



Greenhouse Gases Inventory 2017

Introduction

Founded in 1983, Banco BTG Pactual is an investment bank and asset and wealth manager with a dominant franchise in Brazil, and a successful international investment and distribution platform. Since its creation, the bank has operated as a meritocratic partnership and, currently, has offices on three continents, providing a comprehensive range of financial services to a Brazilian and global client base that includes corporations, institutional investors, governments and high net worth individuals.

BTG Pactual is committed to Sustainability and Environmental, Social and Governance (ESG) matters and have set a strong governance structure to drive these aspects through its business units and daily activities. One project annually conducted by BTG Pactual is its Greenhouse Gases (GHG) emissions inventory. This publication shows BTG Pactual's GHG for the year 2017 and reinforces its global effort to manage direct and indirect emissions globally. The GHG Inventory is a form to evaluate GHG emissions associated with the organization's activities and processes and make possible define goals to reduce our impact.

For the present GHG Inventory, BTG Pactual considered all offices around the world and used as reference The Greenhouse Gas Protocol Initiative, Brazilian GHG Protocol Program and ABNT NBR ISO 14064-1:2007. The reporting period of this inventory is from January 1, 2017 to December 31, 2017. The Inventory was conducted to an external consultancy named ERM – ERM Brasil Ltda. and was certified by an independent third party named Green Domus Desenvolvimento Sustentável Ltda - find attached the Verification Statement.



Scope, Limits and Total Emission Highlights

The present GHG Inventory encompass direct and indirect emission considered in scopes 1, 2 and 3, as defined below:

Scope1: It contemplates direct GHG emissions from sources owned or controlled by the organization, such as: mobile and stationary combustion processes; fugitive emissions;

Scope2: It contemplates indirect GHG emissions from the generation of purchased energy (imported) that is consumed by the organization, for example electricity. Once the energy is brought into the organization, emissions are considered indirect because they physically occur at the location where the energy is produced.

Scope3: It contemplates emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. The consolidation of the data reported for Scope 3 was performed based on the 15 categories defined by the GHG Protocol Corporate Value Chain (Scope 3) methodology, which presents requirements and guidelines for the preparation and publication of emissions resulting from activities of the value chain.

The organizational boundary for the quantification of GHG emissions was defined based on an operational control approach of BTG Pactual offices located in Brazil, USA, Europe and Latin America (LATAM).

BTG Pactual emissions highlights for this Inventory are:

Scope 1 - 385.19 tCO₂e

Scope 2 - 2,524.56 tCO₂e

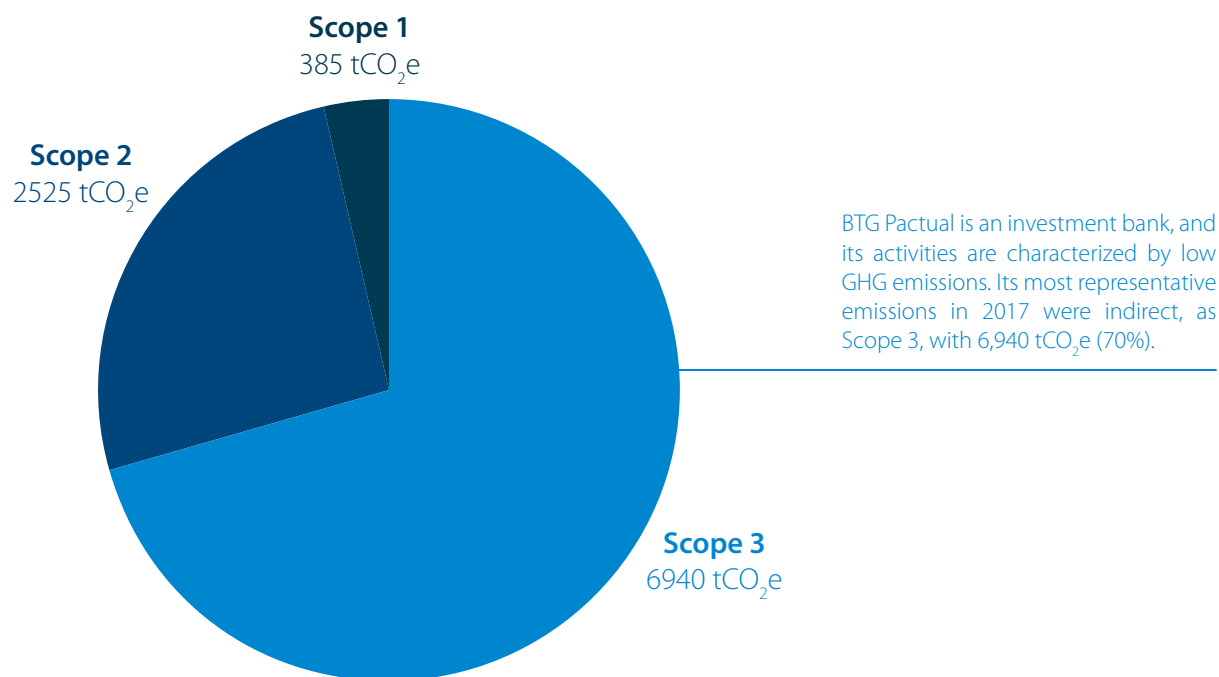
Scope 3 - 6,940.43 tCO₂e

Total emissions - 9,850.18 tCO₂e



Results - Emissions by Scope and others breakdowns

Results by scope



Results by gas

Brazil, USA, EU, LatAm	Emission by Gas in Metric Tons (t)			Emissions in Metric Tons of Equivalent CO ₂ (tCO ₂ e)		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
GEE (t)						
CO ₂	51.400000	2,524.539000	6,614.970000	51.400000	2,524.539000	6,614.970000
CH ₄	0.007000	0.001000	8.668000	0.175000	0.025000	216.700000
N ₂ O	0.001000	-	0.293000	0.298000	-	87.314000
HFCs	0.132664	-	0.015000	333.318000	-	21.450000
PFC	-	-	-	-	-	-
SF ₆	-	-	-	-	-	-
NF ₃	-	-	-	-	-	-
Total	-	-	-	385.191000	2,524.564000	6,940.434000

Results by emission sources

Main emission sources analysis:

- Electricity purchased in grid and provided by condominium generators;
- Upstream transportation and distribution (Cat. 4) which includes motorcycles transportation services

2,525

Main emission sources analysis:

- Indirect emissions of business travel (Cat.6) mainly motivated by air travels from-to offices;
- Employee commuting (Cat. 7) in Brazil considering municipal transportation and particular vehicles.

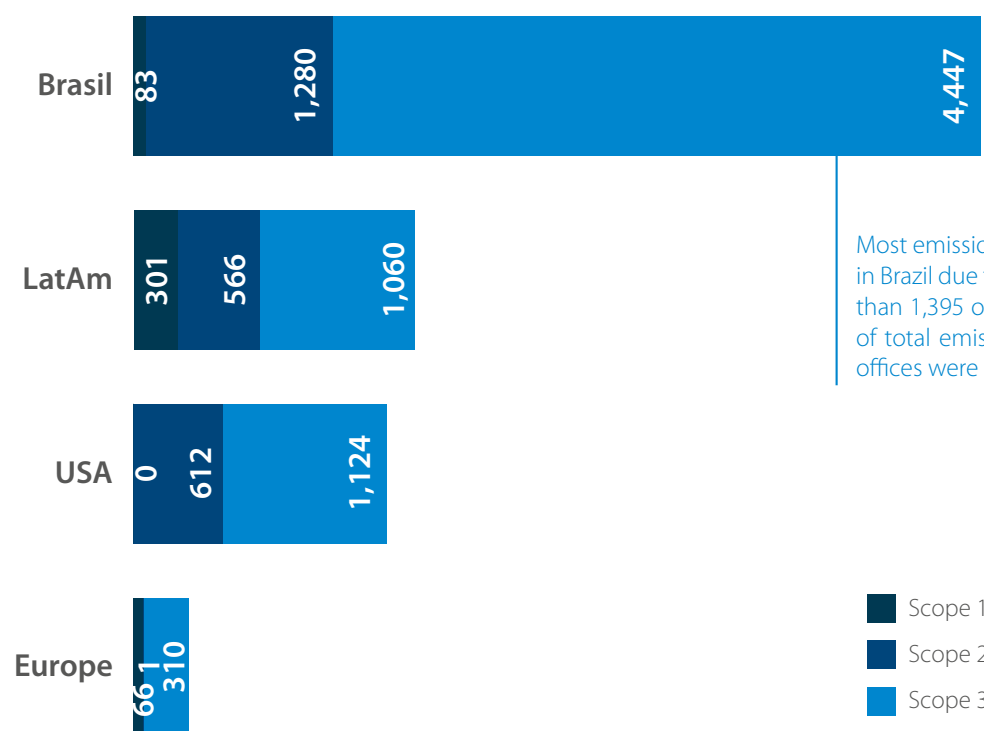
3,978



Results by gas

Scope	Scope 1			Scope 2		Scope 3		
Fonte (tCO ₂ e)	CO ₂ Non Renewable	CO ₂ Renewable	%	CO ₂ Non Renewable	CO ₂ Renewable	CO ₂ Non Renewable	CO ₂ Renewable	%
Mobile Sources (Scope 1 and Cat. 4)	9	1.15	2%	-	-	1,612	612.5	23%
Stationary Sources	42	2.40	11%	-	-	-	-	-
Fugitive Emissions (air conditioning/fire extinguishers)	334	-	87%	-	-	-	-	-
Electricity Consumption and T&D Losses	-	-	-	2,525	0.2	-	-	-
Cat. 3a - Energy Related Activities	-	-	-	-	-	15	-	0%
Cat. 3c - T&D Losses	-	-	-	-	-	402	-	6%
Cat. 5 - Waste Generated in Operations	-	-	-	-	-	84	-	1%
Cat. 6 - Business Travel	-	-	-	-	-	3,978	24.6	57%
Cat. 7 - Employee Commuting	-	-	-	-	-	808	135.5	12%
Cat. 8 - Upstream Leased Assets	-	-	-	-	-	41	-	1%
Total	385	3.55	100%	2,525	0.160	6,940	772.6	100%

Results by Region



Conclusion and next steps

During the preparation of the BTG Pactual's GHG inventory, ERM verified good practices that potentially lead to GHG mitigation (reduction), as presented below:

- "Bora Bike" Program: Aims to increase the proportion of employees using bicycles from home to office commuting. According to the program information there was 97 active cyclists in 2017, traveling the distance of 50,009 km.
- Use of video conferencing over the use of air or land travel.
- Buildings with LEED certification, with consequent reduction of electricity consumption and use of refrigerant gases with lower global warming potential in air conditioning equipment.
- Waste management program in the São Paulo office and recycling practices in Rio de Janeiro office.

The consultancy recommends the increase of those programs and encourages the calculation of avoided emissions through reliable and auditable methods.

In 2017 GHG Inventory, BTG Pactual has reached the following targets set last year:

Increase of information gathered: It was observed a better understanding of the BTG Pactual process and its impact on GHG emissions and consequently an increase in the collection of inventory data, mainly for regional offices and also the information of emission sources under operational control of third party companies (Scope 3).

Inclusion of all international offices: The offices included in this year Inventory are listed next.

LATAM	AR - Buenos Aires
	CL - Santiago
	CO - Medellin
	CO - Bogota
	CO - Cali
	CO - Barranquilla
	MX - Mexico City
	PE - Lima
Europe	LU - Luxemburgo
	UK - London
USA	AL - Birmingham
	AR - Monticello
	CT - Stamford
	FL - Miami
	GA - Atlanta
	NC - Winston Salem
	NY - New York
	OH - Columbus
	SC - Columbia
	WA - Seattle

Inclusion of Cat.3 Fuel and energy-related activities (Scope 3): with the objective of broadening the assessment of the emissions impact related to its chain, BTG included in its 2017 GHG Inventory:

- Cat.3a-Fuel and Energy-related activities: emissions related to the production chain of fuels, which were purchased by BTG Pactual;
- Cat.3c-Fuel and Energy-related activities: emissions related to electricity T&D losses.

Implement programs aiming reducing GHG emissions: The programs identified as above as good practices potentially lead to GHG emissions mitigation, as example the program "Bora Bike", that aimed reduce the fuel consumption during the travel from home to office in employee private vehicles and consequently the emission in Scope 3 (Cat.7 -employee commuting).



For the next year, BTG Pactual aims to

- 1.** Improve data collection at regional offices in Brazil, United States, Europe and Latin America.
- 2.** Review the emission sources for Inventory; and
- 3.** Try to calculate GHG avoided and compensate direct emissions and indirect emission due to energy consumption.

