

Principles for Responsible Banking

Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template:

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are **highlighted**.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six **highlighted** items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
 <p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>BTG Pactual is a financial institution operating in the main Latin American markets. Besides the headquarter in São Paulo, the bank has offices in several other major cities in Brazil and in important financial centers in Latin America (Argentina, Chile, Peru, Colombia, and Mexico) and globally (USA, UK, and Portugal). BTG Pactual counts nearly 4,500 employees: professionals providing services of investment banking, asset management and wealth management.</p> <p>Through a platform with high capability of international distribution, the bank provides a comprehensive range of financial services to a regional and global client base, with a focus on large corporations, institutional investors, governments, and high net worth individuals. Recently BTG Pactual has accelerated investment in innovation and technology. Combining the flexibility of a startup with the strength, capabilities, and integrated services of a large financial services organization, BTG Pactual effectively offers a complete and cohesive portfolio on a one-stop platform.</p> <p>BTG Pactual has been evolving in ESG integration. Since the launch of the ESG division in 2015 the bank offset its carbon emission in 2017-19, supported the TFCO, which encourages transparency about climate information and included the SDGs in its materiality and GRI report. In 2020 BTG Pactual created the Impact & Sustainable Investment Division. The bank is a constituent of the ISE (Corporate Sustainability Index) and ICO2 B3 (Carbon Efficiency Index) in the 2021 and 2022 wallets. Currently, BTG Pactual is scored as B on CDP which indicates it is taking coordinated action on climate issues.</p> <p>Principles for Responsible Banking apply exclusively to BTG Pactual corporate and investment banking activities, while the Principles for Responsible Investment apply to BTG Pactual asset management.</p>	<p>https://www.btgpactual.com/home</p> <p>https://ri.btgpactual.com/default.pt.asp?idioma=0&conta=28</p> <p>https://ri.btgpactual.com/conteudo_en.asp?idioma=1&conta=44&tipo=65068</p> <p>https://static.btgpactual.com/media/case-btgpactual-cfo-taskforce.pdf</p> <p>https://static.btgpactual.com/media/cdp2021-versao-final.pdf</p> <p>https://static.btgpactual.com/media/btg-sustainable-financing-framework-2021.pdf</p>

<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>BTG Pactual's vision of ESG is grounded in the understanding of our responsibility in promoting best practices and using the sustainability lens throughout our entire value chain. BTGP plans to be recognized as an ESG consultancy assisting its clients on the ESG and climate agendas. Our ESG and Impact Investing strategy is anchored in BTG Pactual's values and competencies, reflecting our long-term ambition and unconditional commitment to responsible and sustainable development.</p> <p>BTG Pactual is committed to achieve SDGs through the endorsement of several voluntary international initiatives in addition to the PRBs, including:</p> <ul style="list-style-type: none"> • Principles for Responsible Investment • Equator Principles • Commitment to support the TCFD • Becoming first Brazilian bank to join the Global Impact Investing Network (GIIN), a platform that works to increase the scale and effectiveness of impact investing around the world • Joining the Brazilian Coalition on Climate, Forests and Agriculture <p>BTG Pactual's material topics were determined in 2019 and 2021 through a survey of key stakeholders, including financial market and sustainability experts, BTG Pactual executives, employees, investors, suppliers, clients, shareholders, and industry representatives. The materiality exercise also considered for the first time the Sustainable Development Goals (SDGs) to ensure greater alignment with society's most crucial challenges. The materiality exercise provided crucial input for the bank's leadership team and helped to inform the sustainability strategy for the coming years.</p> <p>Some highlights: (i) we expanded our framework of ESG policies to include guidelines on responsible investing for Asset Management and social and environmental risks for Lending. A Responsible Investing Policy has also been developed for our Timberland Investment Group (TIG), establishing nine principles on decision making and selecting forestry assets. (ii) BTG Pactual subscribed to several sustainability frameworks including the Equator Principles, the Brazilian Coalition on Climate, Forests and Agriculture, the Global Impact Investing Network, the United Nations Environment Program</p>	<p>https://www.btgpactual.com/esg-e-impact-investing</p> <p>https://ri.btgpactual.com/conteudo_en.asp?idioma=1&conta=44&tigo=65068</p> <p>https://static.btgpactual.com/media/case-btg-pactual-cfo-taskforce.pdf</p> <p>https://static.btgpactual.com/media/cdp2021-versao-final.pdf</p>
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	<p>Finance Initiative (UNEP FI), and the Principles for Responsible Banking, (iii) As a result of our “B” CDP rating, we have been named to the CDP Brazil Climate Resilience index, which was introduced on 4/30/2021. BTG Pactual is the only investment bank to be part of the 2021 ICDPR-70 index portfolio, showing itself at the forefront of the sustainability path, (iv) BTG Pactual was the first Brazilian bank to inventory and offset emissions produced by independent agents. (v) In December 2020, we became the first Brazilian bank to receive a climate loan of US\$ 140 million from European institutions Proparco and DEG. The proceeds will be used to finance climate mitigation initiatives. BTG Pactual also received a US\$300 million loan from DFC (U.S. International Development Finance Corporation), the proceeds being used to support the expansion of the SME portfolio.</p>	
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Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s

BTGP is an active player within the UNEP FI working groups regarding implementation of the impact tools on portfolios.

In addition, we have implemented a tool for assessing our lending portfolio's sensitivity to industries with high exposure to climate risk, utilizing The Principles for Responsible Banking methodology. The Principles provide the framework for a sustainable banking system and help the industry to demonstrate how it makes a positive contribution to society. They embed sustainability at the strategic, portfolio and transactional levels, and across all business areas.

BTG applied tools to understand how the funds in our investment portfolio would behave in different transition scenarios related to the increase in the average temperature of the planet, including sudden and disordered or long-term changes. One scenario considered containment of temperature increase below 2º C by 2100; while another scenario considered no transition and maintained current policies, resulting in an increase in temperature above 4º C by 2100. In Asset Management, Landscape Capital - “Natural climate solutions” are actions to protect, sustainably manage and restore natural and modified ecosystems in ways that mitigate climate change, while also addressing other societal challenges. They can cost-effectively provide a third of the climate action needed by 2030 and, unlike other carbon removal technologies, are available and proven now[1]. There is a growing understanding that we cannot limit the rise of global temperature below two degrees Celsius and achieve ‘net-zero’ emissions by mid-century

<https://static.btgactual.com/media/case-btg-pactual-cfo-taskforce.pdf>

<https://static.btgactual.com/media/cdp2021-versao-final.pdf>

<p>activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>– the goals set forth by the Paris Agreement – without major investments in natural climate solutions today. Research shows that restoration, protection and improved management of forests represent nearly 75% of the total global NCS opportunity. However, research also shows that when forests are planted, harvested and replanted sustainably, and the harvested wood is used in the right applications, the climate benefit of storing carbon in long-lived wood products and of displacing more carbon-intensive materials like concrete, steel or plastic can be 2-3x the benefit of the forest itself. We believe investment across the full value chain, from tree planting to climate-positive forest product manufacturing and end-use applications, allows Landscape Capital to generate these multiple climate benefits [6]. The steps taken to achieve this are as follows: [1] Acquire deforested and degraded land [2] Restore and permanently protect natural forest [3] Plant FSC-certified commercial tree farms [4] Generate high-quality forest carbon offsets [5] Manufacture climate-positive forest products by investing in climate-positive forestry. Landscape Capital seeks to help bridge the gap between nature’s potential and what has been delivered on-the-ground to date, accelerating the transition to the renewable economy of the future.</p> <p>In 2020, the ESG agenda gained momentum globally. Building on the materiality process and with insight of the opportunities that the agenda would mean to the bank, BTG Pactual made important progress in integrating ESG themes into its business model in July 2021. Based on an analysis of the main environmental and social issues affecting several segments of the Brazilian society, as well as the understanding that ESG factors are relevant to the continuity of the business of BTGP’s clients, the bank defined 3 commitments for the year 2025 related to climate change, sustainable development, and economic inclusion. Such commitments are closely related to the bank’s core</p>	
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	<p>business and relevant to the Latin American current needs: (i) To assist customers in the transition to a sustainable low-carbon economy (ii) BTG Pactual as a reference on the theme of climate change in Latin America and (iii) Providing credit and fostering sustainable practices in the SME segment.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>2.2 Target Setting</p> <p><i>Show</i> that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank's activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the</p>	<p>BTG Pactual made important progress in integrating ESG themes into its business model in July 2021. Based on an analysis of the main environmental and social issues affecting several segments of the Brazilian society, as well as the understanding that ESG factors are relevant to the continuity of the business of BTGP's clients, the bank defined 3 commitments for the year 2025 related to climate change, sustainable development, and economic inclusion. Such commitments are closely related to the bank's core business and relevant to the Latin American current needs: (i) To assist customers in the transition to a sustainable low-carbon economy (ii) BTG Pactual as a reference on the theme of climate change in Latin America and (iii) Providing credit and fostering sustainable practices in the SME segment.</p>	

<p>set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>		
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>(1) To assist customers in the transition to a sustainable low-carbon economy: (i) To offer ESG Planning for all ECM transactions and engage with Wealth Management Clients, (ii) Educate 50% of our SFO (Single Family Offices), (iii) 10x the volume of ESG bonds (transition, green, social, sustainable, and sustainable linked). Base year: 2020. Volume 2020: BRL 6.46 billion, (iv) Develop products to mitigate the effects of climate change.</p> <p>(2) BTG Pactual as a reference on the theme of climate change in Latin America: (i) Accounting and reporting CO2e emissions financed from credit portfolios and asset management, (ii) Engage Corporate and IB clients in the Oil & Gas & Energy sectors in issues related to climate change, (iii) Foster the distributed generation/clean energy market.</p> <p>(3) Providing credit and fostering sustainable practices in the SME segment: (i) Engage in ESG aspects with the SME customers and (ii) Democratize access to financial products and services.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		

<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show</i> that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain</i> why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p><i>Report</i> on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>In 2021 BTGP defined 3 commitments for the year 2025 related to climate change, sustainable development, and economic inclusion.</p>	<p>https://static.btgpactual.com/media/case-btg-pactual-cfo-taskforce.pdf</p>
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<div style="display: flex; align-items: center;">  <p>Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p> </div>		
<p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>BTG Pactual's credit portfolio reflects our commitment and intention to increasingly support projects and assets with social and environmental benefits.</p> <p>With the support of the Climate Bonds Initiative, a British organization that promotes the global sustainable finance market, we have developed a framework for green, social and sustainable debts that can be issued by BTG Pactual to encourage this type of financing, in segments such as</p>	<p>https://static.btgpactual.com/media/btg-sustainable-financing-framework-2021-20211213124151.pdf</p> <p>https://www.btgpactual.com/</p>

	<p>renewable energy, energy efficiency, sanitation, clean transportation, green buildings, affordable housing and affordable basic infrastructure. With a second opinion by Sustainalytics consultancy, our framework was considered impactful and aligned with international standards.</p> <p>We have been carrying out socio-environmental risk analysis of 100% of our credit clients since 2015, including operations in Brazil, Colombia, Chile, Peru and Mexico. This analysis is based on our Environmental and Social Risk Policy and 19 sector policies.</p> <p>Since 2015 we integrate environmental, social and governance factors into our decision-making process from Asset Management.</p> <p>We educate our clients on ESG themes and their importance in business activities. BTG Pactual is an ESG and climate consultant helping its clients to integrate ESG into their business model, strategy and communication. For more information please contact our ESG Team.</p>	<p>us/esg-and-impact-investing/esg-business</p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>BTG Pactual's Critical Suppliers ESG Conduct Manual was prepared based on BTG Pactual's Sustainability Policy and the Bank's commitment to deepening the responsible and sustainable relationship with our entire value chain. The document outlines the best practice recommendations in terms of sustainability, such as: - how to join a UN Global compact - 2030 agenda and SDG (The Sustainable Development Goals) - Orientation Children's Rights and Business Principles - Orientation Labour Rights Principles and Resources - Subjected Employees to Slave-like Conditions - Carbon Inventory. In the end of each year the critical suppliers will report some activities to support this engagement, like: - participation in BTG Pactual Sustainability Policy training - UN Global compact commitment - SDG (The Sustainable Development Goals) relevant - Result of</p>	<p>https://static.btgpactual.com/media/cdp2021-versao-final.pdf</p> <p>https://www.btgpactual.com/research/latest-documents</p> <p>https://static.btgpactual.com/media/third-party-management-eng.pdf</p>

	<p>Carbon Inventory. As a result, the best rated suppliers will have a space on the BTG Pactual website. The expectation is to work with 100% of our Critical Suppliers.</p> <p>For credit loans to counterparties from sectors considered by TCFD as highly exposed to climate risk, since 2018 BTG has requested information about climate change risk and opportunities from the counterparties. Examples: (i) if produce a GHG inventory and/or compensate its emission (ii) governance and strategy related to climate risk (iii) process to identify and manage climate risks (iv) if consider climate scenarios (v) indication if company as aspiration to take these actions (I – IV) in the future. For projects (credit loans) we use a tool called Think Hazard which gives information on potential river/urban/coastal flood, earthquake, cyclone, water scarcity, extreme heat, wildfire in a specific city, state, country (where the project is located).</p> <p>Inside ESG: we started to distribute a series of ESG reports to wealth management (private banking) and other clients from the digital retail unit. Such reports aim to educate our clients on ESG matters. This recognition year after year proves the reliability and excellence of our reports in the international market. With Inside ESG, both Research and ESG teams prepared an exclusive report on the ESG agenda and our strategy in Brazil. 1) ESG Investments: Key Concepts Link https://static.btgpactual.com/media/inside-esg-1.pdf 2) ESG indices: good performances deserve a closer look Link https://static.btgpactual.com/media/2021-05-31-inside-esg-indices-esg.pdf 3) ESG Bonds, the market in expansion Link https://static.btgpactual.com/media/inside-esg-3-esg-bondsvf.pdf BTG Pactual assists its clients to integrate ESG into their business activities and reporting. https://www.btgpactual.com/esg-impact-investing Percentage of Scope 3 bases related to suppliers total emissions</p>	
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	<p>Scope 3: 5.785 total emissions related suppliers: 784 (14%) (Purchased goods and services, Fuel- and energy-related activities [not included in Scope 1 or 2] and Upstream transportation and distribution.</p> <p>Youtube channel: more than 337,000 subscribers. Daily Lives: Morning Call, Analysis and Day Trade, Market Closing Weekly and Biweekly Lives: Lives with Andre Esteves. Cerbasi and Bona, “BTG Atualidades” Web series: Recommended Portfolios, Investor's Guide, Smart Investments, “Dicas de Economirna” with Mirna Borges, FIIs Guide, “Minuto BTG” Playlists with market concepts: Financial education, Fixed Income, LCI, LCA, CDBs. Funds, FII’s, Treasury, Private Pension Plans and Income tax b) BTG Pactual Digital Blog: complete coverage of market concepts and investor’s journey c) Exame academy: More than 24 thousand active students. 27 on-line courses on financial education: • Sustainability and ESG Investments (to be launched) • Stock Exchange for Beginners • Bitcoin 2.0 (to be launched)</p>	
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Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what</p>	<p>BTG Pactual interacts with many stakeholders through its various businesses and functions: including financial market and sustainability experts, BTG Pactual executives, employees, investors, suppliers, clients, shareholders, and industry representatives. Although those regular interactions may not be specifically related to the Principles, stakeholders’ feedbacks regularly contribute to improve the bank’s policies and impacts. Our materiality exercise provided crucial input for the bank’s leadership team and helped to inform the sustainability strategy for the coming years.</p> <p>BTGP is also working with independent third parties to verify information it discloses:</p>	<p>https://static.btgpactual.com/media/cdp2021-versao-final.pdf</p> <p>https://www.btgpactual.com/us/esg-and-impact-investing/esg-performance-and-indicators</p>
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<p>issues were addressed/results achieved.</p>	<p>- Bureau Veritas performs audit work on the information published in the annual report (reasonable assurance) and carbon inventory.</p>	
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Principle 5: Governance & Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>The BTGP Code of Conduct and Ethics provides a comprehensive framework of the rules and guidelines that apply to every employee, reflecting our commitment to our culture, to our customers and to society. This Code of Conduct and Ethics outlines that we are thinking about the future and doing it in the present, always behaving like owners and leading by example, conducting our business with professionalism and encouraging the ethical conduct of all employees and providing support so that everyone feels comfortable asking questions or reporting problems and concerns.</p> <p>BTG Pactual has a Board-level ESG oversight which helps to drive a focus on sustainability and SDG issues across the bank’s strategy, policies, and programs:</p> <ul style="list-style-type: none"> • The Board of Directors: Responsible for the strategic vision of the ESG risk management criteria and approval of the Sustainability Global and Environmental & Social Risk Assessment policies, as well as to oversee the implementation of the ESG Policy at the business areas. • ESG Committee: Chaired by the CEO of BTG Pactual and composed by many c-levels including the chairman of the Board of Directors. Responsible for supporting the board of director’s responsibilities related to definition of the strategy, polices and measures related to the adoption of best practices, aiming to identify environmental, social and climate risks as well as to correct the problems related to noncompliance of regulation and/or self-regulation norms. 	<p>https://static.btg-pactual.com/media/code-of-ethics-jun2021-eng.pdf</p>
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	<ul style="list-style-type: none"> • ESG Division: Composed of environmental and health & safety specialists. Responsible for integrating ESG aspects into BTG Pactual’s business units and companies of BTG Pactual’s group, as well as to develop ESG reports together with the Research Team. At the sustainability front, the ESG team is dedicated to answer investors demands, respond to ESG due diligence/questionnaires/indexes, and establish a strategy for an eco-efficiency program as well as to expand the GHG inventory. This division provides technical support, coordination, and independent supervision of the implementation of the Global ESG Policy by the various business areas. It also advises on the development of tools and procedures, ensuring that the ESG Risk is properly identified, evaluated, classified, approved, and controlled and consolidates the information and data that evidence the adoption of best market practices and compliance with the legal and regulatory requirements applicable to the management of ESG Risk. • Business Areas: Focused on the routine identification of ESG Risk, it activates the Socio-environmental Risk Management and Corporate Governance team to obtain technical support for identified risk management. 	
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Some initiatives were implemented:</p> <ul style="list-style-type: none"> • We use the screensavers on employees’ computers to communicate our ESG & Impact Investing initiatives. • The ESG Committee (i) meets monthly; (ii) is chaired by the CEO; (iii) composed by the president of the Board of Directors as well as other C-levels (CFO, CRO, CSO, CCO, head of Human Resources, ESG). • Chief Sustainability Officer is a senior partner and statutory director responsible for ESG. CSO’s targets include: implement process and tools to manage GHG emissions; increase and achieve better quality related to GHG data; implement GHG strategies; calculate GHG emissions avoided and establish reductions goals; periodically review the emission 	

	<p>sources; identify initiatives to measure climate change impact and/or implement climate change management; integrate ESG in the bank's operations, as efficiency programs; improve ESG controls at the business areas.</p> <ul style="list-style-type: none"> • 100% of counterparties and suppliers were assessed on social and environmental criteria. • in 2020 BTG Pactual launched a Sustainable & Impact Investing Strategy within its established ESG & Impact Investing function. 	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>Please refer to the governance described in section 5.1 herein.</p> <p>Since BTG Pactual has a Board-level ESG oversight which helps to drive a focus on sustainability and SDG issues across the bank's strategy, policies, and programs: (i) The Board of Directors, (ii) ESG Committee (iii) ESG Division and (iv) Business Areas.</p>	
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<div style="display: flex; align-items: center;">  <div> <p>Principle 6: Transparency & Accountability</p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p> </div> </div>		
<p>6.1 Progress on Implementing the Principles</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation</p>	<p>BTG Pactual is actively involved in the implementation of the PRB Principles:</p> <p>1- Alignment: is committed to developing its activities to achieve SDGs. Our contribution to these objectives is detailed throughout our 2020 and 2021</p>	

<p>of targets in minimum two areas (see 2.1-2.4).</p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>Annual Report. In 2021, BTG Pactual contributed to 09 of the 17 UN SDGs.</p> <p>2- Impact & Target Setting: BTG Pactual has set SMART targets objectives related to climate change, sustainable development, and economic inclusion.</p> <p>3- Customers & Clients: Client engagement has been reinforced over the past year on climate-related issues with research reports, lives on Youtube channel and analysis of our portfolio with integration ESG aspect. The BTGP also strongly increased the development of sustainable finance products and services throughout its businesses.</p> <p>4- Stakeholders: BTG Pactual consults stakeholders, including financial market and sustainability experts, BTG Pactual executives, employees, investors, suppliers, clients, shareholders, and industry representatives.</p> <p>5- Governance & Culture: BTG Pactual has a Board-level ESG oversight which helps to drive a focus on sustainability and SDG issues across the bank's strategy, policies, and programs.</p> <p>6- Transparency & Accountability: BTG Pactual has included progress on implementing the PRB Principles and others voluntary commitments, such as TCFD recommendations, The Principles of UN Global Compact and the Principles of Responsible Investment in the Annual Report. Also, a limited assurance is provided in the annual report by a third-party auditor.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		

Annex: Definitions

- a. **Impact:** An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. **Significant Impact:** Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.