our commitment to sustainable and responsible practices. This training reiterates our constant search for excellence and alignment with the principles that rule corporate sustainability.



Our Suppliers

GRI 2-6/2-29

As our suppliers and contractors may represent great ESG risk to our company, the XP Inc. team carries out periodic homologation and monitoring processes. The hiring, bidding and negotiation process is centralized by the XP Inc. Purchasing Team, and it is based on internal policies and manuals, as well as on technical opinions from various departments such as Information Security, Risks, Business Continuity, among others. XP Inc. manages the supplier acceptance and homologation process considering socio-environmental risks and ESG factors involved. Whenever possible, we favor the acquisition of products and services from local suppliers who are part of the communities where our companies are located.

As part of the real estate supplier engagement process, we distribute an ESG guide to all new suppliers with a brief explanation of what ESG is, its importance, practical guidelines and opportunities for action.

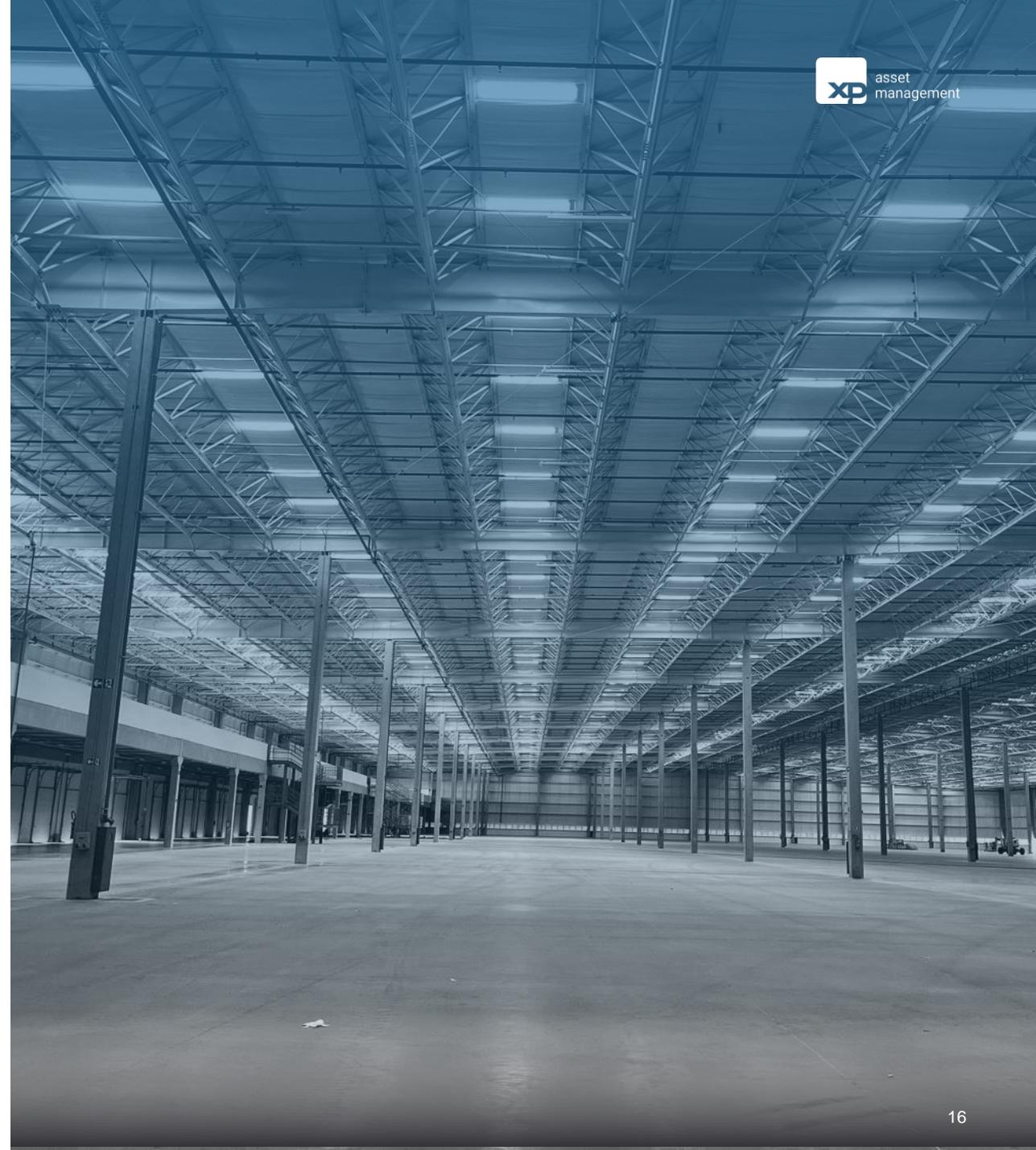
We incorporate the socio-environmental theme into our Onboarding Process for individuals and legal entities, relying on specific criteria for relationships acceptance. One of the criteria is the so-called List of Prohibited Activities, which prevents any type of relationship with companies or individuals involved with forced or compulsory labor, child labor, or prostitution, as they are contrary to our values. In addition, the risk assessment process also includes a Restricted Sector List for which detailed evaluation is carried out by XP Inc.'s Socio-Environmental, and Climate Risk department. The Restricted Sector List includes weapons, tobacco, asbestos, coal, slaughterhouses, mining, timber, steel industry, agrobusiness, petrochemicals, and radioactive materials.

Further to the List of Prohibited Activities and Restricted Sector List²⁰, the Onboarding process also has a bureau of media, lists and lawsuits where on identification of any note of social environmental nature, the Socio-Environmental & Climate Risk department is called upon to issue an opinion on the acceptance of the relationship.

We have a standard process for assessing and approving a supplier, known as "Know Your Partner" (KYP). The process begins with a request for a bid. From there, the applicable documentation is requested and evaluated by XP Asset governance department. Occasionally, meetings are held with the partners to understand their structure and find answers to questions regarding the documentation sent. All clear, the review issuance phase begins²¹. Finally, after the partners presentation and deliberation, the negotiation, approval and hiring stages begin.

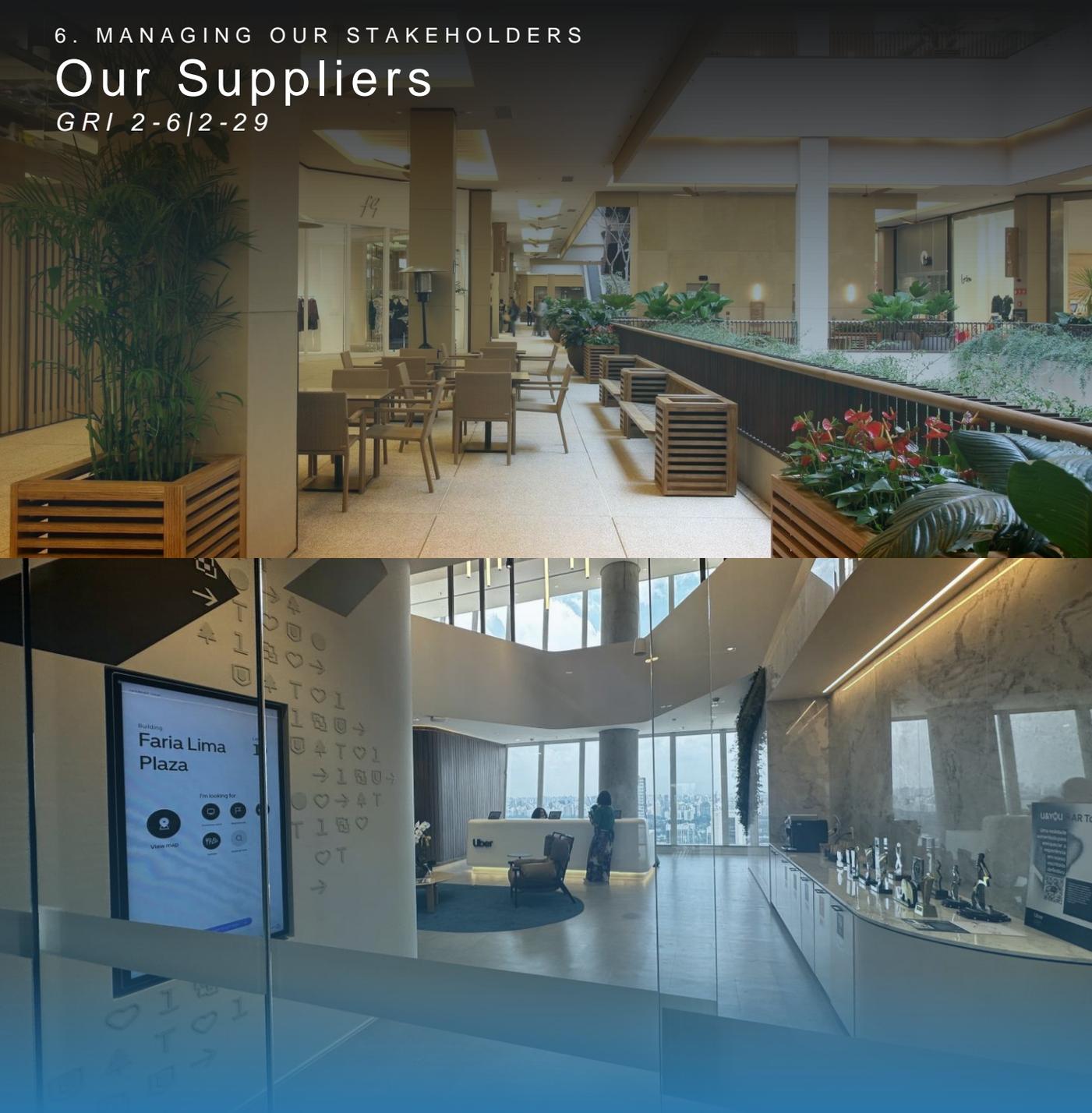
²⁰ For more information on XP Inc.'s List of Prohibited Activities and List of Restricted Sector List, please refer to the Integrated Annual Report 2023 (to be published in 2024).

²¹ The main reviewers are governance, compliance, products, risks, pricing, back office, legal, framework and tax, which may vary according to the partner.



Our Suppliers

GRI 2-6/2-29



Construction Sites

We acknowledge that construction activities not only cause environmental impacts but can also lead to dangerous incidents that are harmful to human health. Therefore, we manage ESG issues on construction sites to control and minimize environmental impacts and to ensure the health, well-being and occupational safety of everyone involved.

In contracts with contractors and outsourced services, in addition to complying with legal labor and environmental requests, we require compliance with all occupational safety standards in force, the implementation, maintenance, coordination and supervision of an occupational safety program, and the periodic monitoring of safety indicators. We also have a good ESG practices guideline with specific recommendations for construction sites.

Finally, to monitor contractors' and service providers' compliance with our ESG requirements, for all development projects, we hire a management company to, among other activities, carry out audits and inspections of the contracted companies. The XP engineering team also pay regular visits to the construction sites to monitor progress and identify ESG risks and opportunities.

Building Managers

We understand that the performance of the building managers of our invested assets is of great importance for the risk management and ESG performance of our funds, and that we are in a favorable position to positively influence their behavior. For these reasons, we have engagement processes which includes regular meetings to evaluate opportunities and risks in each of the assets. In addition, we have an ESG guide to instruct them on issues related to the theme.

Our Tenants

GRI 2-6/2-29

We understand that tenants, occupants and the community that visits and/or lives in the neighborhoods where our properties are located are important stakeholders because they are economically, socially or environmentally impacted by the operations of our real estate assets.

In relation to the environmental impacts caused by our properties operations, we understand that our tenants are important players, as they are directly responsible for a large part of the energy and water consumption, the waste generation, and the greenhouse gas emissions. Therefore, the relationship and engagement with them is extremely important for managing of ESG issues in our real estate funds.

Tenant Engagement Program

The tenant engagement program focuses on facilitate the dialogue between tenant and landlord and therefore integrate tenants' needs, concerns and suggestions into operational and ESG decision-making. As part of this program, we maintain a constant flow of communication with our tenants. So far, we have addressed the issues of waste management and carrying out and participating in social actions with occupants and the surrounding communities.

Besides that, our building managers share actions that are developed within the assets, together with the tenants on various sustainability related topics. Campaigns and actions are promoted throughout the year, such as events on health and the environment, training on diversity and inclusion, promotion of environmental actions like circular economy, wastewater treatment and a composting plant.

Finally, whenever a new lease contract is signed, we hand out an ESG guide with practical ESG information for the tenants.

Here are some examples of actions shared by the building managers:



Our Tenants

GRI 2-6/2-29

Tenant's Satisfaction Survey

In 2023, for the second consecutive year, we carried out the Tenants' Satisfaction Survey for the XP Log (XPLG11) and XP Properties (XPPR11) funds, reinforcing our commitment to better understand and fulfill their needs.

The survey included two quantitative questions to assess the level satisfaction with the asset: one based on the NPS (Net Promoter Score) methodology, and the other to measure the overall satisfaction on a 1 to 10 scale. In addition, the survey included specific questions about condominium services, building infrastructure, sustainability initiatives and social actions. We also left some free fields in the questionnaire to collect suggestions and complaints. The questions were designed to guide the decision-making process for investments in each property, by assessing the priority degree in areas such as energy efficiency, water efficiency, waste management and other relevant aspects for the continuous improvement of the facilities and the services offered to tenants.

Bellow we summarized the survey results:

INDICATOR	XP Log FII (XPLG11)	XP Properties FII (XPPR11)
Survey response rate	95%	88%
Average satisfaction rating (0 minimum and 10 maximum)	7,3	8,3



In 2023, the overall satisfaction score in the XP Properties (XPPR11) was higher than the previous year. By analysing the outcomes, we concluded that the corrective actions that had been made because of the 2022 assessment were quite effective, for the individual score of the previously identified outlier was better. In addition, the question that assessed the infrastructure of the assets (lighting in common and external areas, thermal and acoustic comfort, accessibility, etc.) scored highly in the survey. This reflects the profile of the portfolio, which is entirely composed by LEED²² certified assets.

We have also interpreted the responses of XP Log (XPLG11) as a good outcome and we are aware of the opportunities for improvement in this fund's assets. Based on the responses from the XP Log fund (XPLG11), we observed that within the sustainability axis, energy efficiency (57% of the assets) and rational use of water (29%) were ranked first as topics that should be prioritized by the condominium, in line with actions that are currently being studied, such as the installation of individualized energy and water meters to analyze environmental performance. One point identified as a future action for improvement is to get more than one response from single-user assets, as this scenario has occurred in recent surveys, and it can distort the results due to isolated opinions.

The results have been analyzed by our whole team and we drew an action plan based on the PDCA cycle, ranking points for improvement, and held monthly meetings with the building managers to address the points and/or talk to tenants to better understand any dissatisfaction and to act on the points that needed improvement. So, our expectation is that our tenants' satisfaction continuously grows and that we have better results in the future, regardless of corrections that might be needed.

The XP Malls fund (XPML11) adopts a different approach when it comes to running satisfaction surveys. They are conducted independently by the mall administrators. The survey and methodology are customized for each asset, according to its specific characteristics. In 2023, for example, we received tenants' satisfaction surveys from three malls in our portfolio.

Our Tenants

GRI 2-6/2-29

ESG-specific requirements in lease contracts (green leases)

"Green Lease Clauses" refer to specific provisions incorporated into our lease contracts that aim to promote sustainable practices during the use and operation of our spaces, as well as fostering a collaborative relationship between landlord and tenant. The intention is that both tenants and landlords benefit from savings in condominium expenses, improvements in the building operation efficiency, and higher quality and healthier environment for occupants.

The clauses were developed and applied experimentally in 2022, and, in 2023, they were applied more consistently and included in new leases or lease renewals. Below, we show the increase in the percentage of leased area contracts with Green Lease Clauses achieved in 2023.

INDICATOR	XP Log (XPLG11)		XP Properties (XPPR11)		XP Malls (XPML11)	
	2022	2023	2022	2023	2022	2023
% of contracts with green lease clauses	6,0%	21,5%	1,0%	9,4%	0,0%	7,4%

*Percentage (%) calculated in area.

It is important to note that there is a relationship between the funds' vacancy rate and the increase of the percentage of contracts with Green Lease Clauses. For example, for the XP Log (XPLG11) and XP Malls (XPML11) funds, both currently less than 5% vacant, the growth in the percentage of Green Leases will depend mainly on the renewal or replacement of existing contracts. On the other hand, for XP Properties (XPPR11), with a vacancy rate of over 40%, the growth will depend on the commercial challenge of closing new leases with Green Lease Clauses.

Our Community

GRI 2-6|2-29/413

In addition to the social actors mentioned previously in this report, we know that many others, who we call “community”, are influenced by the operation of our assets: the occupants, the people who live and circulate in the surrounding neighborhood of our assets and even the society in general. We encourage our building managers and tenants to maintain an open communication channel to listen to these people’s needs and demands and, as much as possible, contribute to their sustainable development.

We view social movements based on the foundations of diversity, equity and social inclusion as positive. This engagement is not only limited to commercial issues, but also includes social, environmental and cultural initiatives. By collaborating with the community, companies can contribute to local economic development, create job opportunities, promote social and cultural inclusion, and strengthen ties between different groups and individuals.

XP Malls (XPML11)

Numerous malls in our portfolio have carried out different actions with the community. In 2023, the malls in our portfolio had more than sixty actions that involved temporary and permanent initiatives, such as collecting cooking oil, awareness campaigns and donation of food, toys, school supplies, winter clothing, books, among other items. We selected some examples:

Santana Parque Shopping has carried out various actions with the community, including Hepatitis C and Blood Sugar testing campaigns, providing more than 200 tests for its customers and tenants; hair donation, where more than 700 hair strands were collected and donated for the manufacture of wigs for cancer patients; Cabelegria Bazar sells celebrities’ clothes and since its inauguration has raised more than R\$ 40,000; Sessão Azul (Blue Show) is a movie room set up with sound and the light adaptations to host movie shows and other activities for children with sensory disorders and their families.



Caxias Shopping and **Shopping da Bahia** permanently promote campaigns to exchange one liter of used vegetable oil for one bottle of dishwashing liquid. The goal is to reduce the incorrect disposal of oil in sinks, which leads to water and soil contamination.



Caxias Shopping also stands out by promoting many donation campaigns for clothes, food, blood and school supplies. They also had campaigns to raise awareness and promote diversity, equity and inclusion.

Our Community

GRI 2-6|2-29/413

XP Properties (XPPR11)

During 2023, the buildings in our portfolio promoted campaigns and engagement actions that impacted the community directly and indirectly. **Itower** installed an equipment for the collection of electronic devices, and the material collected was then forwarded to correct disposal. At **Corporate Evolution** had awareness campaigns, as well as social campaigns on important dates. **Faria Lima Plaza** held book donation campaigns, reaching the mark of 2,460 items, and clothing, with over 8,000 items collected.



XP Log (XPLG11)

Distribution Center (DC) **Santana Business Park** had campaigns to collect food and help ABESC (Associação Beneficente Soldados de Cristo), an organization that assists and supports children and adolescents in the city of Caçapava, in Sao Paulo state. Still at DC **Santana Business Park**, actions were taken in partnership with the local NGO, such as organizing a charity bazaar to raise funds, donating clothes to underprivileged children, and hiring young apprentices from disadvantaged neighborhoods.

At DC **WT Cajamar**, with the help of one of our tenants, furniture was donated in response to the heavy rains that affected Franco da Rocha city, in the metropolitan region of São Paulo. The aim was to help people who had material damage as a result of the floods.

At DC **Seropédica**, toys were donated to a NGO in the city of Nova Iguaçu, in Rio de Janeiro.



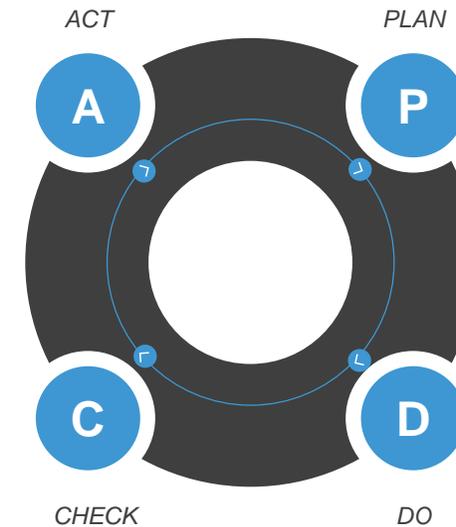
7. MANAGING OUR ENVIRONMENTAL FOOTPRINT

GRI 2-25/302/303/305/306

We acknowledge that the operation of our assets causes direct and indirect impacts on the environment both because of the consumption of natural resources and emission of greenhouse gases resulting from the building operation, and because of the pollution caused by the building construction. Whenever possible, we minimize these negative impacts and direct our efforts towards implementing actions to reduce them.

In order to better manage our ESG impacts, risks and opportunities, we have adopted a systematic process based on the PDCA²³ cycle. At the beginning of each year, we draw up an action plan with the objectives, targets and actions to be carried out. Throughout the year, we perform the planned actions and collect data, such as energy and water consumption at each asset, the percentage of contracts with green lease clauses, and the engagement actions carried out. Every month, members of the ESG Real Estate Forum meet to assess the progress of the actions and indicators and to define corrective actions, if necessary. The Annual GRESB Real Estate Assessment is an essential tool at the verification stage (check point), for it allows comparative analyses with the rest of the market.

- Carry out corrective actions or alternative actions to achieve targets;
 - Provide feedback and suggestions to those involved;
 - Review and update procedures and supporting documents.
-
- Monitor the progress of activities and targets;
 - Identify deviations from the plan;
 - Analyze the results of the Annual GRESB Real Estate Assessment.



- Identify opportunities for improvement and analyze the benchmark;
 - Review ESG objectives and targets;
 - Define ESG resources and budget;
 - Draw up an annual ESG action plan detailing actions, people in charge, deadlines and costs involved.
-
- Execute the activities and contract services planned and approved;
 - Gather and organize records and documents;
 - Communicate with all stakeholders;
 - Submit selected funds for the Annual GRESB Real Estate Assessment.

²³The PDCA cycle is a management method that promotes continuous improvement through four stages: plan, do, check and act.

7. MANAGING OUR ENVIRONMENTAL FOOTPRINT

GRI 2-25|302|303|305|306

Process for new acquisitions

During the acquisition process, we analyze and inspect all risks and environmental impacts of all assets. In 2022, we created a Due Diligence Questionnaire ("DDQ ESG") to map pre-acquisition ESG topics such as: compliance with legal environmental requirements, contaminated land, access to the transportation system, energy supply, energy efficiency, use of renewable energy, water supply, water efficiency, use of alternative water sources, waste management, among others. Green Buildings certifications have a greater weight in the score and are considered a highlight in this assessment. This questionnaire produces a score for the site and another for the building, which helps portfolio management team in decision making. In 2023, around 12 assessments used this new tool. And in 2024, we plan to further improve the environmental analysis at this investment stage.

Standing Investment Portfolio

We perform Technical Building Assessments (TBA) on strategic assets in our portfolio. These assessments are formal, documented investigation processes conducted by specialized professionals. They review the building systems and identify opportunities for improvement in energy and water efficiency, waste management, and occupants' health and wellbeing. In 2023, we reached a milestone with the XP Log fund (XPLG11): the equivalent of 43% in area of its portfolio underwent the assessment. Based on these valuations, we are able to forecast our investments to protect the value and longevity of our assets.

7. MANAGING OUR ENVIRONMENTAL FOOTPRINT

GRI 2-25/302/303/305/306



We make continuous investments in our portfolio to improve its environmental performance, specifically regarding energy and water efficiency. In the **XP Log fund** (XPLG11), automatic meter reading systems were installed in some assets to continuously monitor water and energy consumption. In the future, this will allow management team to identify deviations in consumption and act immediately, avoiding losses. In addition, a roof insulation material was installed in an asset to improve thermal comfort for the occupants. Also, we are gradually replacing light bulbs for LED technology. Regarding water efficiency measures, we invested in leaks fixing, especially within the fire-fighting system. Finally, concerning waste management, in 2023, we focused our efforts on environmental education to encourage our occupants/tenants to correctly segregate and dispose the waste they generate.

The malls in the **XP Malls fund** (XPML11) have also adopted a series of measures to make their systems more efficient. With regard to energy, we have implemented consumption management system, automatic meter reading of common area consumption and the installation of presence sensors on escalators. With regard to water system efficiency, some malls have invested in automated monitoring of reservoir levels, retrofitting cooling towers and installation automatic irrigation systems. There are also examples such as the installation of flow restrictors, waterless urinals and a rainwater harvesting system for irrigation. Finally, with regard to waste management, we highlight examples as the practice of giving regular feedback on the generation and disposal of waste, and the construction of a separate dry waste collection area to improve waste segregation and reduce contamination. In addition, some of our malls have excelled in implementing programs to reduce the generation of waste, reuse and recycling practices with the goal of zero waste.



In the **XP Properties fund** (XPPR11), the building systems of a recently completed asset underwent a series of detailed adjustments in 2023 to suit new occupants' operational requirements. In addition, some of the suggestions made on the technical assessment report of 2022 have been implemented: a timer in underground floors lighting system, a review of the setup and location of CO2 sensors, and the implementation of a platform for monitor and manage energy and water consumption.

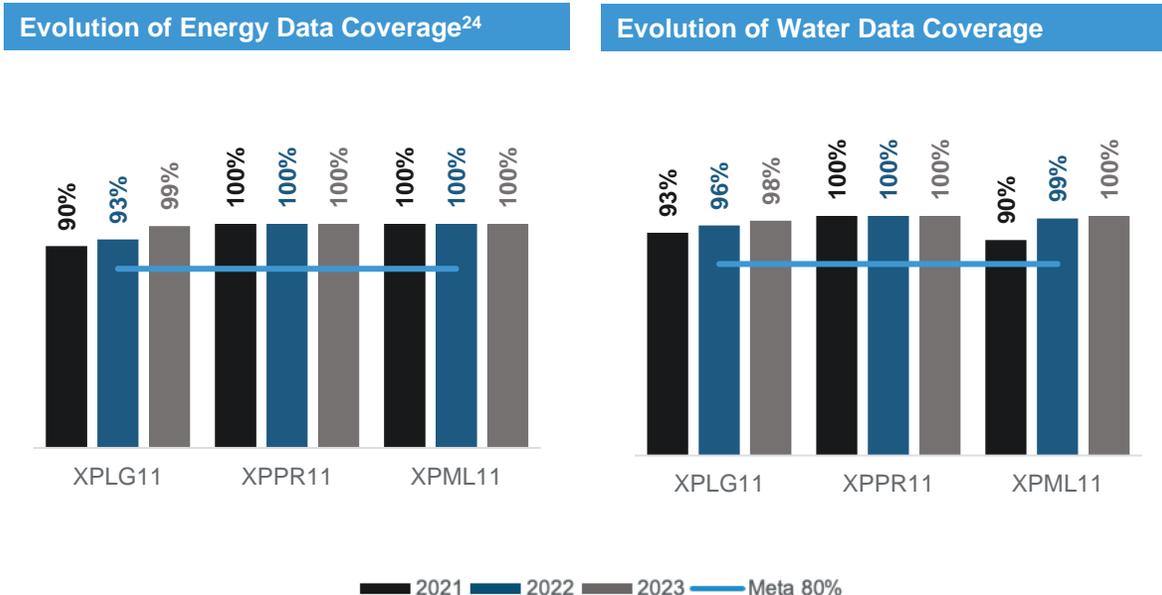


In accordance with the growing global concern about climate change, XP Asset's real estate team has made efforts to raise awareness among its tenants and building managers to implement not only energy efficiency actions, but also to use renewable and cleaner sources of energy. For this reason, we have adopted proactive measures to raise awareness about the importance of acquiring Renewable Energy Credits (RECs). These certificates are standardized financial instruments to certify that the megawatt-hour (MWh) of electricity purchased is generated from a renewable energy resource. They work as accounting and tracking mechanisms for renewable energy sources, for, once the energy flows into the distribution network, it becomes indistinguishable within the system.

Environmental data collection

Regarding the environmental data collection process (energy and water consumption and waste generation), a data coverage of at least 80% for energy and water was set as a target for the three funds. We have made efforts to engage building managers and tenants and have managed to increase the percentage of data coverage in the monitored funds every year. This data is used for creating environmental indicators. The monitoring helps to visualize consumption patterns, identify deviations and opportunities for improvements in energy and water efficiency.

In 2023, the Data Management System (DMS) was implemented. This tool consolidates the information gathered, facilitates the analysis of performance data by allowing individual analyses (per asset) or analyses of the whole portfolio, and helps to identify opportunities for improvement.



²⁴ Percentage of portfolio area that provided data on energy consumption, water usage, and waste generation. It refers only to the area that XP Asset holds within the assets.

²⁵ The main methodology used by sustainability professionals around the world to evaluate sustainability-related commitments.

Next, we will present the environmental indicators of the funds participating in the Annual GRESB Real Estate Assessment. The environmental data presented has been verified by CTE – Center for Building Technology – using the recommendations of the AccountAbility 1000 Assurance Standard (AA1000AS) ²⁵.

Currently, the monitored indicators are:

ABSOLUTE CONSUMPTION AND GHG EMISSIONS:
total energy and water consumption, and total Greenhouse Gas (GHG) emissions of the portfolio.

TOTAL WASTE GENERATION:
total weight of waste generated.

LIKE-FOR-LIKE USE INTENSITY:
it is the sum of the annual consumption and emissions of all assets where data coverage (in terms of floor area and time) was 100% for two consecutive years divided by the area leased during the period. Assets sold and/or acquired during this period of two years, or that were being developed or retrofitted are excluded from the calculation.

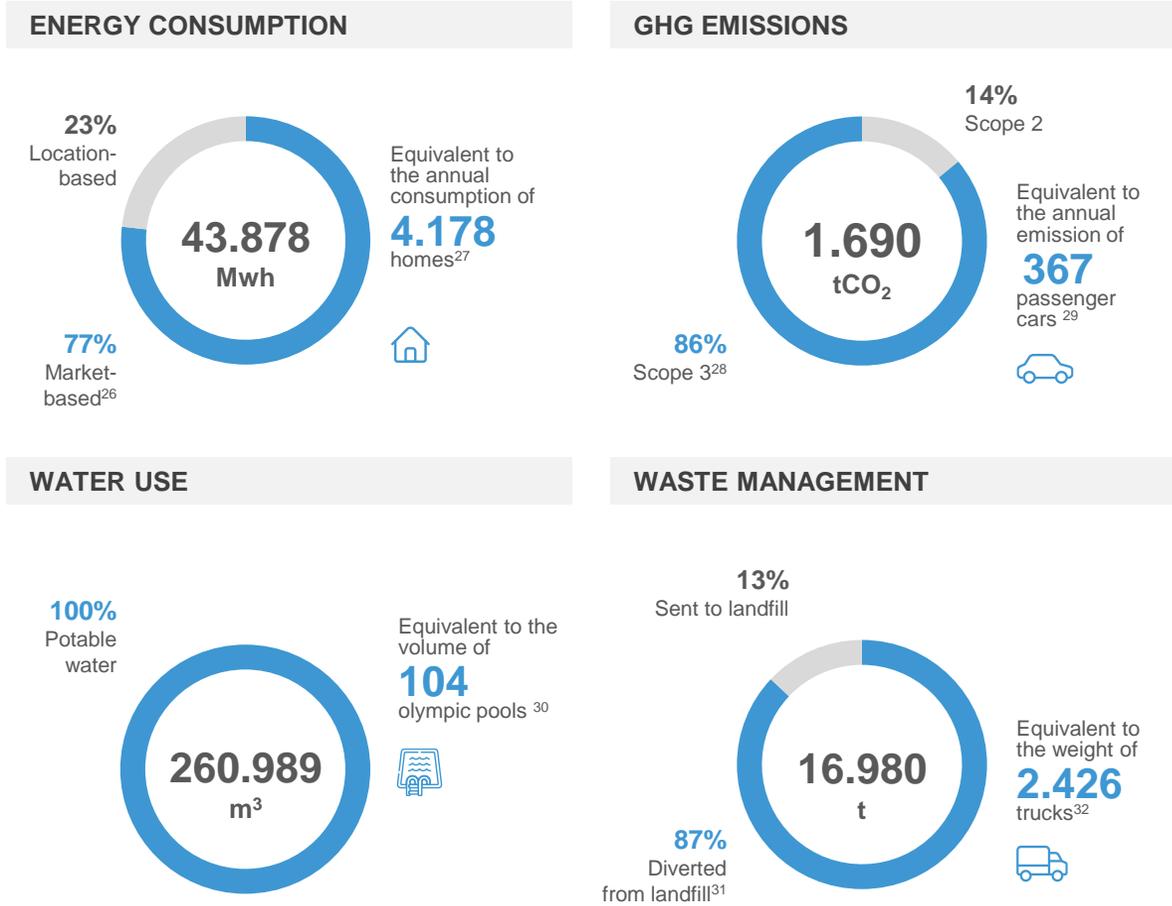
LANDFILL DIVERSION RATE:
amount of waste redirected from landfills (sent for composting, recycling or reuse), divided by the total amount of waste generated.

XP Log (XPLG11)

Almost half of the area of the fund's assets has already been submitted to Technical Building Assessments (TBA). This allows us to plan medium-term investments to gradually reduce the environmental impact of our assets. Among the actions being planned are the installation of individualized energy and water meters per module to analyze environmental performance and, later, the installation of automatic meter reading to measure and monitor energy and water consumption in real time. Other actions under evaluation are the installation of sensors in the lighting system, the installation of water meters in the reuse and rainwater systems, and the implementation of on-site photovoltaic systems.



ENVIRONMENTAL IMPACT OF THE PORTFOLIO IN 2023



²⁶ The market-based energy is an environment in which energy consumers have the freedom to choose their electricity suppliers and negotiate contracts directly with generators, traders and other companies in the electricity sector, allowing, for example, to choose a renewable energy source. | ²⁷ Annual consumption of 1 home is 10.5 MWh. Source: <https://www.eia.gov/energyexplained/use-of-energy/electricity-use-in-homes.php> | ²⁸ Greenhouse gas emissions has been divided according to the methodology adopted by GRESB. Scope 1 include direct emissions associated with fuel consumption used to generate electricity; scope 2 include indirect emissions associated with the purchase of electricity; and, in scope 3, indirect emissions from electricity consumption in tenant areas. | ²⁹ Annual emissions of 1 passenger car are 4.6 tCO₂. Source: <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle> | ³⁰ The volume of 1 Olympic swimming pool is 2,500m³. Source: <https://phinizycenter.org/olympic-swimming-pools/> | ³¹ Diverted landfill waste includes all waste composted, recycled, and reused. | ³² The weight of a truck is 7 tons.

XP Log (XPLG11)

In 2023, a higher number of tenants shared their waste generation and disposal figures with us, so we were able to achieve 83% waste data coverage, 15% higher than in 2022. Due to the greater data coverage, there was an increase in the total waste generated by the fund. On the other hand, we found that the percentage of landfill diversion (waste that is destined for composting, recycling and reuse) increased, reaching a deviation rate significantly higher than the Benchmark value in 2022³³.

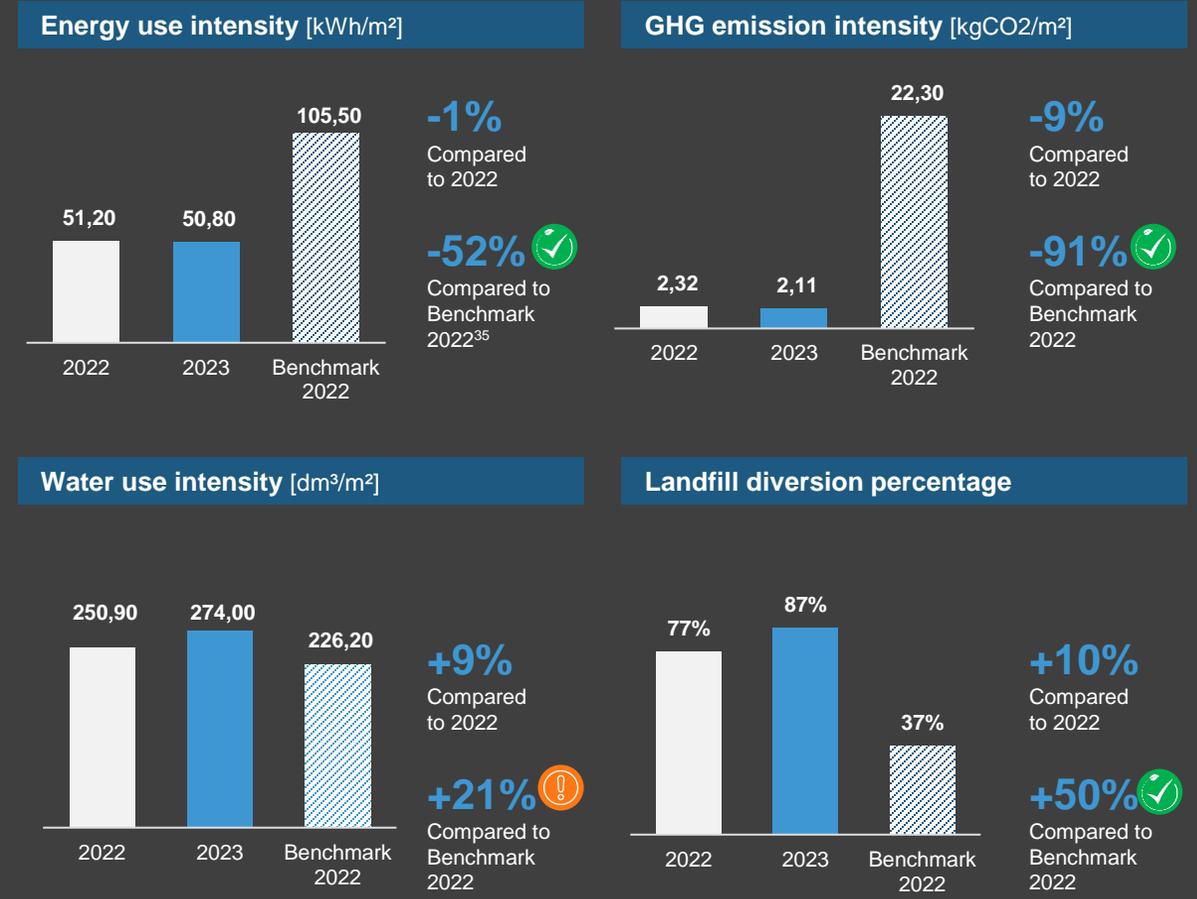
Collecting data on waste management from tenants and condominiums remains one of the fund's greatest challenges, since management is not centralized nor unified. In single-tenant buildings, tenants manage their own waste which makes our management and intervention difficult. In logistics condominiums, on the other hand, the waste generated in the common area is managed by the administration, and the ones generated in private areas are managed by the tenants, so there are a variety of practices to be understood and a great deal of information to be collected.

DID YOU KNOW? Automatic meter reading allows energy and water consumption to be measured remotely and automatically. The various systems available allow consumption to be monitored almost instantly, as they enable the immediate identification of losses and consumption patterns.



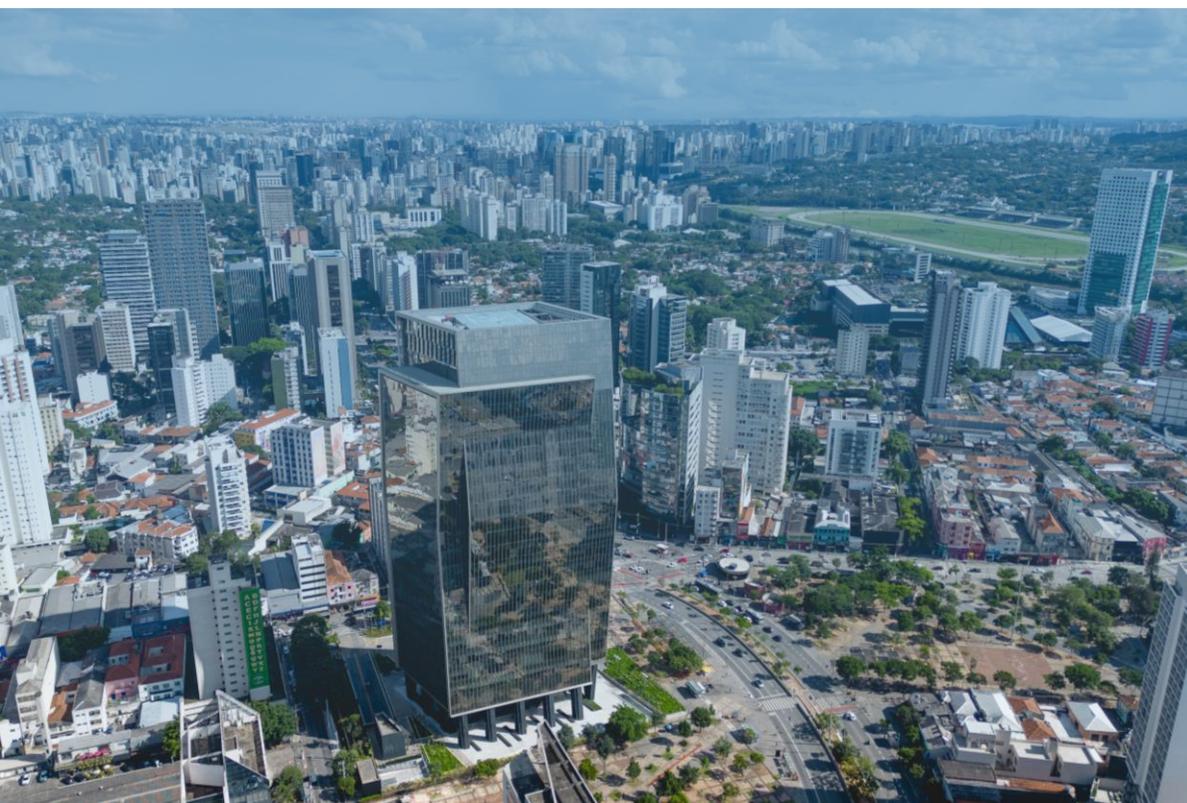
³³Benchmark data extracted from 2023 GRESB Real Estate Benchmark Report, which represents the average consumption per m² in 2022 of Non-refrigerated Logistics Warehouses located in the Americas. | ³⁴To assess environmental performance, the like-for-like methodology was used; it is the sum of the annual consumption and emissions of all assets where data coverage (in terms of floor area and time) was 100% for two consecutive years divided by the area leased during the period. Assets sold and/or acquired during this period of two years, or that were being developed or retrofitted are excluded from the calculation. | ³⁵Benchmark data extracted from 2023 GRESB Real Estate Benchmark Report, which represents the average consumption per square meter in 2022 of Non-refrigerated Logistics Warehouses located in the Americas.

ENVIRONMENTAL PERFORMANCE OF THE PORTFOLIO IN 2023³⁴

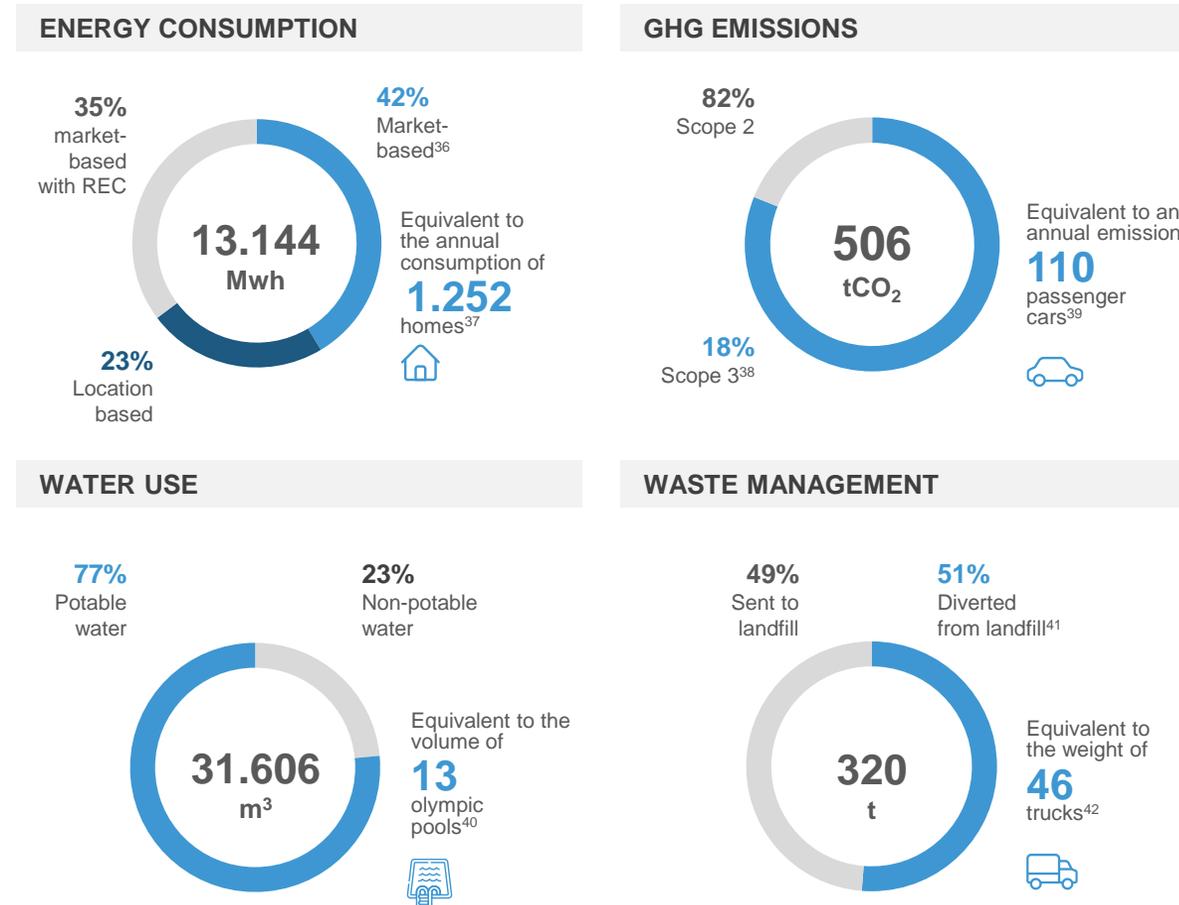


XP Properties (XPPR11)

In 2023, the fund carried out the sale of two assets and signed important leases to reduce vacancy rate, which currently stands at 43%, the lowest since June 2021. It is important to note that one of the assets is still undergoing a gradual occupation process, so it is expected that the fund's vacancy rate will change and, consequently, in the coming years, the fund's environmental impact will increase regarding the absolute water and energy consumption, total greenhouse gas emissions, and total waste generated.



ENVIRONMENTAL IMPACT OF THE PORTFOLIO IN 2023



³⁶ The market-based energy is an environment in which energy consumers have the freedom to choose their electricity suppliers and negotiate contracts directly with generators, traders and other companies in the electricity sector, allowing, for example, to choose a renewable energy source. | ³⁷ Annual consumption of 1 home is 10.5 MWh. Source: <https://www.eia.gov/energyexplained/use-of-energy/electricity-use-in-homes.php> | ³⁸ Greenhouse gas emissions has been divided according to the methodology adopted by GRESB. Scope 1 include direct emissions associated with fuel consumption used to generate electricity; scope 2 include indirect emissions associated with the purchase of electricity; and, in scope 3, indirect emissions from electricity consumption in tenant areas. | ³⁹ Annual emissions of 1 passenger car are 4.6 tCO₂. Source: <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle> | ⁴⁰ The volume of 1 Olympic swimming pool is 2,500m³. Source: <https://phinizycenter.org/olympic-swimming-pools/> | ⁴¹ Diverted landfill waste includes all waste composted, recycled, and reused. | ⁴² The weight of a truck is 7 tons.

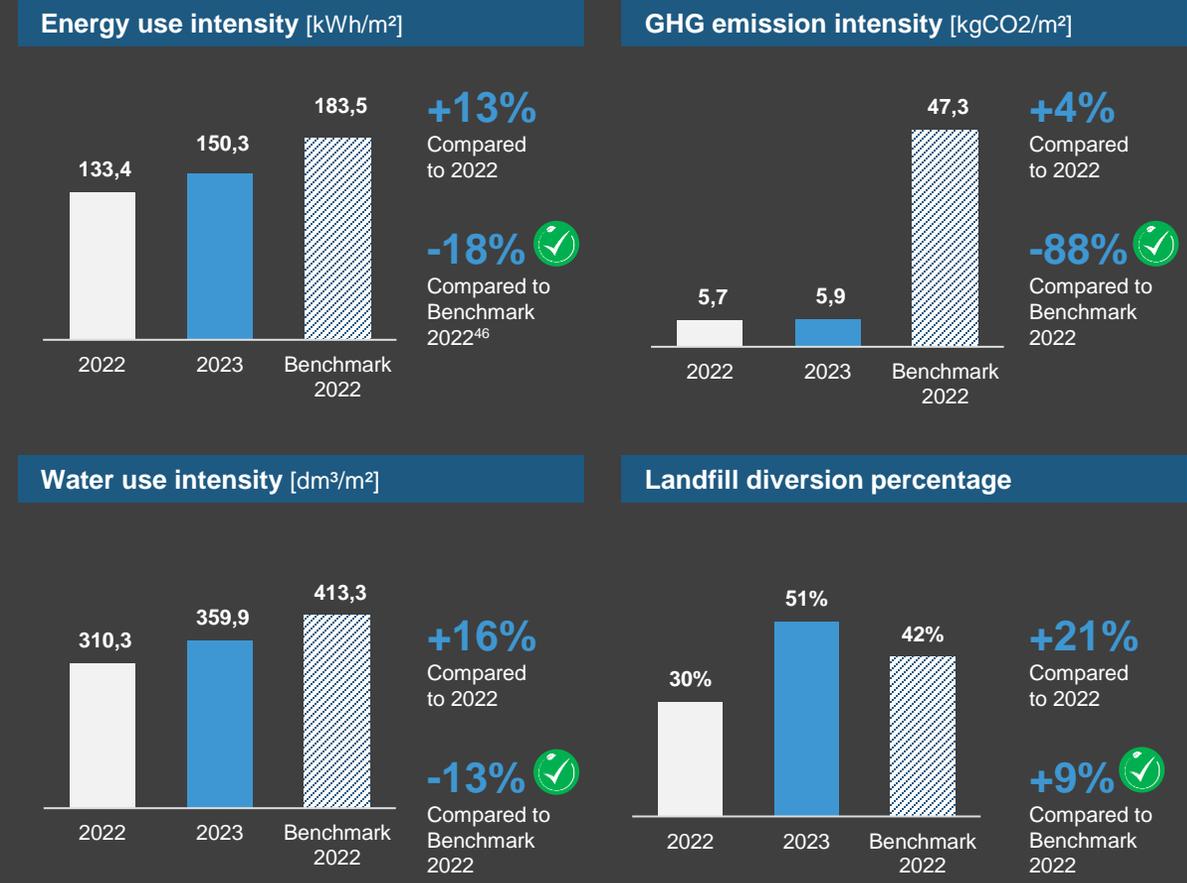
XP Properties (XPPR11)

In this fund, we have managed to maintain 100% coverage of energy, water, greenhouse gas emissions and waste management data since the start of the environmental data collection in 2021. As a result, we have a reliable analysis of the information on the fund's environmental performance. And, although there has been an increase in the use intensity when compared to the previous year, the intensity indexes per area remain better than the Benchmark in 2022⁴³.

DID YOU KNOW? In the Brazilian electricity matrix, renewable sources account for almost 85%, while globally they account for less than 30%. This means that greenhouse gas (GHG) emissions related to electricity consumption in our buildings are lower when compared to other countries, especially the USA and European countries.



ENVIRONMENTAL PERFORMANCE OF THE PORTFOLIO IN 2023⁴⁵



⁴³ Benchmark data extracted from 2023 GRESB Real Estate Benchmark Report, which represents the average consumption per square meter in 2022 of High-Rise Offices located in the Americas. | ⁴⁴ source: <https://www.epe.gov.br/pt/abcdenergia/matriz-energetica-e-eletrica> | ⁴⁵To assess environmental performance, the like-for-like methodology was used; it is the sum of the annual consumption and emissions of all assets where data coverage (in terms of floor area and time) was 100% for two consecutive years divided by the area leased during the period. Assets sold and/or acquired during this period of two years, or that were being developed or retrofitted are excluded from the calculation. | ⁴⁶ Benchmark data extracted from 2023 GRESB Real Estate Benchmark Report, which represents the average consumption per square meter in 2022 of High-Rise Offices located in the Americas.

XP Malls (XPML11)

This fund was included in the Annual GRESB Real Estate Assessment only in 2023. In that year, we carried out a survey of ESG-related information on the assets level to have a deeper understanding the fund's ESG scenario and join forces with mall administrator's companies in the actions they carried out. Among the items inventoried, there were ESG community engagement actions, ESG tenant engagement actions, energy and water efficiency measures, and green building certifications (awarded and planned).

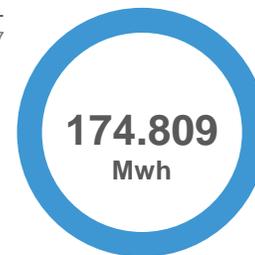
The assets in this fund have a complex nature in terms of size, variety and dynamics of buildings systems. For this reason, the environmental data collection is more challenging and is constantly being updated through communication with the mall administrator's companies to achieve the coverage that best represents the fund and its assets.



ENVIRONMENTAL IMPACT OF THE PORTFOLIO IN 2023

ENERGY CONSUMPTION

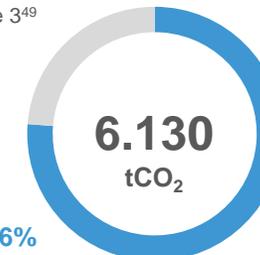
100%
Market-based⁴⁷



Equivalent to the annual consumption of **16.648** homes⁴⁸

GHG EMISSIONS

24%
Scope 3⁴⁹

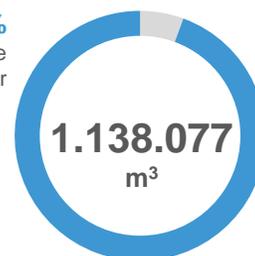


Equivalent to an annual emission of **1.333** passenger cars⁵⁰

76%
Scope 2

WATER USE

94%
Potable water

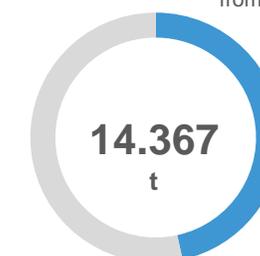


Equivalent to the volume of **455** olympic pools⁵¹

6%
Non-potable water

WASTE MANAGEMENT

53%
Sent to landfill



Equivalent to the weight of **2.052** trucks⁵³

47%
Diverted from landfill⁵²

⁴⁷ The market-based energy is an environment in which energy consumers have the freedom to choose their electricity suppliers and negotiate contracts directly with generators, traders and other companies in the electricity sector, allowing, for example, to choose a renewable energy source. | ⁴⁸ Annual consumption of 1 home is 10.5 MWh. Source: <https://www.eia.gov/energyexplained/use-of-energy/electricity-use-in-homes.php> | ⁴⁹Greenhouse gas emissions has been divided according to the methodology adopted by GRESB. Scope 1 include direct emissions associated with fuel consumption used to generate electricity; scope 2 include indirect emissions associated with the purchase of electricity; and, in scope 3, indirect emissions from electricity consumption in tenant areas. | ⁵⁰ Annual emissions of 1 passenger car are 4.6 tCO₂. Source: <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle> | ⁵¹The volume of 1 Olympic swimming pool is 2,500m³. Source: <https://phinizycenter.org/olympic-swimming-pools/> | ⁵²Diverted landfill waste includes all waste composted, recycled, and reused. | ⁵³ The weight of a truck is 7 tons.

XP Malls (XPML11)

With regard to waste generation, in 2023 we achieved 99% of data coverage. Some malls have made significant efforts to reduce landfill disposal, adopting practices to reuse, recycle and reduce generation. This year, we found that the percentage of landfill diversion (waste that is sent for composting, recycling and reuse) increased, reaching a deviation rate higher than the Benchmark value in 2022. Over the course of 2023, some of the malls signed zero waste contracts with waste disposal companies, reallocating waste that was previously going to landfills to recycling. Thus, increasing the deviation rate of the fund.

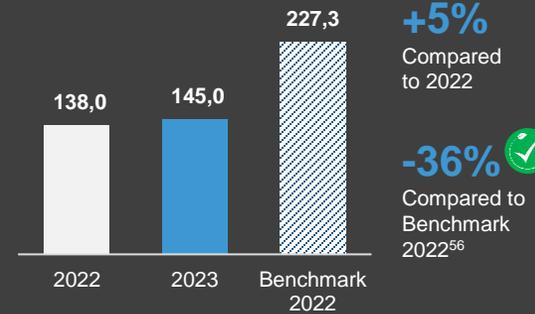
As the assets in this fund are shopping mall, it is important to address mallgoers and the local community's concerns. For this reason, the mall administrator's companies are constantly and actively performing engagement actions for them.



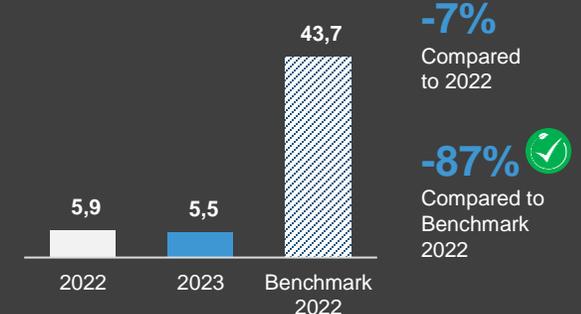
⁵⁴ Benchmark data extracted from 2023 GRESB Real Estate Benchmark Report, which represents the average consumption per square meter in 2022 of Retail, Shopping Center located in the Americas.

ENVIRONMENTAL PERFORMANCE OF THE PORTFOLIO IN 2023⁵⁵

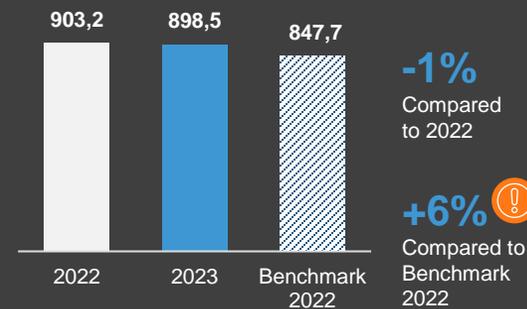
Energy use intensity [kWh/m²]



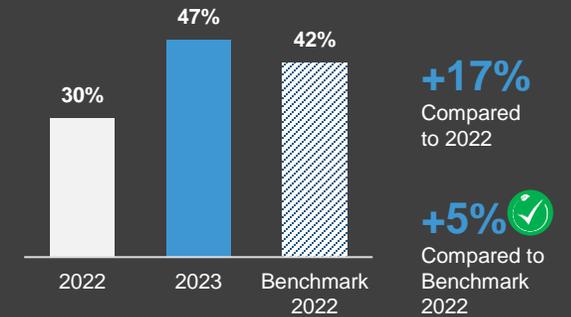
GHG emission intensity [kgCO₂/m²]



Water use intensity [dm³/m²]



Landfill diversion percentage



⁵⁵ To assess environmental performance, the like-for-like methodology was used; it is the sum of the annual consumption and emissions of all assets where data coverage (in terms of floor area and time) was 100% for two consecutive years divided by the area leased during the period. Assets sold and/or acquired during this period of two years, or that were being developed or retrofitted are excluded from the calculation.

⁵⁶ Benchmark data extracted from 2023 GRESB Real Estate Benchmark Report, representing the average consumption per square meter in 2022 of Retail Shopping Center located in the Americas.

Building Certifications

Building certifications confirm that buildings are in accordance with sustainability standards and that they cause less environmental impact during their construction and operation activities. In addition to environmental benefits, they add value to buildings and are highlights in the real estate market. The benefits of certifications include better health and well-being for residents, lower operational costs and a reduction in greenhouse gas emissions.

As real estate developers and owners, we pursue an increasing number of certified assets in our portfolio. For this reason, we perform technical and economic assessments on our assets, both in the development and in the operation phases, and whenever possible, we pursue certification.

Among the existing certification schemes in our portfolio, we highlight the AQUA-HQE^{TM57}, that is based on the French Démarche HQETM certification and applied in Brazil by the Vanzolini Foundation. The certification has been adapted to Brazil in terms of local standards, regulations and even cultural issues. In addition, our portfolio includes several assets with the LEED⁵⁸ certification, issued by the U.S. Green Building Council (USGBC), the most widely used certification schemes in Brazilian real estate market. It attests that every certified building complies with strict quality and environmental performance standards, through evaluations in categories such as: location and transportation, sustainable location, water efficiency, energy efficiency, materials and resources, indoor air quality, innovation, among others. LEED certification can be applied both to existing buildings in operation (LEED O+M Building Operations and Maintenance) and to new buildings and major renovations (LEED BD+C Building Design and Construction).



LEED BD+C | Gold

Edifício Corporate Evolution
Barueri - SP



LEED BD+C | Gold

Edifício Itower
Barueri - SP



LEED BD+C | Gold

LEED O+M | Platinum
Edifício Faria Lima Plaza
São Paulo - SP



AQUA-HQETM

CD Leroy Merlin
Cajamar - SP



LEED BD+C | Gold

CD Seropédica
Seropédica - RJ



LEED O+M | Gold

Catarina Fashion Outlet
São Roque - SP



LEED BD+C | Gold

Shopping Cidade São Paulo
São Paulo - SP



ISO 14001 | ISO 45001

Plaza Sul Shopping
São Paulo - SP

⁵⁷ <https://vanzolini.org.br/blog/certificacao/certificacao-aqua-hqe-selo-de-responsabilidade-ambiental-ganha-destaque-em-empreendimentos-residenciais/> | ⁵⁸ <https://www.usgbc.org/leed>

Case Study

CATARINA FASHION OUTLET

Located in the city of São Roque in the estate of São Paulo, **Catarina Fashion Outlet** is a mall with wide, tree-lined outdoor boulevards. Opened in 2014, designed by Paulo Baruki and landscape designer Maria João D'Orey in partnership with Sig Bergamin and Murilo Lomas. In 2023, a new area was built, doubling its size. Along with this expansion, it achieved the Gold level of the LEED O+M certification, making it the first mall in Latin America to have this accomplishment.

During the assessment period, the mall proved to be 33% more efficient than the global average in terms of energy consumption. In addition, during the certification period, it underwent an energy audit that assessed the building's systems and identified opportunities for energy efficiency, despite already having an excellent consumption level compared to the global average.

The mall also scored highly in the "Human Experience" category. This item considers the combination of two components: (1) the perceived satisfaction of occupants and (2) the measurement of indoor air quality. The ventilation systems for shops' internal areas have been renewed to increase the air renovation rate. As a result, the CO2 concentration levels measured were low, which indicates good indoor air quality, healthier environment and efficient ventilation systems.

Another point worth noticing is that, although Catarina Fashion Outlet is located at 60 Km Castello Branco Highway, in the transportation survey for the certification process, 40% of the people who work there said they use the bus as their main commuting method. This means of transport is more environmentally friendly, as it emits less greenhouse gases per passenger when compared to cars.



ENERGY CONSUMPTION

33% more efficient than the global average

WATER USE

11% more efficient than the global average

Case Study

FARIA LIMA PLAZA BUILDING

Faria Lima Plaza is an imposing high-end commercial tower located on Brigadeiro Faria Lima Avenue in the city of São Paulo. The enterprise stands out for its modern and innovative architecture, developed by the renowned architecture firms KPF and KOM Arquitetura, which deliver efficiency and versatility in different *layouts*.

In 2022, it obtained the LEED certification for new buildings and reached the Gold level. In the following year, it achieved the LEED certification for building operation and maintenance (LEED EB O+M) at the Platinum level. The difference between the two certifications is that the first focuses on actions implemented during the design and construction stage, included in the architectural and building system design, and those implemented on the construction site, such as pollution control and waste management. The second certification, on the other hand, analyzes actual data on energy and water consumption, greenhouse gas emissions and occupant experience collected during the building's operation phase.

To achieve the LEED certification, a building must meet all the pre-requisites and implement actions to meet the credits requirements. The credits are worth points that add up to a total score. There are four levels of certification, according to the number of points scored, the Platinum is the highest level. Faria Lima Plaza is one of the twelve buildings in Brazil that have achieved the Platinum level of the LEED certification for building operation and maintenance (LEED EB O+M).

During the certification process, the condominium implemented a series of actions and managed to increase the percentage of landfill diversion from 15% to 37%. This work was carried out together with specialized consultants, to eliminate the use of landfills through waste reuse, reduction and recycling.

A last highlight is that the building offers excellent accessibility to public transportation, such as Faria Lima Station (subway Line 4 Yellow), Pinheiros Intermodal Terminal and the Metropolitan Train (CPTM Line 9 Emerald), as well as having direct access to the network of bike lanes. Due to this privileged modal infrastructure, the use of public transportation is high among its occupants, which significantly reduces the carbon footprint generated by means of transportation for commuting.



ENERGY
CONSUMPTION

29%

more efficient than
the global average

WATER USE

22%

more efficient than
the global average

WASTE
MANAGEMENT

17%

more efficient than
the global average

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