

Social, Environmental and Climate Responsibilities Policy

2023

Purpose of this Policy

Define the principles and guidelines of a social, environmental, and climate policies to be followed by the entities comprising the Prudential Conglomerate of BTG Pactual (BTG Conglomerate), as well as by the entities of the BTG Pactual Economic Group (understood as the entities directly or indirectly controlled by BTG Pactual S.A. and included in the Consolidated Financial Statement) in the conduct of their business, activities and operational processes, as well as the relationship with their customers and other stakeholders.

This Policy was prepared according to the management strategies of Banco BTG Pactual (BTG Pactual) and (i) the Resolution of the National Monetary Council (CMN) No. 4945, of September 15, 2021 and adjusted to the size and the relevance of the exposure to social, environmental and climate risks in accordance with Resolution No. 4557 of February 23, 2017, as well as (ii) the Circular of the Superintendence of Private Insurance (SUSEP) No. 666 published on June 27, 2022. For purposes of compliance with the SUSEP rule, the Policy of Social, Environmental and Climate Responsibilities is considered a sustainability policy.

Related rules

- National Monetary Council (CMN) Rules
- Central Bank of Brazil (BACEN) and the Securities and Exchange Commission (CVM) Rules
- Rules of the Superintendence of Private Insurance (SUSEP)
- The Brazilian Federation of Banks (FEBRABAN) Banking Self-Regulation
- Code of Business Principles and Ethics of Banco BTG Pactual (BTG Pactual)
- Rules on Responsible Investment Policy
- Rules on Compensation Policy
- Rules on Timberland Responsible Investment Policy
- ESG Integration Procedure and Sustainability Programs.
- Sectoral Policies
- Diversity Policy
- BTG Pactual's Global Risk Management Policy and Control Structure

Whom does this policy apply to?

To all entities of BTG Conglomerate and the BTG Pactual Economic Group in Brazil and abroad.

Should other entities of the BTG Conglomerate and/or BTG Pactual Economic Group wish to have their own ESG Policies, they must, at a minimum, adapt them to this Policy.

Violations of this Policy may result in internal disciplinary action for the entities composing the BTG Conglomerate and/or BTG Pactual Economic Group, according to its regulations, including termination of contract.

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1. Fundamentals

From inception, BTG Pactual has been guided by the pillars of meritocracy and partnership, where talent, dedication and performance of our employees, members, and managers are the foundations of our development and our continuous growth throughout time, with profitability and always with a long-term vision. In compliance with our Business and Ethics Code, we always act with integrity, responsibility, simplicity, non-conformism, and dedication.

Throughout our history, we have demonstrated resilience against the most diverse economic scenarios and the setbacks of the markets in which we operate, delivering solid and consistent results to our customers, through the offer of high-quality financial products and services. We value the excellence of our performance and the long-term relationship with our customers.

BTG Pactual, in conducting its business, activities and operational processes, assumes commitments based on responsible and sustainable business practices, balancing economic, financial, regulatory, environmental, social, and climate aspects in its operations. We believe that sound business practices and corporate responsibility are long-term foundations that must be applied daily to generate value to shareholders and customers through sustainable, long-term growth.

2. Definitions

For the purposes of this Policy and considering the principles of relevance and proportionality, the following definitions are adopted:

- Environmental nature: practices aimed at preserving and reclaiming the environment, including its recovery, whenever possible.
- Environmental risk: illegal conduct or activity harmful to the fauna or flora, including deforestation, degradation of biomes, damage to biodiversity, air, water, and soil pollution; environmental degradation, actions that result in environmental disaster, non-compliance with environmental licensing conditions.
- Social nature: the respect, protection, and promotion of fundamental rights and guarantees and those of common interest.
- Social risk: work under conditions similar to slavery, child labor, discrimination in general, pedophilia, sexual exploitation, organ trafficking, human trafficking, pornography, prostitution, irregular acts that negatively impact traditional communities, acts harmful to the public, historical or cultural heritage, environmental disasters resulting from human intervention, among other events or conducts that expose society to risks.
- Climate nature: BTG Pactual's positive contribution (i) to the transition to a low-carbon economy, in which the emission of greenhouse gases is reduced to a minimum or offset to the extent possible, and the natural mechanisms for capturing these gases are preserved; and (ii) the reduction of impacts caused by increasingly frequent and more severe weather or long-term environmental changes, which may be related to changes in weather patterns.

- Climate risk: divided into physical climate risk and transitional climate risk; examples of physical risk: (a) extreme weather conditions, including drought, flood, and wild fires; and (b) permanent environmental change, causing melting ice, rising sea levels, damage to agriculture and food supply, desertification, and changes in rainfall or temperature patterns. Transition risks, in turn, include: (a) change with setback in the legislation for the preservation of the environment; (b) carbon pricing; (c) change with an impact on the supply and demand conditions for products and services; (c) prohibition by IBAMA and (d) unfavorable perception in defining customers, the financial market and society in general.

3. Fundamental Principles

At BTG Pactual, we:

- Are members of the United Nations (“UN”) Global Compact, recognize the importance of, and adopt the 17 Sustainable Development Goals imposed by its 2030 Agenda; respecting the externalities of each situation, we contribute to, and work in line with, this development agenda.
- We respect and promote human rights, in line with the UN Global Compact Principles and its Universal Declaration of Human Rights.
- We align our business strategy to fully meet the needs of our customers, business partners and society in general in the countries where we operate, as defined in the 17 Sustainable Development Goals.
- We incorporate ESG criteria into our decision-making processes, aiming to understand the environmental, social, and climate risks and opportunities of each new relationship or each new business.

4. Guidelines and Actions for Implementation

- We seek recognition as an inducer and promoter of the ESG agenda, as an advisor to our customers, aiming at the transition to a low carbon and/or more sustainable economy.
- We assess the environmental, social, and climate risks of each of our customers, our operations, and our businesses, respecting the principles of relevance and proportionality, as well as the profile of each customer of each one of the entities of the BTG Conglomerate.
- We develop methods of social environmental analysis and integration of environmental, social, and corporate governance aspects for the management of third-party assets, including climate variables in these analysis models.
- We develop new products so that, in addition to providing financial returns, they bring environmental and social benefits to society; for instance: promotion of socioeconomic inclusion; and reduction of social inequalities.

- We work together and with the integration of the business and back office areas, to ensure full adherence to our voluntary market commitments and the coordination of responses to sustainability indices and seals.
- We carry out awareness programs, sustainability training, and maintain internal and external dialogue channels with our stakeholders, including the community in which we operate, thus preserving a responsible and transparent relationship.
- We work with our customers in a responsible manner, seeking to encourage sustainable practices that enable prosperity and an ecologically balanced environment, to the benefit of current and future generations.
- We promote a diverse, equitable and inclusive work environment and communicate indicators of progress in our ESG agenda in a transparent manner.
- We identify the social, environmental and climate impacts resulting from our operations and business.
- We seek to be transparent and responsible in relation to our negative impacts, which may occur occasionally and unintentionally, in relation to our contributions regarding aspects of a social, environmental, and climate nature, as well as the other commitments assumed by BTG Pactual in these areas.
- We integrate the management of social, environmental and climate risks with the management of other risks to which financial institutions are exposed, as defined in the applicable legislation.
- We aim to increase our portfolio exposure to sectors that generate social and environmental benefits, promoting the decarbonization of the economy. Plus, we also engage with carbon intensive clients to reduce their footprint.
- We define strategies for mitigation and adaptation to climate change, combining measures to reduce greenhouse gas emissions with risk management and taking advantage of opportunities related to the challenges of climate change.
- We adopt an ethical and transparent conduct consisting of fair practices in our operations and business, and provide timely, complete, accessible information compatible with the profiles of our clients.
- We use resources rationally, promote the conservation of biodiversity and mitigate the environmental impacts of our actions through sustainable practices.

5. Governance

This Policy was approved by the Board of Directors, the highest governance body of BTG Pactual. For its management and maintenance pursuant to CMN Resolution No. 4.945, BTG Pactual designated the Chief Sustainability Officer (CSO) as the responsible officer to the Brazilian Central Bank.

CSO

- The CSO's responsibilities in relation to this Policy are to: (a) promote and supervise the disclosure and dissemination of information; (b) define and supervise the actions aimed at the incorporation, in the activities and businesses of the entities of the BTG Conglomerate, of the ESG principles and guidelines; (c) determine and supervise the implementation of actions designed to ensure effectiveness; and (d) provide information and participate in decision-making processes, including operations and business, related to the implementation and review of this Policy.

ESG Committee

- BTG Pactual ESG Committee is responsible for assessing the level of adherence to the actions implemented by the entities of the BTG Conglomerate and, when necessary, proposing improvements or revisions to this Policy. Participants of the ESG Committee: C-levels (Executive Board appointed pursuant to the Articles of Incorporation), including the CEO and CRO, in addition to the Head of ESG.
- Said committee acts as an auxiliary body of the Board of Directors, whose main duties are: (i) to propose recommendations to the Board of Directors about the implementation and the revision of this Policy, whenever and as necessary; and (ii) to assess the level of adherence of this Policy to BTG Pactual's risk levels and ESG objectives, and when necessary propose improvement recommendations.
- The ESG Committee works in coordination with the Risk and Capital as well as the Audit Committees of BTG Pactual.

In matters related to ESG topics, both the CSO and the ESG Committee act under the supervision of the Board of Directors, which in addition to approving and reviewing this PRSAC, is responsible for recommending measures to ensure: (i) its effectiveness and compatibility with other policies of the BTG Conglomerate; (ii) the adherence of activities and other policies to PRSAC; and (iii) the timely correction and improvement of this Policy.

In accordance with the management strategies of BTG Pactual and the applicable legislation of the Central Bank of Brazil, the responsibilities of the CSO and the ESG Committee cover all entities of the BTG Conglomerate in relation to social, environmental, and climate risks.

6. Communication and Transparency

BTG Pactual seeks to continuously improve its policies and practices in the management of risks and opportunities related to environmental, social, and climate aspects, following the evolution of the applicable regulations and best market practices, always respecting the specific aspects of its operations, in line with the principles of relevance, proportionality, and legality.

This Policy is reviewed periodically, within a period not exceeding three years, at the initiative of the CSO, followed by a resolution of the ESG Committee and approval by the Executive Board and the Board of Directors of BTG Pactual.

Feedback and transparency are essential parts of our commitment to sustainability. In accordance with these requirements, the disclosure of indicators on the actions implemented by BTG Pactual, with a view to the effectiveness of this Policy, will be reported in our annual report, which is published on our website.

BTG Pactual also provides communication channels, such as Customer Service - SAC and Ombudsman, available to our customers and stakeholders, and which receive demands regarding this Policy. Requests can also be directed to the BTG Pactual ESG team, via email OL-ESG@btgpactual.com.

7. Action Control

Due to its importance to the BTG Conglomerate, all employees of the entities comprising such group must comply with the principles and guidelines established in this Policy, under penalty of disciplinary action, including termination.

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

Violations of this Policy may result in internal disciplinary action in the entities composing the BTG Conglomerate, according to its regulations, including termination.

8. Conglomerate Entities Holding Specific Operational Features

BTG Pactual Conglomerate, as a multiple bank, operates in a wide range of financial activities, various types of transactions and market niches.

Some entities have customers, niches of activity, lines of business and transactions of a nature and complexity that are very different from the other entities of the BTG Conglomerate. For this reason, these entities are exposed to social, environmental, and climate risks different from those assumed by the other entities of the Conglomerate.

This Policy must also be applicable to these entities with their own specific features, but with the necessary adaptations depending on the characteristics of each one, subject to the requirements for unified and aligned management and for reports within the scope of the BTG Conglomerate.