

Responsible Investment Policy

September 2022

Purpose

Define the Investment Management Policy of BTG Pactual Asset Management (BTG Asset), comprising a set of principles and guidelines that guide the selection and management of fund assets, in accordance with the ESG Policy of Banco BTG Pactual S.A. (BTG Pactual).

BTG Pactual's ESG Policy values a long-term vision, in an operating model based on ethics and responsibility, always seeking to generate value while preserving investors' capital.

Related Standards and Policies

- Code of Business Principles and Ethics of Banco BTG Pactual (BTG Pactual);
- Environmental, Social and Climate Responsibilities Policy;
- Rules on *Timberland Responsible Investment Policy*;
- ESG Integration Procedure and Sustainability Programs;
- Sectoral Policies;
- Diversity Policy; and
- BTG Pactual's Global Risk Management Policy and Control Structure.

To whom does this Policy apply?

This Policy applies to BTG Asset, BTG Pactual and other entities of the economic group directly or indirectly controlled by BTG Pactual, as well as identified in the Consolidated Financial Statements of BTG Pactual ("BTGP Economic Group"), which do not have their own policies, but which have the management of third-party resources included among their activities, with the exception of BTG Pactual (UK) Limited.

If the other entities of the BTGP Economic Group wish to have their own ESG Policies and/or Responsible Investment Policies, they must adapt them to this Policy.

Violations of this Policy may result in internal disciplinary action in the entities that are part of the BTGP Economic Group, in accordance with its regulations, including termination.

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1. Fundamentals of the Responsible Investment Process

BTG Pactual's Responsible Investment Policy ("Policy") values a long-term vision, based on ethical principles and responsible action, always seeking to generate value for our clients with a commitment to preserving the invested capital.

Since the preservation of invested capital is the biggest commitment of BTG Pactual and the other institutions of the BTGP Economic Group with their clients, BTG Asset believes that investment allocation decisions are of fundamental importance for the success in the management of third-party resources. In this way, BTG Asset and BTG Pactual, as well as the other companies of the BTGP Economic Group, dedicate a lot of attention to the investment decision-making process, in addition to giving great value to discipline in the execution of the decisions taken. In the decision-making process, the entities of the BTGP Economic Group consider environmental, climate, social and corporate governance ("ESG") aspects when applicable, taking into account the principles of relevance and proportionality, in addition to the risks and return, observing the particularities of each of the investment strategies ("Framework ESG").

BTG Pactual's commitment to Responsible Investment reflects our long-term ambition and commitment to the transition to a low-carbon and more sustainable economy. We operate with a consistent focus on the long-term implications and results of our actions, prioritizing long-term benefits over short-term gains, always evaluating risks and opportunities. We believe that solid business practices and corporate responsibility are pillars of long-term sustainability, which must be applied daily in investment decisions with an aim to generate value for our clients and shareholders in a process of sustainable growth.

We understand Responsible Investment as the application of the ESG Framework in investment decisions, as well as stewardship practices.

2. ESG Framework in the Responsible Investment Process

BTG Pactual believes that long-term success in managing third-party resources is the result of combining market expertise applied under strict risk control with research and technologies. Therefore, the decision-making process used in the Bank's decisions is highly dynamic and takes into account the relevant factors for the outcome of our strategies and the performance of the sectors of the economy benefited by our investments. In this way, we understand that ESG factors represent both risks and opportunities in our various investment strategies. Thus, in each of our investment strategies, BTG Pactual applies different approaches compatible with ESG factors, through its own methodologies and contracting external services specialized in the management of socio-environmental risk, according to the needs of each of the funds managed by BTG Asset.

In several funds managed by BTG Pactual, the ESG analysis process, regarding investments that undergo an evaluation following the ESG Framework, goes through the steps defined in the governance of BTG Pactual, starting with the identification of relevant aspects for the economic sector or for the counterparty benefited by our investments, such as for example, greenhouse gas emissions, waste and/or water resources management, biodiversity, community, human capital, corporate governance. Identification can be done by comparing different companies in the same industry, checking best practices in the same category of companies, consulting stakeholders and using

international frameworks, such as the IFC (International Finance Corporation) Performance Standards, United Nations Global Compact, United Nations Principles of Responsible Investment, Sustainable Development Goals, United Nations Guiding Principles for Business and Human Rights. Once all the ESG requirements defined by BTG Pactual for this stage are met, the checks planned for the next stage are then carried out, consisting of the evaluation of the following aspects:

- Whether the ESG topics are integrated into the investment stakeholder's business model;
- What is the ability of the company or its people to address ESG issues;
- What is the organization's commitment to the ESG agenda;
- What are the socio-environmental and governance practices adopted; and
- Whether the counterparty is in good standing with the government in socio-environmental matters and whether it is registered in the Register of Employers of the Ministry of Economy who have subjected workers to conditions analogous to slavery.

Once the research has been completed, the decision is taken by the investment management area under the supervision of the ESG & Impact Investing teams, taking into account: (i) the evaluation of the points described in the previous paragraphs; (ii) risk appetite defined by Senior Management; and (iii) the available risk mitigation mechanisms, in addition to the fund's resource management strategy, the nature of the investment and the expected period of permanence of the resources in the fund under management.

Depending on the criticality observed in the ESG risk checks, the situation may lead to the submission of the proposal to higher levels or to the abandonment of the investment.

The decision process, for investment of such group of funds which the process described above applies, includes the evaluation by one or more components organized in the form of lines of defense at an increasing level of responsibilities, depending on the complexity and criticality of the investment, as follows: (i) first line: ESG risk management team; (ii) Head of ESG risk management; (iii) CSO (Chief Sustainability Officer); and (iv) ESG Committee.

The BTG Pactual ESG Committee is responsible for evaluating the degree of adherence to the actions implemented by the entities of the BTG Conglomerate and, when necessary, proposing improvements or revisions to this Policy. Participate in the ESG Committee: C-levels (Statutory Board), including the CEO and CRO (Chief Sustainability Officer), in addition to the Head of ESG.

In the decision-making process on investments, the principles of relevance and proportionality are considered, which are understood as follows:

Relevance: degree of exposure to environmental, social and climate risks, in addition to factors related to the governance of the economy sector to which the counterparty belongs or to the activity carried out by it; and

Proportionality: compatibility of the analysis with the size and complexity of the investment strategy, with the nature of the operation and with the estimated period of permanence of the resources in the fund under management.

3. Decision-Making Process

BTG Asset has investment committees, which are responsible for analyzing assets, economic scenarios, fund positions and for defining or adapting investment strategies. The ESG & Impact Investing team has a seat with veto power over operations on some of the committees.

4. Stewardship

According to the Brazilian Stewardship Code and to the International Corporate Governance Network Stewardship can be defined as the responsible management of something entrusted to one's care. This suggests a fiduciary duty of care on the part of those agents entrusted with management responsibility to act on behalf of the end beneficiaries. It refers, therefore, to the care that the manager must have in the application of clients' resources and in the monitoring of the quality, integrity and profitability of the investments made. This concept is applied by BTG Asset through the analysis of counterparty risks, engagement with investees (through initiatives such as Investors for Climate and group or individual interactions) and investor participation in meetings to decide on investment funds.

We have a [Policy for the Exercise of Voting Rights](#), in which the principles and procedures to be observed by BTG Asset are established in order to ensure the voting rights of clients or shareholders at meetings to decide on relevant topics, including the definition of regulations and acquisition of assets for the securities portfolios of the funds it manages.

5. Governance

This Policy was approved by the Board of Directors of BTG Pactual, as well as the statutory officer of BTG Asset and the CSO (Chief Sustainability Officer) of BTG Pactual, with the advice of the ESG Committee.

6. Transparency and Commitment

This Policy is periodically reviewed, at the initiative of the CSO and/or the Head of ESG, and subsequently submitted for deliberation by the ESG Committee and approval by the CSO.

Feedback and transparency are essential parts of our commitment to sustainability. In compliance with these requirements, the actions implemented by BTG Pactual, with a view to the effectiveness of this Policy, will be reported in our annual report, published on the BTG Pactual [website](#), in the publicity materials of the funds and/or in the reports or questionnaires of the Principles of the UN Responsible Investment.

BTG Pactual also provides communication channels such as SAC and the Ombudsman, which are available to our customers and interested parties to receive demands regarding this Policy. Requests can also be sent to BTG Pactual's ESG team, via email to OL-ESG@btgpactual.com.

Collaboratively, we also engage together with other peers to develop the local and international ESG market. Added to this engagement are interactions with investee companies, with the aim of understanding the stage of maturity in relation to material ESG factors and leveraging good market practices in accordance with the principles and guidelines within the scope of the ESG agenda of the BTG Pactual.

7. Share Control

Due to its importance to BTG Pactual, all employees of the entities comprising the BTGP Economic Group must follow the principles and comply with the guidelines defined in this Policy.

Violations of this Policy may result in internal disciplinary action in the entities that are part of the BTGP Economic Group, in accordance with its regulations, including termination.

BTG Pactual's Compliance and Internal Controls structures, together with the CSO and the ESG Committee, are responsible for ensuring compliance with all activities of our ESG Agenda developed in accordance with this Policy. Any exception to this Policy must be submitted, through the CSO and/or the BTG Pactual's Head of ESG, to the decision of the ESG Committee.