

LEA 02	Mandatory	Reason for interaction	Reason: PRI 1, 2, 3
Type of engagement	Individual/internal staff engagements	<ul style="list-style-type: none"> <li>To support business operations in the context of ESG issues</li> <li>To enhance corporate practice for ESG issues</li> <li>To ensure quality</li> <li>To do not engage, disinvest or divest</li> <li>To support investment decision making in the context of ESG issues</li> <li>To encourage improved ESG practice</li> </ul>	
	Collaborative engagements	<ul style="list-style-type: none"> <li>To support investment decision making in the context of ESG issues</li> <li>To encourage improved ESG practice</li> <li>To do not engage, disinvest or divest</li> <li>To support investment decision making in the context of ESG issues</li> <li>To encourage improved ESG practice</li> </ul>	
	Service provider engagements	<ul style="list-style-type: none"> <li>To support investment decision making in the context of ESG issues</li> <li>To encourage improved ESG practice</li> <li>To do not engage, disinvest or divest</li> <li>To support investment decision making in the context of ESG issues</li> <li>To encourage improved ESG practice</li> </ul>	

# PRIVATE RI REPORT

## 2020

Banco BTG Pactual S.A.

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Reporting Framework during the 2020 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders. The PRI will **not publish** this report on its website. Instead, you will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an ‘at a glance’ summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the ‘General’ column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

DRAFT

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Private							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	✓	Private							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Private							✓
OO INF 03	Largest infrastructure sectors	✓	Private							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		-	n/a							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	✓	Private	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	-	n/a		✓					
LEA 21	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	-	n/a	✓						✓
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	✓	Public	✓			✓			✓
PE 04	Formal commitments to RI	✓	Private				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Private	✓	✓					
PE 08	ESG issues impact in selection process	✓	Private	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Private							✓
PE End	Module confirmation page	✓	-							



Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	-	n/a	✓						✓
INF 02	Responsible investment policy for infrastructure	✓	Public	✓						✓
INF 03	Fund placement documents and RI	✓	Public	✓			✓			✓
INF 04	Formal commitments to RI	✓	Private				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Private	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
INF 09	ESG issues impact in selection process	✓	Private	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	✓	Public				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Private		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	✓	Private		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	-	n/a	✓		✓				
INF 19	Approach to disclosing ESG incidents	✓	Private							✓
INF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Banco BTG Pactual S.A.

Reported Information

Private version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

**Basic information**

**OO 01**    **Mandatory**    **Public**    **Gateway/Peering**    **General**

**OO 01.1**    **Select the services and funds you offer**

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

**OO 01.2**    **Additional information. [Optional]**

BTG Pactual Group is an investment bank and asset and wealth manager with a dominant franchise in Brazil, and a successful international investment and distribution platform. BTG Pactual Group has international investment platforms located in London and New York, which in partnership with its Brazilian and other Latin American offices offers investment products and services in global emerging markets to our client's base.

**OO 02**    **Mandatory**    **Public**    **Peering**    **General**

**OO 02.1**    **Select the location of your organisation's headquarters.**

Brazil

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

2000

**OO 02.4** Additional information. [Optional]

Currently, BTG Pactual has offices on three continents, and provides 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 has presence on South America (Brazil offices: São Paulo, Rio de Janeiro, Brasília, Recife, Porto Alegre, Belo Horizonte, Salvador, Curitiba; Colombia offices: Medellín and Bogotá; Lima; Buenos Aires; and Santiago), North America (New York, Miami and Ciudad de México) and Europe (London and Luxembourg).

As reported above, in December/2017, BTG Pactual had nearly 2000 staffs in full-time equivalents, of these about 300 exclusively dedicated to Asset Management business.

<b>OO 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

<b>OO 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Peering</b>	<b>General</b>
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		272	965	212	195
Currency	BRL				
Assets in USD		64	599	237	478

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**Based on your reporting above, your total AUM is over 50 US\$ billion, and therefore your 2019/20 fee will be £ 13,943. Note that your total AUM is calculated by summing all figures provided in OO 04.2, 04.3, and 04.4.**

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1**

Select how you would like to disclose your asset class mix.

as percentage breakdown

as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	10-50%	0
Private equity	10-50%	0
Property	0	0
Infrastructure	10-50%	0
Commodities	0	0
Hedge funds	10-50%	0
Fund of hedge funds	0	0
Forestry	10-50%	0
Farmland	0	0

Inclusive finance	0	0
Cash	<10%	0
Money market instruments	10-50%	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes  
 No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.  
 No, we do not use fiduciary managers.

<b>OO 07</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Private</b>	<b>Gateway</b>	<b>General</b>
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**OO 07.1** Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

<b>Internally managed</b>	SSA	70
	Corporate (financial)	20
	Corporate (non-financial)	5
	Securitised	5
	<b>Total</b>	<b>100%</b>

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets	20
Emerging Markets	80
Frontier Markets	0
Other Markets	0
<b>Total 100%</b>	<b>100%</b>

**Asset class implementation gateway indicators**

OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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Listed equity – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting
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- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement
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- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.
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Fixed income Corporate (financial) – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Infrastructure

- We address ESG incorporation.
- We do not do ESG incorporation.

Hedge funds

- We address ESG incorporation.
- We do not do ESG incorporation.

Forestry

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

Money market instruments

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

- Private Equity
- Infrastructure

Closing module

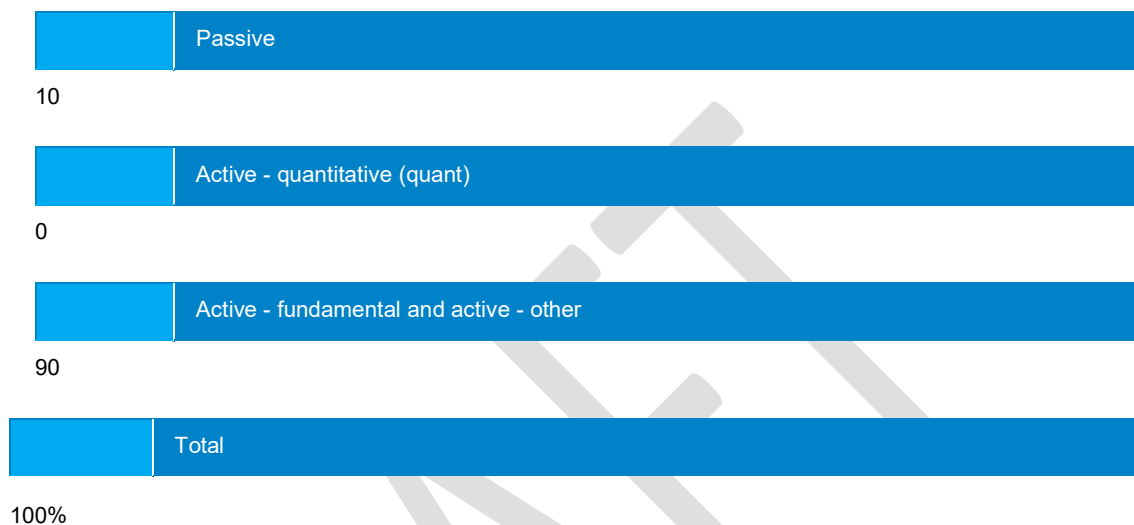
- Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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**Percentage of internally managed listed equities**



OO LE 01.2	Additional information. [Optional]
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Our equities funds have a long-biased Brazil strategy, primarily consisting of a concentrated long book, supplemented with a small pair trades allocation.

Our investment philosophy is comprised of the following:

- Invest in companies where we have a deep understanding of operating activities
- Seek quality management, proven track records and alignment of interests between management and shareholders
- Fundamentally oriented, research intensive investment process guided by our macro views
- Look for attractive valuations with identifiable catalysts within our investment horizons
- Concentrated - 10 to 12 core holdings typically represent 80% of the book

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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<b>SSA</b>	<p>Passive 100</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 0</p> <p>Total 100%</p>
<b>Corporate (financial)</b>	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>
<b>Corporate (non-financial)</b>	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>

<b>Securitized</b>	Passive	100
	Active - quantitative (quant)	0
	Active - fundamental and active - other	0
	<b>Total</b>	<b>100%</b>

<b>OO FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

<b>OO FI 03.3</b>	Additional information. [Optional]
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No additional information to be provided.

	If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below
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OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

<b>OO PE 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

OO PE 02	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
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**OO PE  
02.1**

Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

**OO INF 01**

**Mandatory to Report Voluntary to Disclose**

**Private**

**Descriptive**

**General**

**OO INF  
01.1**

Indicate the level of ownership you typically hold in your infrastructure investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

**OO INF 02**

**Mandatory to Report Voluntary to Disclose**

**Private**

**Gateway/Peering**

**General**

**OO INF  
02.1**

Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.

Infrastructure assets managed by	Breakdown of your infrastructure assets (by number)
Managed directly by your organisation/companies owned by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party operators appointed by your organisation/companies owned by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors/their third-party operators	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total	100%

OO INF 03	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
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OO INF 03.1	Indicate up to three of your largest infrastructure sectors by AUM.
-------------	---



Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input checked="" type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Second largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input checked="" type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input checked="" type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify

OO INF  
03.2

Additional information.

#### Infrastructure Fund II Portfolio Overview

##### *Latin America Power*

LAP (Latin America Power) was established to explore power generation opportunities in Chile and Peru;

The objective is to build a portfolio of small and medium renewable energy power plants (hydro plants, solar and wind farms);

The company's headquarters are in Santiago with local office in Lima.

##### *Globenet*

GlobeNet is a Brazilian telecommunication infrastructure company headquartered in Fort Lauderdale, FL, USA;

The Company is an international carriers' carrier that provides connectivity through wholesale data and IP services to carriers, ISPs, and content providers throughout the Americas (Bermuda, Brazil, Colombia, USA and Venezuela)

via a submarine fiber optic network.

#### *Contrail*

Contrail is a logistics company developed by Estação da Luz Participações ("EDLP") to capture the container flow to and from the Port of Santos. The objective is to provide railway and infrastructure services for container transportation

#### *Sete Brasil*

Sete Brasil was created to manage both owned and hired ultra-deep water drilling rigs for Petrobras to use while exploring the Pre-Salt oil reserves in Brazil;

The Pre-Salt has a key role in the history of oil exploration, as the recently discovered oil in ultra-deep waters has attracted a high level of investments in technology and technical trainings.

#### Infrastructure Fund I Portfolio Overview

##### *Valles del Desierto*

221 Km toll road located on Chile's III region, started on April 2009 and will end on December 2023 (estimated). The value proposal was an improvement and standardization of Route 5's northern section. The type of concession is a variable term/maximum revenues guaranteed. Currently we have 2 out of 5 board's seats (40% stake). The ownership is shared with Sacyr.

##### *Ruta de Los Ríos*

172 Km toll road located on Chile's IX region, the concession started on January 2001 and will end on December 2023. The value proposal of this project was to improve local and interregional vehicle flow, either high load or light ones. The type of concession is a fixed term / minimum income guaranteed. We currently have 2 out of 7 board seats (25% stake). The ownership is shared with ISA.

##### *Ferrovía Oriental*

1,224 Km rail road located on Santa Cruz - Bolivia, started on March 1996 ending on December 2036. The value proposal was connecting the Mediterranean country with ports of Brazil and Argentina. On 2014 the company move more than 1,6 million tons. We have 1/5 board's seats (13,5% stake). The ownership is shared with Bolivian's Pension Funds and the sponsor.

##### *Autopista Interportuaria*

14.6 Km toll road located on VIII region in Chile, the concession started on April 2002 and will end on December 2033. The toll road connects the region's ports (Talcahuano/ Lirquén / San Vicente), airport and Route 5's southern section. The type of concession is a fixed term / minimum income guaranteed. We currently have 2 out of 4 board seats (50% stake). The ownership is shared with Penta.

##### *Variante Melipilla*

8,78 Km toll road located on VI region in Chile, started on April 2003 and ending on December 2033. The value proposal was the connection between Santiago (Chile's capital) and Rapel Lake. The type of concession is a fixed term / minimum income guaranteed. We have 2 out of 4 board's seats (50% stake) and the ownership is shared with Penta

#### FIP Brasil Energia I Portfolio Overview - Electricity Generation and Transmission in Brazil.

##### *Geradora de Energia do Amazonas - Gera*

85 MW Power Plant installed in the North region, located, in the municipality of Miranda do Norte, state of Maranhão. Operational since December 2006.

##### *Termelétrica Viana - TEVISA*

175 MW Thermal Power Plant installed in the municipality of Viana, Espírito Santo state.

##### *Geradora de Energia do Norte - Geranorte*

2 x 165 MW Thermal Power Plants installed in Maranhão state. (Total installed capacity of 330 MW).

##### *PCH Rio do Braço*

Small hydro plant with 11,5 MW of installed capacity in the state of Rio de Janeiro.

##### *Linhares Geração*

204 MW Thermal Power Plant installed in the municipality of Linhares, Espírito Santo state.

*CPFL Renováveis*

A company that generates energy from renewable sources, present in the four sources: wind power, SHPPs (small hydroelectric power plants), solar and sugar cane-fired thermoelectric plants. The company leaders in Brazil with 93 assets, totaling more than 2.1 GW of installed capacity, distributed throughout 57 Brazilian municipalities and 8 states.

OO HF 01	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
OO HF 01.1	Please describe your hedge fund strategies and classification			
	Options presented for hedge funds			

DRAFT

Main strategy	Strategy as % of hedge fund AUM	Sub-strategy
Equity Hedge	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Equity Market Neutral <input type="checkbox"/> Fundamental Growth <input checked="" type="checkbox"/> Fundamental Value <input type="checkbox"/> Quantitative Directional <input type="checkbox"/> Sector: Energy/Basic Materials <input type="checkbox"/> Sector: Healthcare <input type="checkbox"/> Sector: Technology <input type="checkbox"/> Short Bias <input type="checkbox"/> Multi-Strategy
Event Driven	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Activist <input type="checkbox"/> Credit Arbitrage <input type="checkbox"/> Distressed / Restructuring <input type="checkbox"/> Merger Arbitrage <input type="checkbox"/> Private Issue / Regulation D <input type="checkbox"/> Special Situations <input checked="" type="checkbox"/> Multi-Strategy
Global Macro	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Active Trading <input type="checkbox"/> Commodity: Agriculture <input type="checkbox"/> Commodity: Energy <input type="checkbox"/> Commodity: Metals <input type="checkbox"/> Commodity: Multi <input type="checkbox"/> Currency: Discretionary <input type="checkbox"/> Currency: Systematic <input type="checkbox"/> Discretionary Thematic <input type="checkbox"/> Systematic Diversified <input checked="" type="checkbox"/> Multi-Strategy
Relative Value	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Fixed Income - Asset Backed <input type="checkbox"/> Fixed Income - Convertible Arbitrage <input type="checkbox"/> Fixed Income - Corporate <input type="checkbox"/> Fixed Income - Sovereign <input checked="" type="checkbox"/> Volatility <input type="checkbox"/> Yield Alternatives: Energy Infrastructure <input type="checkbox"/> Yield Alternatives: Real Estate <input checked="" type="checkbox"/> Multi-Strategy

Risk Parity	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Blockchain	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Total 100% (of internal Hedge Fund AUM)		

DRAFT

Banco BTG Pactual S.A.

Reported Information

Private version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and its relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

BTG Pactual has a Global Environmental, Social and Governance (ESG) Policy applicable to all business units and activities developed by the Bank. This Policy sets ESG principles and guidance that should be followed by each employee during the decision-making process and during daily routine at the Bank.

BTG Pactual has a huge structure of policies concerning other matters, as proxy voting policy, compliance policy, responsible investment policy and a Code of Conducts and Ethics. As an example, the responsible investment policy for timberland investments sets nine main principles that drive the decision-making process in this specific asset strategy; we highlight some of them:

Strictly comply with environmental, social, health and safety laws, regulations and standards

Strictly comply with anti-corruption and bribery regulations

Promote ESG awareness amongst employees by developing and providing specific training programs and

Report ESG performance with clarity and transparency.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

BTG Pactual's approach to sustainability is based on an understanding of our responsibility towards our partners, society and the environment as a complete financial service provider.

The main fundamentals behind BTG Pactual's ESG approach are: (i) BTG Pactual's requirement to adopt sustainable social and environmental practices, especially because management recognizes the importance of disseminating ESG practices; (ii) the Brazilian Central Bank's new regulation on ESG risk management; (iii) the need for an area to provide technical advice on ESG matters, centralizing relevant information and data required by stakeholders as evidence of ESG risk controls; and (iv) the need to appoint ESG spokespersons who are aware of ESG controls, initiatives and activities and can adequately disseminate information to our clients, shareholders, staff members and regulators.

Our ESG Global Policy reflects our long-term ambition and unconditional commitment to responsible and sustainable development. We consistently focus on the long-term implications and results of our actions, prioritizing these long-term benefits over short-term gains, always looking into ESG risks and opportunities. We believe that sound business practices and corporate responsibility are long-term drivers that must be applied daily to create shareholder value through sustainable growth, attractive recurring revenue streams and business perpetuity.



No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

<b>SG 01 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Private</b>	<b>Descriptive</b>	<b>General</b>
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**SG 01.6  
CC**

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

BTG Pactual public supported TCFD and is member of several working groups focus on climate discussions. BTG Pactual participates with others PRI signatories in FEBRABAN climate working group and in Investors for Climate initiative, a group lead by an ESG consultancy with objective of training investors in climate change and build capacity in the use of climate tools.

No

**SG 01.7  
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

BTG Pactual supported TCFD and is using climate tools to evaluate our portfolio. The likelihood and impact of climate related risk is the next step on our climate commitment.

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9  
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

BTG Pactual approved at Board level our ESG Global Policy and our biannual ESG strategy, which encompass climate aspects.

No

**SG 1.10 CC** Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

**SG 02** **Mandatory** **Public** **Core Assessed** **PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1** Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:https://static.btgpactual.com/media/esg-001-global-environmental-social-and-corporate-governance-policy-13-20190319123345.pdf}

- Attachment (will be made public)

Attachment

[File 1:ESG Policy.pdf](#)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:https://static.btgpactual.com/media/esg-001-global-environmental-social-and-corporate-governance-policy-13-20190319123345.pdf}

Attachment (will be made public)

Attachment

[File 1:ESG Policy.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://static.btgpactual.com/media/esg-001-global-environmental-social-and-corporate-governance-policy-13-20190319123345.pdf}

Attachment (will be made public)

Attachment

[File 1:ESG Policy.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www.btgpactual.com/home\_en/pdf/LC%20001%20-%20GLOBAL%20-%20Code%20of%20Business%20Principles%20and%20Ethics%20[2.0].pdf}

Attachment (will be made public)

Attachment

[File 1:LC 001 - GLOBAL - Code of Business Principles and Ethics \[2.0\].pdf](#)

Asset class-specific RI guidelines

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://static.btgpactual.com/media/lc-030-brasil-am-direito-de-voto-11.pdf}

Attachment (will be made public)

Attachment

We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://static.btgpactual.com/media/esg-002-global-am-responsible-investment-policy-12-20180816153011.pdf}

Attachment

File Attachment

{hyperlink: Investment Policy.pdf [261KB]}

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://static.btgpactual.com/media/esg-001-global-environmental-social-and-corporate-governance-policy-13-20190319123345.pdf}

Attachment

File Attachment

{hyperlink:pdf [234KB]}

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.btgpactual.com/quem-somos/sustentabilidade/governanca-do-risco-esg}

Attachment

ESG incorporation approaches

Reporting

URL/Attachment

URL

URL

{hyperlink:https://static.btgpactual.com/media/tig-esg-annual-report-ago18.pdf}

Attachment

File Attachment

{hyperlink:ort.pdf [15196KB]}

We do not publicly disclose any investment policy components

**SG 02.3**

Additional information [Optional].

In our website it is possible to find out more information about our Asset Management philosophy and strategies and ESG approach. To know more about it, please refer to: <https://www.btgpactual.com/home/asset-management/sobre-asset-do-btg-pactual> and <https://www.btgpactual.com/quem-somos/sustentabilidade>

Also in our Code of Business Principles and Ethics we list all principles that guide our investments decisions and in our vote policy we disclose all criteria used to take a decision in a assembly. To know our Code of Business and Ethics please refer to: <https://static.btgpactual.com/media/btg-pactual-codigo-de-principios-de-negocios-e-etica-compliance-ago16-port-20170816142311.pdf>

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

BTG Pactual Code of Business Principles and Ethics sets ethical behaviour and professional conduct that must be followed by BTG Pactual partners, employees, interns, consultants, contractors and temporary workers ("Staff") when interacting with each other, with Clients or with counterparties and any other third parties related to our business. Also, our Global Policy on Conflicts of Interests sets out BTG Pactual's overall approach to ensure the appropriate identification and management of conflicts of interests relating to BTG Pactual and its Clients. Our Global Compliance Manual concentrates on conflicts of interests involving Staff Members. Some of these conflicts are further controlled through specific policies (e.g.: Global Personal Investment Policy; Global Information Barriers Policy; Global Outside Directorship and Other External Functions Policy, etc.). Staff should avoid business conflicts. If the conflict cannot be avoided it should be reported to Senior Management and Compliance, mitigated and, if applicable, disclosed to Clients or other affected parties.

BTG Pactual established a new Integrity Program to improve the Group's integrity, transparency and ability to escalate issues. To oversight this program, a new Compliance Committee was implemented and is chaired by Nelson Jobim. The Committee meets monthly and reports to Board of Directors.

No

**SG 03.3**

Additional information. [Optional]

BTG Pactual's Code of Business Principles and Ethics sets ethical behaviour and professional conduct that must be followed by BTG Pactual partners, employees, interns, consultants, contractors and temporary workers ("Staff") when interacting with each other, with Clients or with counterparties and any other third parties related to our business. We are oriented to conduct business on a Client focused manner, which means our mission is to serve Clients in an innovative, cost-effective and transparent manner, understanding their needs, optimizing solutions and establishing long term relationships. This means that in BTG Pactual we "Identify and avoid, or manage, conflicts of interest, always using the utmost transparency. In general, our Clients have priority over BTG Pactual, and BTG Pactual has priority over staff members". We also strive to deliver quality results that exceed expectations effectively taking responsibility for our action, which means that we "Identify, manage and escalate concerns and/or conflicts of interest promptly to management or control functions as appropriate" as established in our Code of Business Principles and Ethics.

Compliance Committee is chaired by Nelson Jobim - graduated in 1968 with a Bachelor in Legal and Social Sciences from the Law School of Universidade Federal do Rio Grande do Sul (Federal University of Rio Grande do Sul). He held other positions as member and President of the Federal Supreme Court (STF), from 1997 to 2006, Minister of Justice, Minister of Defense, President of the National Council of Justice and Minister and President of the Superior Electoral Court. Mr. Jobim acted as a lawyer from 1969 to 1994; from 2006 to 2007; and from 2011 to 2016.

**SG 04**

Voluntary

Private

Descriptive

General

**SG 04.1**

Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.

Yes

No

**SG 04.2**

Describe your process on managing incidents

Frequently our analysts monitor portfolio companies ESG indicators. If any relevant chance is noted, the issue is discussed at the Investment Committee. In extreme cases, the Investment Committee could define the divestment.

**Objectives and strategies**

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2** Additional information. [Optional]

BTG Pactual objectives are reviewed annually. All staffs, including portfolio managers and ESG specialists, have goals and objectives that are set annually. BTG Pactual follows ESG indicators that may affect its investments and reacts accordingly to rebalance the portfolio.

<b>SG 06</b>	<b>Voluntary</b>	<b>Private</b>	<b>Descriptive</b>	<b>General</b>
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**SG 06.1** List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

Training new employee on ESG

Progress achieved

During the reporting year, 100% of new employees received an ESG training. The ESG training program is conducted by an internal ESG specialist and encompasses an overview of BTG Pactual ESG Policy, areas that ESG are involved in, examples of ESG approach in business, reporting of ESG key indicator and finally main ESG communications.

- Provide training on ESG engagement

Key performance indicator

Training new employee on ESG

Progress achieved

During the reporting year, 100% of new employees received an ESG training. The ESG training program is conducted by an internal ESG specialist and encompasses an overview of BTG Pactual ESG Policy, areas that ESG are involved in, examples of ESG approach in business, reporting of ESG key indicator and finally main ESG communications.

- Improved communication of ESG activities within the organisation

Key performance indicator

Enhance ESG communication channels

Progress achieved

During reporting year, new ESG ecoefficiency programs were set and for each one internal communication strategy was implemented, as example, e-mail with information, stickers on coffee areas, new publications available on BTG Pactual website, Timberland Investment Group (TIG) Responsible Policy were made public available and our first TIG Report which ESG key performance indicators was released.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

BTG Pactual joined Deforestation PRI working group focus on engage with meat Brazilian companies. During reporting year BTG joined calls and meetings with these companies.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Enhance ESG approach on Equities

Progress achieved

During reporting year, we developed an ESG questionnaire, exclusively to our equities strategy. The ESG questionnaire covers several ESG aspects, as ESG policy, permits, waste generation and disposal process, board independence, social aspects that could impact the company evaluated.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above



#### Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

#### ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

##### Key performance indicator

BTG Pactual is committed to integrate ESG aspects in its strategies and be create in develop new products in this sense.

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

#### Other activities

- Joining and/or participation in RI initiatives

##### Key performance indicator

Represent BTG Pactual in ESG initiatives

##### Progress achieved

During the reporting year, BTG Pactual took part in several agendas to foster ESG awareness between market peers. As example in Brazil, the Bank is part of working group at ANBIMA and FEBRABAN and also have been being represented in UN PRI local working group, been part of several copanies engagements promoted by this group.

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

## Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify **CRO, CFO, Management Committee Member**
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Board of Director has approved BTG Pactual ESG Global Policy, which sets ESG core principles and guidance. the Board is responsible for the oversight of ESG Policy and its implementation. The Investment Committee also oversees the responsible investment strategies, addressing ESG issues accordingly to each strategy. The portfolio managers are responsible for implementing the investment strategies defined by the Investment Committee and accordingly to the ESG principles set on ESG Policy.

BTG Pactual established an ESG structure to ensure ESG Policy implementation, the responsible for this structure, who also is our speakperson for Brazilian Central Bank propose, is a senior partner - Mr. Iuri Rapoport. Mr Rapoport oversight the ESG team and weekly conduct meeting with the team in order to discuss all projects the team have been working on order to be in compliance with our ESG Policy. Iuri Rapoport is statutory Director of BTG Pactual and is based in Sao Paulo. Mr. Rapoport joined Pactual in 1995 and became a partner in 2001. He became Co-Head of the Legal Department in 1999 and General Counsel between 2003 and 2009. He was a Statutory Director responsible for strategic issues from 2008 to 2011 when he left BTG Pactual to assume the position of Chief Operating Officer at Banco Panamericano. In February of 2014 he returned to BTG Pactual as statutory Director to work in the area of operating and strategic issues connected with the Senior Management. Mr. Rapoport holds a Bachelor Degree in Law (with specialization in Business law) from University of São Paulo and also holds a LLM - Master of Laws (International Finance) from King's College London, University of London.

The ESG team is composed by specialists in environmental matters.

Beatriz Freitas is Head of the ESG Department and is also based in São Paulo. Mrs. Freitas joined BTG Pactual in 2015 and received the challenge of implementing our ESG structure, procedures and daily routines aligned to BTG Pactual philosophy. She has 10 years of experience in financial sector, always leading with ESG. Prior to join BTG Pactual team, she worked at big banks, as Itaú Bank and also China Construction Bank in sustainability and ESG risk assessment areas. Mrs. Freitas holds a bachelor's degree in environmental engineering from the State University of São Paulo, a bachelor's degree in Law from Pontifical Catholic University of São Paulo and a Master's degree in Environmental Management for the Energy Sector from the University of São Paulo.

Rafaella Dortas is an ESG associate director and holds a degree in Law from Fundação Getúlio Vargas and a Master on Environmental Management System from University of São Paulo. Prior to joining BTG Pactual, she worked in a relevant law office with environmental due diligences.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

Number

5

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

**SG 07 CC**

**Mandatory to Report Voluntary to Disclose**

**Private**

**Descriptive**

**General**

**SG 07.5  
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

**Board members or trustees**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Other Chief-level staff or heads of departments**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Portfolio managers**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Investment analysts**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Dedicated responsible investment staff**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6  
CC**

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

BTG Pactual ESG Committee reports directly to Board of Directors. The Committee is responsible for apply climate tool at BTG portfolio and define strategies to engage with companies on climated related risks. The ESG Committee is composed by CEO, CFO, CRO, senior partner responsible for ESG, Head of ESG and Senior Partner from HR.

**SG 07.7  
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

BTG Pactual ESG Committee reports directly to Board of Directors. The Committee is responsible for apply climate tool at BTG portfolio and define strategies to engage with companies on climated related risks. The ESG Committee is composed by CEO, CFO, CRO, senior partner responsible for ESG, Head of ESG and Senior Partner from HR.

<b>SG 08</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>General</b>
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**SG 08.1**

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

**SG 08.1b**

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

**SG 08.1a**

RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

**SG 08.1b**

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

CRO, CFO, Management Committee Member

**SG 08.1a**

RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

**SG 08.1b** RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

**SG 08.1a** RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

**SG 08.1b** RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

**SG 08.1a** RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

**SG 08.1b** RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

**SG 08.1a** RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

## Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During the reporting year, BTG Pactual actively participate in PRI engagements, by supporting and being part of engagements meetings with companies and also supporting engagements letters. BTG Pactual also participated as panelist in event promoted by PRI along with CDP and contributed to the organisation of PRI working group meeting .

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

BTG Pactual participated as panelist in the event Investors and Forests, promoted by PRI in partnership with CDP, WWF and others institutions. The event aimed to debate the deforestation impacts in financial decisions and BTG Pactual, represented by our timberland investment group, contributed with our experience in managing certified forest around the world ensuring financial returns while protecting the environmental and enhancing communities engagements.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We use Green Bond Principles as reference on green debt coordinated by BTG Pactual

- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

During the reporting year, BTG Pactual reported to UN Global Compact Initiative and decided to participate more actively in the initiative, as a signatory member. Internally we discussed the roles of all working groups the global Compact offers and decided to join at least one in order to engage more with other signatories. Our participation in the working group will begin in 2018, that is the reason why in this reporting period we keep on basic mode.

- Other collaborative organisation/initiative, specify

88% of forests we are managing have a third party independent certification, as FSC, SFI, FEPC, Cerflor and American Three Farm.

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During the reporting year, BTG Pactual released an ESG Timberland Investment Group report which our main KPIS for this business. The document is public and can be accessed at <https://static.btgpactual.com/media/tig-esg-annual-report-jun17-v2.pdf>

TIG manages over 1.8 million acres of timberland investment properties diversified across four continents. TIG has a 35-year history investing in the U.S. as one of our predecessor companies offered the first timberland commingled fund to institutional investors in 1981.

TIG is committed to delivering superior, risk-adjusted returns to our clients through disciplined research and construction of timberland portfolios, the application of industry-leading analytics to investment management, and best-in-class sustainable forestry practices that support the environmental and social integrity of the geographies and communities within which we invest. We accomplish our mission by leveraging the extensive global resources of the BTG Pactual platform and the deep, local expertise of our regional forestry staff, providing our clients with globally diversified timberland investment portfolios

Also, in our website we disclose more about the types of forestry certification we have in our assets: <https://www.btgpactual.com/home/quem-somos/sustentabilidade/compromissos-voluntarios>

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment

Description
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BTG Pactual Timberland strategy (TIG) is a member of the Forest Productivity Cooperative ("FPC"), which is a partnership of forestry faculty at North Carolina State University and Virginia Polytechnic Institute and State University in the U.S., the Universidad de Concepcion in Chile, and the Universidade Federal de Santa Catarina in Brazil along with dozens of forestry related companies throughout the Americas. FPC conducts both basic research into tree growth and applied research into how forests respond to silvicultural management practices. Current lines of research are examining how the resilience and sustainability of forests facing variable climates can be enhanced, how carbon sequestration by forests can be increased, and how to improve the efficiency of nitrogen and other fertilizer inputs.

The Instituto de Pesquisas e Estudos Florestais ("IPEF"), a similar research cooperative in Brazil, has installed a rainfall exclusion study on a TIG managed property in the state of Minas Gerais. This study focuses on how trees respond to water and thermal stresses and what mechanisms allow them to respond differently to these different stresses. The more we understand how trees respond to stress, the better we will be able to adapt our management to changing climatic conditions.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

#### Description

BTG Pactual actively participated in engagements promoted by PRI Brazilian working group. During reporting period, BTG Pactual joined working group calls and contributed with other peers in asking companies more ESG disclosure and transparency. BTG also made available meeting rooms for PRI working group meeting.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Spoke publicly at events and conferences to promote responsible investment

#### Description

During the reporting year, BTG Pactual actively participate in PRI engagements, by supporting and being part of engagements meetings with companies and also supporting engagements letters. BTG Pactual also participated as panelist in the event Investors and Forests, promoted by PRI, WWF in partnership with CDP and others institutions

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

BTG Pactual is member of ANBIMA and FEBRABAN (Brazilian associations related to financial sector) and in both association responded to consultation promoted by FSB related to task force recommendations on climate related risks.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

Description

BTG Pactual in member of PRI Brazilian working group and actively participates in engagements promoted by the group.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

**SG 10.3** Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

BTG Pactual is member of Forest Productivity Cooperative and periodically supports researches, trainings and technologies on forestry industry. The Forest Productivity Cooperative (FPC) is an international partnership committed to creating innovative solutions to enhance forest productivity and value through the sustainable management of site resources. The partnership is lead by forestry faculty at North Carolina State University, Virginia Polytechnic Institute and State University, and the Universidad de Concepción.

<b>SG 11</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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**SG 11.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

Yes

If yes

- Yes, individually
- Yes, in collaboration with others

**SG 11.2**

Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

**SG 11.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

**SG 11.4**

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

As a member of FEBRABAN (Federação Brasileira de Bancos), during the reporting year we joined discussion concerning environmental and social new laws and legislations in Brazil. FEBRABAN consolidates the sector position and performed meetings with government representatives and public policy markers. During reporting year, BTG Pactual joined a meeting with Brazilian Central Bank in order to discuss with regulator new rules on ESG legislation.

## Outsourcing to fiduciary managers and investment consultants

**SG 12**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

**SG 12.4**

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research

Describe how responsible investment is incorporated

BTG Pactual launched the first ESG Equity Fund in Chile and manages this fund based on ESG criteria. The fund uses as benchmark index the MSCI ESG Chile Index and prior to select the equities our analysts uses ESG scores and rating elaborated by both MSCI and Vigeo.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

### ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 13.1**

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.5**

Additional information [Optional]

Good risk management and control lie at the heart of any business, and particularly financial services - they are an integral part of providing consistent, high-quality returns for shareholders. If we fail to adequately manage and control our risks - credit, market and operational risks of all types - we may suffer significant financial losses. Potentially more devastating is the resultant damage to our reputation, which can undermine our firm's value by reducing our client base and impairing our ability to retain top talent. Ultimately, regulators may be forced to impose constraints upon our business.

We recognize that taking certain risks is inherent to our business, and that operational risks are an inevitable consequence of being in business. Our aim is not, therefore, to eliminate all risk but to achieve an appropriate balance between risk and return. Thus, in our day-to-day business and in the strategic management of our balance sheet and capital, we seek to limit the scope for adverse variations in our earnings and exposure to stress events arising from any of the material risks we face.

Excellence in risk management is most fundamentally based upon a management team that makes risk identification, management and control critical components of its processes and plans.

Risk management and risk control are both designed to support optimal risk decision taking and to ensure that,

through control governance and a coherent risk process, BTG Pactual is protected from unacceptable damage to its reputation, earnings, financial condition or business prospects and, at the same time, that risk and profit objectives are balanced.

We are continually analyzing scenarios that could impact the invested companies and could change are investment theory. In BTG Pactual timberland investment strategy climate is considered in our selection of species to plant and the stocking intensity

SG 15	Mandatory to Report Voluntary to Disclose	Private	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	--

	%
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10

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry

	Asset class invested
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- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Infrastructure
- Hedge funds
- Forestry

	Percentage of AUM (+/-5%) per asset class invested in the area
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10



Cash

**Brief description and measures of investment**

BTG Pactual's Timberland Investment Group ("TIG") has a history dating back to the first institutional timberland investment made in early 1980's. This is important to highlight given the long-term nature of timberland and the responsibility entrusted to us by our clients to be not only focused on investment results, but also on being good stewards of the assets that we manage.

TIG periodically reports its ESG performance by breaking down its results in key performance indicators. The 2017-2018 report is public available at our website. The majority of our forests has a well known certification, as Forest Council Stewardship (FSC), Cerflor, SFI (Sustainable Forestry Initiative), PEFC and American Tree Farm. During the report year BTG Pactual portfolio achieved 89% of forests under a certification system.

- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No

**Asset class implementation not reported in other modules**

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 16.1** Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Fixed income - Corporate (non-financial)	BTG Pactual is committed to ESG integration and has developed a specif procedure to integrate ESG in fixed income funds, the methodology is based on Equator Principles and IFC Guidelines and is under implementation.
Forestry	Since BTG Pactual became UN PRI signatory we have been evolving in our ESG approach in all asset strategies. For timberland strategy, as example, BTG Pactual has a specific responsible investment policy with nine principles and annually published TIG ESG Report which several KPIs consolidating our global performance in managing forests. For example, during the reporting year, we reach 89% of forest certified by a recognized independent third part, as FSC, PEFC, SFI, American Three Farm or Cerflor and also 100% of sites managed have been checked in order to identify any known rights related to land claims or acess of indigenous people on the asset.

TIG's Environmental and Social Management System (ESMS) is a set of policies, procedures, and measurement tools which affirm TIG's commitment to responsible investment, while providing a framework for identifying and mitigating environmental and social risks associated with timberland investments throughout our global footprint.

In conjunction with BTGP's pledge to the UN PRI, two internal policies express the core principles upon which the ESMS is constructed. BTG Pactual's Environmental, Social and Corporate Governance Policy expresses the firm's commitment to responsible and sustainable development, while TIG's Responsible Investment Policy adds clarity in applying these values to the Timberland Investment Group's operations.

To effectively monitor TIG's implementation of the Environmental Social Management System, a set of key performance indicators (KPIs) has been established. The KPIs are designed to track progress in applying the principles of ESG and Responsible Investment in our global timberland asset management operations.

TIG is committed to pursuing 3rd party certification of our forest management practices for all investments where it is financially and operationally feasible. Some of the current investments are in rights to timber only, without rights to the management of the land after the timber is harvested. In these cases the inability to guarantee reforestation after harvest precludes certification under several programs. TIG is dedicated to increasing the proportion of managed forests certified in 2017. Also, most of the forests which are composed of timber rights only are managed under the same systems and to the same standards as certified forests.

During the reporting period, BTG Pactual released an TIG ESG Report and make it public available on our sustainability website. TIG's Responsible Investment Policy is based upon nine core principles which ensures market best practices are being taken into consideration during our investment process. These nine core principles are further defined below:

1 Strictly comply with environmental, social, health and safety laws, regulations and standards TIG seeks to comply with all applicable laws, regulations, and standards related to environmental, social, and governance issues in all locations where it manages timberland. BTG Pactual's structure of compliance and standard controls are used to monitor adherence to anti-corruption, labor, and environmental laws. TIG also expects service providers to establish regionally appropriate health and safety standards and implement all industry best practices when providing services to TIG and its clients.

2 Foster environmental protection and enhance biodiversity conservation TIG is committed to the enhancement of biodiversity in all regions where it manages property and promotes this initiative through the forest management supply chain by ensuring preferred positions to companies who demonstrate their commitment to ESG matters.

3 Respect and uphold human rights in all operations and contracts It is mandatory for all TIG employees and third-party service providers to respect and uphold human rights in all regions where we manage timberland. BTG Pactual and TIG are committed to the United Nations Global Compact and encourage every stakeholder to engage in these principles. We encourage the support, respect, and furtherance of internationally proclaimed human rights to help ensure there are no human rights abuses.

4. Develop supply chain and prioritize local hiring Service providers must comply with all applicable laws related to ESG and TIG also expects service providers to develop training programs focused on enhancing suppliers' qualifications and workforce competency. When possible, local suppliers should be hired as a means to positively impact local communities.

5 Strictly comply with anti-corruption and bribery regulations TIG avoids corruption in all forms, including extortion and bribery, upholding compliance standards, and organizational integrity by complying with relevant antifraud and money-laundering regulations. Service providers are responsible for ensuring all anti-corruption and fraud compliance of their employees when performing operations and sourcing sub-contractors or materials on properties where TIG manages timberland.

6 Establish an open dialogue with the community where TIG manages timberlands TIG is committed to local communities and is receptive to any and all feedback provided by these communities. TIG's policy of open and transparent communication is a key component in this process. TIG holds service providers to a high standard which includes appropriate communication channels that guarantee local communities have a voice in the process.

7 Promote ESG awareness among employees by developing and providing specific training programs TIG is committed to enhancing ESG awareness and knowledge within stakeholder groups by developing training programs and/or reporting on ESG issues. TIG also expects service providers to promote regionally appropriate ESG awareness throughout its company and with its business partners.

8 Report ESG performance with clarity and transparency TIG periodically discloses ESG performance through reports and website publications. We are committed to providing transparency to investors and other stakeholders about our activities related to responsible investing. Where appropriate, TIG expects service providers to disclose ESG progress, detailing ESG risks, impacts, and mitigation practices they have in place.

9 Commit publicly to global initiatives that strengthen our values TIG publicly commits to relevant initiatives that demonstrate our engagement with ESG best practices and provides transparency to our investors. BTG Pactual is a

signatory of UN PRI and United Nations Global Compact, which highlight TIG's commitment to ESG matters. We will seek to continue to be a signatory of these and other initiatives and disclose TIG's performance in incorporating them into our internal practices.

Innovation				
SG 18	Voluntary	Private	Descriptive	General

**SG 18.1** Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

**SG 18.2** Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

BTG factual launched the first ESG Equity Fund in Chile market. This fund aim to invest in companies with high ESG score. The fund uses as benchmark index the MSCI ESG Chile Universal Index, which combines the ESG policies and practices with stock market performance.

No

Communication				
SG 19	Mandatory	Public	Core Assessed	PRI 2, 6

**SG 19.1** Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.**

If you are transferring data from an offline document, please check your response carefully.

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input type="radio"/> Broad approach to ESG incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
	<p><b>Frequency</b></p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>

**Listed equity - Engagement**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

DRAFT

**Disclosure to clients/beneficiaries**

Disclosure to clients/beneficiaries

- Details on the overall engagement strategy
- Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
- Number of engagements undertaken
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the progress achieved and outcomes against defined objectives
- Examples of engagement cases
- Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
- Details on whether the provided information has been externally assured
- Outcomes that have been achieved from the engagement
- Other information

Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
	<p>Disclosure to public and URL</p> <p><input type="radio"/> Disclose all voting decisions</p> <p><input checked="" type="radio"/> Disclose some voting decisions</p> <p><input type="radio"/> Only disclose abstentions and votes against management</p>
	<p>Frequency</p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>
	<p>URL</p> <p>{hyperlink:https://static.btgpactual.com/media/lc-030-brasil-am-direito-de-voto-11.pdf}</p>

Private equity

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities</p> <p><input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities</p> <p><input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance</p> <p><input type="checkbox"/> Other</p>
	<p><b>Frequency</b></p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>

**Infrastructure**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="checkbox"/> ESG information on how you select infrastructure investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments</p> <p><input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance</p>
	<p><b>Frequency</b></p> <p><input checked="" type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>

**Hedge Funds**

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**Disclosure to clients/beneficiaries**

Disclosure to clients/beneficiaries

- Broad approach to RI incorporation for all strategies
- Detailed explanation of RI incorporation for each strategy used

Frequency

- Quarterly
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/when requested

**SG 19.2**

Additional information [Optional]

As infrastructure, property and private equity are closed-end funds, we keep the information on our investments restricted to fund's investors, given the confidentiality on strategic themes.



Banco BTG Pactual S.A.

Reported Information

Private version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes

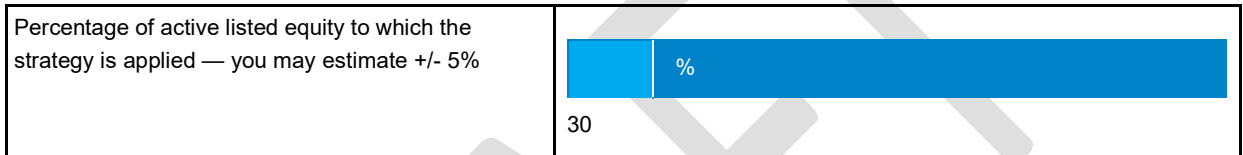
LEI 01	Mandatory	Public	Gateway	PRI 1
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#### LEI 01.1

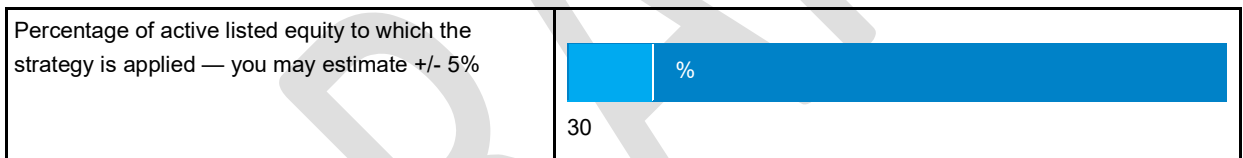
Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

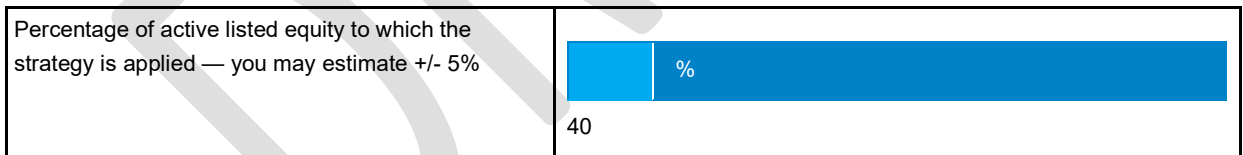
- Screening alone (i.e., not combined with any other strategies)



- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)



- Screening and integration strategies



- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

**LEI 01.2**

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

Our investment philosophy demands a deep understanding of both operations and strategic initiatives of all companies we invest in. Our fundamental approach drives us to investigate the governance structure, natural resource dependency and social approach of portfolio companies. All this information is taken into account during our decision making process.

Companies are monitored closely and analysts have to demonstrate a thorough knowledge of the company and sector, obtained through market research, conversations with senior management of the company and its competitors, detailed valuation models, and comparisons with global peers when applicable.

Our team is constantly analyzing the changes and tendencies of ESG factors which could impact invested sector or the targeted companies and are prepared to include in all financial analysis ESG factors.

Also, following the corporate guideline of not investing in some pre-determined sectors and companies, our team excludes from all samples such sectors/company.

Finally, the targeted sectors and companies are compared to local and global peers in order to find which one has the best processes and culture.

**LEI 01.3**

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

The analysts thoroughly study the fund's investment universe and conduct a detailed selection and monitoring process. Key drivers of this process are the investment pillars, which are based on conviction, knowledge and quality companies. Therefore, ESG Factors are embedded when analyzing and selecting the investment universe. Additionally, the team selects companies with strong management, which is a key factor because the investment team needs to trust that the companies' management is capable of implementing turn around plans if an adverse situation arises from ESG issues.

<b>LEI 02</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 02.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

Raw ESG company data

**Indicate who provides this information**

ESG research provider

Sell-side

In-house – specialised ESG analyst or team

In-house – analyst or portfolio manager

Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

**LEI 02.2**

Indicate whether you incentivise brokers to provide ESG research.

- Yes
- No

<b>LEI 03</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 03.1</b>	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

<b>LEI 03.2</b>	Additional information. [Optional]
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According to our Proxy Voting Policies, the portfolio managers are responsible for the control and implementation of the policies and the compliance department can require additional information, whenever appropriate, to accurately monitor the implementation of these policies.

In order to timely and appropriately exercise our voting rights, BTG Pactual needs to receive all information regarding relevant corporate events, so that BTG Pactual can duly review and evaluate, under a cost-benefit analysis, the appropriateness of taking any action on behalf of its clients. Such actions shall be guided by the following principles:

- a) upon receiving the relevant information, the portfolio manager will evaluate the relevance of the subject to be deliberated, the costs involved, and the potential conflicts of interests related to the situation.
- b) upon the decision to participate in the event, the Manager will decide to approve, reject or abstain , aligning such decision with our clients' best interests.
- c) the decision, as well as the reasoning behind it will then be forwarded to the legal department, who will ultimately be responsible to formalize the voting.

**(A) Implementation: Screening**

<b>LEI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 04.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

Following our investment policy, our analysts exclude companies that do not match our ESG expectations from the pool of possible investments.

- Positive/best-in-class screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

Our analysts seek for ESG practices amongst peers to identify companies with best practices, taking into account raw data and historical evolution.

- Norms-based screening

<b>LEI 04.2</b>	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
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The analysts follow closely the activities of the companies they cover and make sure to be involved on different levels of activities. For example, the team is often involved in the environmental behaviors of invested companies. The team has visited the company's mining operations in key countries, including its mining, smelter and refining facilities. Additionally, in April 2014, the team participated in the company's public audience for the development of their expansion project. The event provided the team and other attendees with detailed information of the environmental repercussions of the project as well as any other requested information. This resulted gave the team a positive perception regarding the expansion and the company and reassured their investment decision.

<b>LEI 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 05.1**

Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
- None of the above

**LEI 05.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3**

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 05.4**

Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 05.5**

Additional information. [Optional]

Our analysts conduct all the reviews and researches based on the data provided by the company. After all quantitative and qualitative review, our team meets with the targeted companies to ensure that there is no information gap in the reviews conducted and the company reality.

BTG Pactual lunched the first ESG Equity Fund in Chile market. The fund uses as benchmark the MSCI ESG Chile Index and prior to decision making process our analysts uses researches provided by both services providers MSCI and Vigeo. MSCI provides ESG rating on a quarterly basis and Vigeo provides ESG research on an annually basis.

LEI 06	Voluntary	Private	Additional Assessed	PRI 1
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**LEI 06.1** Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the fund's screening criteria
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other; specify
- None of the above

**LEI 06.2** If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.




Our internal audit and the PMs are constantly evaluating the companies evolution and their alignment to the fund criteria.  
 In any case of a miss alignment with our policy, the PM must decide either to change the situation with the company' management or to desinvest.

**(C) Implementation: Integration of ESG factors**

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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**LEI 08.1** Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.



ESG issues	Proportion impacted by analysis
Environmental	 <p>Environmental</p> <p><input type="radio"/> &lt;10%</p> <p><input checked="" type="radio"/> 10-50%</p> <p><input type="radio"/> 51-90%</p> <p><input type="radio"/> &gt;90%</p>
Social	 <p>Social</p> <p><input type="radio"/> &lt;10%</p> <p><input type="radio"/> 10-50%</p> <p><input checked="" type="radio"/> 51-90%</p> <p><input type="radio"/> &gt;90%</p>
Corporate Governance	 <p>Corporate Governance</p> <p><input type="radio"/> &lt;10%</p> <p><input type="radio"/> 10-50%</p> <p><input type="radio"/> 51-90%</p> <p><input checked="" type="radio"/> &gt;90%</p>

**LEI 08.2** Additional information. [Optional]

Our PMs area aware that exposure to stock market movements in a single country may be significantly affected by political or economic developments, government action or natural events that do not affect a fund investing in broader markets. We incorporate political risks in our evaluation process of individual companies, and try to assess how each company is either directly exposed to political events (i.e. companies in which a government has a significant stake) or is in a sector exposed to political events (i.e. regulated sectors).

Risk management is fundamental to our investment approach. We manage risk from a qualitative perspective through: deep understanding of operating activities, constant interaction with management, avoiding excessive company, market cap and sector concentrations and adjust positions according to liquidity, among others. From a quantitative perspective, risk is monitored and managed daily by and independent risk team with the use of tools and reports, such as VaR, Stress tests, Scenario & sensitivity analysis, Factor risk analysis, Concentration limits, Liquidity and capitalization analysis and Performance attribution.

The team prepares daily reports and has constant interaction with the PM and traders on risk levels.

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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**LEI 09.1**

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 09.3**

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.5**

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

**LEI 09.6**

Additional information. [Optional]

BTG Pactual lunched the first ESG Equity Fund in Chile market. The fund uses as benchmark the MSCI ESG Chile Index and prior to decision making process our analysts uses researches provided by both services providers MSCI and Vigeo.

LEI 10	Mandatory to Report Voluntary to Disclose	Private	Core Assessed	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 10.1** Indicate which aspects of investment analysis you integrate material ESG information into.

Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Portfolio weighting

Security sensitivity and/or scenario analysis

Fair value/fundamental analysis

**Proportion of actively managed listed equity exposed to investment analysis**

- <10%
- 10-50%
- 51-90%
- >90%
- Other; specify

**LEI 10.2** Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

**LEI 10.4** Describe the methods you have used to adjust the income forecast/valuation tool.

We use proprietary models to forecast company financial statements and valuation. The inputs for these models are based on proprietary research of industry and company specific fundamentals. We use proprietary models to forecast company financial statements and valuation. The inputs for these models are based on proprietary research of industry and company specific fundamentals.

**ESG incorporation in passively managed listed equities**

<b>LEI 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 11.1** Indicate if you manage passive listed equity funds that incorporate ESG factors in the index construction methodology.

- Yes
- No

**Outputs and outcomes**

<b>LEI 12</b>	<b>Voluntary</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 12.1** Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- Screening

Describe any reduction in your starting investment universe or other effects.

In 2016 we closely monitored a complex legal proceeding related to the construction of a company plant in Colombia. Our early detection of the incident allowed us to effectively implement our ESG policies and procedures.

The investment team closely monitored this case throughout the year and decided to maintain certain exposure to the company. Our analysts recognized the diligent actions of the company after the internal investigation supported by strong fundamentals in favor of the company, such as debt reduction with good FCF yield of 7% and selling assets. The analysts decided to keep a neutral exposure to the company in the portfolio until the resolution of the litigation, which will enable the final evaluation of our position.

BTG Pactual launched the first ESG Equity Fund in Chile market. The fund uses as benchmark the MSCI ESG Chile Index and prior to decision making process our analysts uses researches provided by both services providers MSCI and Vigeo.

Specify the percentage reduction (+/- 5%)

Integration of ESG factors

Select which of these effects followed your ESG integration.

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Engagement / Voting
- Other; specify
- None of the above

**LEI 12.2** Additional information.[Optional]

Periodically, our PMs review and perfect our models based on sector and activities trends.

<b>LEI 13</b>	<b>Voluntary</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 13.1** Provide examples of ESG factors that affected your investment view and/or performance during the reporting year.

ESG factor 1

ESG factor and explanation
At a mining company, the environmental authority started an investigation about one of the main operations.
<input type="checkbox"/> Screening <input type="checkbox"/> Integration
Impact on investment decision or performance
Our analysts team read the investigation and concluded that environmental risk of the investment thesis was higher than we believed, so BTG Pactual decrease our position about 3%. ESG was crucial to our strategy, as the company stock went down 20% in the following months.

ESG factor 2

ESG factor and explanation
An airline which had showed significant momentum improvement during the last revisions in several ESG indicators.
<input type="checkbox"/> Screening <input type="checkbox"/> Integration
Impact on investment decision or performance
BTG Pactual analysts team decided to increase our position in the company and the stock has performed 4,7% ytd versus -1,7% of the general index and -1.5% of the MSCI Chile ESG Universal.

- ESG factor 3
- ESG factor 4
- ESG factor 5

Banco BTG Pactual S.A.

Reported Information

Private version

Direct - Listed Equity Active Ownership

PRI disclaimer

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## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

{hyperlink:https://static.btgpactual.com/media/lc-110-br-pam-codigo-de-conduta-e-politicas-para-adm-de-carteiras-10.pdf}

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach
- (Proxy) voting approach



Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other; (specify)
- Other
- None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes
- No

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

**LEA 02.4** Additional information. [Optional]

As a fundamentalist Asset Manager, we seek to have a close monitoring of the company routine, with periodic meetings as board members (in those we have this right) and meetings between the PMs and the management team. In these meetings, we seek to have an overview of the business and trace new goals to achieve. In all companies, sustainability is a key point covered by all the team.

<b>LEA 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

**LEA 03.2** Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px;"><b>Individual / Internal staff engagements</b></div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography/market of the companies</li> <li><input type="checkbox"/> Materiality of the ESG factors</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input checked="" type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Client request</li> <li><input type="checkbox"/> Breaches of international norms</li> <li><input type="checkbox"/> Other; (specify)</li> <li><input type="checkbox"/> We do not outline engagement criteria for our individual engagements</li> </ul>
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px;"><b>Collaborative engagements</b></div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors</li> <li><input checked="" type="checkbox"/> Ability to have greater impact on ESG issues</li> <li><input checked="" type="checkbox"/> Ability to add value to the collaboration</li> <li><input type="checkbox"/> Geography/market of the companies targeted by the collaboration</li> <li><input type="checkbox"/> Materiality of the ESG factors addressed by the collaboration</li> <li><input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration</li> <li><input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Alleviate the resource burden of engagement</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input type="checkbox"/> Other; (specify)</li> <li><input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers</li> </ul>

No

**LEA 03.3**

Additional information. [Optional]

BTG Pactual joined PRI -Ceres Deforest Working Group and engage with others investor with companies exposed to deforestation risk.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

**LEA 04.1** Indicate whether you define specific objectives for your organisation’s engagement activities.

Individual / Internal staff engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input checked="" type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input checked="" type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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**LEA 05.1** Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input checked="" type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

**LEA 05.2** Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
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<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2,4</b>
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**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

- Yes
- No

<b>LEA 07</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**LEA 07.1** Indicate whether insights gained from your organisation’s engagements are shared with investment decision-makers.

Type of engagement	Insights shared
<b>Individual / Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.2** Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

**LEA 07.3** Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.4** Additional information. [Optional]

As a consolidated team, working together for more than 10 years, every new insight and practice is shared between all analysts constantly in the regular team meetings, in order to increase the knowledge and the ideas they could use to surpass any issue in the invested companies.

**LEA 08** **Mandatory** **Public** **Gateway** **PRI 2**

**LEA 08.1** Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> We do not track
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

**Outputs and outcomes**

**LEA 09** **Mandatory to Report Voluntary to Disclose** **Private** **Core Assessed** **PRI 2**

**LEA 09.1** Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

	<b>We did not complete any engagements in the reporting year.</b>	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)	<b>Proportion of companies engaged with, out of total listed equities portfolio</b>
Collaborative engagements	<input type="checkbox"/>	10	75

**LEA 09.2** Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input type="radio"/> >76% <input checked="" type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
Total	<b>100%</b>

**LEA 09.3**

Indicate the percentage of your collaborative engagements in which you were the leading organisation during the reporting year.

Type of engagement	% leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 10	Voluntary	Private	Additional Assessed	PRI 2
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**LEA 10.1**

Indicate which of the following your engagement involved.

- Letters and emails to companies
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Meetings and/or calls with board/senior management
- Meetings and/or calls with the CSR, IR or other management
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Visits to operations
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Visits to supplier(s) in supplier(s) from the company's supply chain
- Participation in roadshows
- Other

**LEA 10.2**

Additional information. [Optional]

The portfolio manager has meetings with at least 20-30 companies every year and multiple meetings with many companies. For example, regarding the top 5 holdings in our portfolio, the portfolio manager has meetings with all of them at least once every quarter. Additionally, analysts meet with all the companies that they cover at least once a year.

**LEA 11****Voluntary****Private****Descriptive****PRI 2****LEA 11.1**

Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1



ESG Topic	<p>General ESG, Sustainability reporting</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input checked="" type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input checked="" type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual / Internal</li> <li><input type="checkbox"/> Collaborative</li> </ul>
Objectives	<p>The objective of this engagement was understand ESG practices adopted by the company after a merger with other company.</p>
Scope and Process	<p>The scope engagement encompassed themes as governance, policies and procedures in place to guarantee all ESG certification and best practices. This engagement was performed in a specific dedicated ESG meeting with the company.</p>
Outcomes	<ul style="list-style-type: none"> <li><input type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> <li><input type="checkbox"/> Failed/no outcome</li> <li><input checked="" type="checkbox"/> Increased understanding / information</li> <li><input type="checkbox"/> Invested in company</li> <li><input type="checkbox"/> Ongoing</li> <li><input type="checkbox"/> Voting</li> <li><input type="checkbox"/> Other</li> </ul>

Add Example 2

DRAFT

ESG Topic	<p>Climate Change, Sustainability reporting, Deforestation</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input checked="" type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input checked="" type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input checked="" type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input type="checkbox"/> Individual / Internal</li> <li><input checked="" type="checkbox"/> Collaborative</li> </ul>
Objectives	<p>Together with Deforestation working group lead by PRI and Ceres, we did call with companies exposed to deforestation risks.</p>
Scope and Process	<p>The scope was controls implemented to avoid deforestation in indirect suppliers.</p>
Outcomes	<ul style="list-style-type: none"> <li><input type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> <li><input type="checkbox"/> Failed/no outcome</li> <li><input checked="" type="checkbox"/> Increased understanding / information</li> <li><input type="checkbox"/> Invested in company</li> <li><input type="checkbox"/> Ongoing</li> <li><input type="checkbox"/> Voting</li> <li><input type="checkbox"/> Other</li> </ul>

Add Example 3

Add Example 4

- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## (Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

### Approach

- We use our own research or voting team and make voting decisions without the use of service providers.

### Based on

- Our own voting policy
- Our clients' requests or policies
- Other (explain)
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

**LEA 12.2** Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

BTG Pactual analysts make weekly meetings to vote the most important subjectives and return into it every week during one month to see if everyone still agree with it. If not, BTG analysts make a new process to understand each exception.

LEA 14	Voluntary	Private	Additional Assessed	PRI 2
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**LEA 14.1** Does your organisation have a securities lending programme?

- Yes

**LEA 14.3**

Indicate how the issue of voting is addressed in your securities lending programme.

- We recall all securities for voting on all ballot items
- We maintain some holdings, so that we can vote at any time
- We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- We recall some securities so that we can vote on their ballot items on an ad-hoc basis
- We empower our securities-lending agent to decide when to recall securities for voting purposes
- We do not recall our securities for voting purposes
- Other (specify)
- No

**LEA 15****Mandatory****Public****Descriptive****PRI 2****LEA 15.1**

Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

**LEA 15.2**

Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

**LEA 16****Mandatory****Public****Core Assessed****PRI 2**

**LEA 16.1**

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

**LEA 16.2**

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

**LEA 16.3**

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

**LEA 17****Mandatory****Public****Core Assessed****PRI 2****LEA 17.1**

For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information
- We do not track or collect this information

**LEA 17.2** Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

<b>LEA 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**LEA 18.1** Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- Yes, we track this information
- No, we do not track this information

<b>LEA 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 19.1** Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

Banco BTG Pactual S.A.

## Reported Information

Private version

Direct – Private Equity

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Overview

PE 02	Mandatory	Public	Core Assessed	PRI 2
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### PE 02.1

Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.

- Our investment activities are guided by a responsible investment policy

### PE 02.2

Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

Our ESG Global Policy reflects our long-term ambition and unconditional commitment to responsible and sustainable development. We consistently focus on the long-term implications and results of our actions, prioritizing these long-term benefits over short-term gains, always looking into ESG risks and opportunities. We believe that sound business practices and corporate responsibility are long-term drivers that must be applied daily to create shareholder value through sustainable growth, attractive recurring revenue streams and business perpetuity.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

## Fundraising of private equity funds

PE 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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### PE 03.1

Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

- Yes

### PE 03.2

Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- Approach to ESG reporting

### PE 03.3

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

We consider ESG in order to invest in a company and aim to improve ESG issues as we become a shareholder.

- No
- Not applicable as our organisation does not fundraise

<b>PE 04</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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**PE 04.1** Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by investors.

Yes

**If yes**

- In LPA, incorporated in the original draft as standard procedure
- In LPA, as requested by investors
- In side letter(s)
- Other

No

**Pre-investment (selection)**

<b>PE 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**PE 05.1** During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

**PE 05.2** Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

- Invest in companies which operate in compliance with the Brazilian environmental, health, safety and social laws and regulations;
- Not investing in (or considering investments related to) any illicit activities, as defined in the Brazilian laws and regulations;
- Monitor the portfolio companies to identify issues that may occur over time so that they can remain compliant with the previous two points.

No

<b>PE 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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**PE 06.1**

Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

**PE 06.2**

Describe how this information is reported to, considered and documented by the Investment Committee or similar.

The investment memo for submission to investment committee not only contains a deep analysis of the financial aspects of the company but also others aspects, such as: legal matters, compliance issues, reporting standards, best practices, and AML/anti-corruption controls.

In addition, one of the members of Investment Committee is an ESG specialist, to guarantee that these practices are being considered in the investment decision.

<b>PE 07</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**PE 07.1**

During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?

Yes

If yes

- Formally/through a post-investment action plan or value enhancement plan
- Verbally/through dialogue
- Other, specify

**PE 07.2**

Describe the nature of these improvements and provide examples (if any) from the reporting year

It is part of the Privatet Equity goals to step into the company and improve the acquired company internal controls, compliance controls and to make sure the company are aligned to the best practices of the market in all areas in which is inserted, which also includes ESG principles

We do not set expectations for portfolio companies on ESG-related considerations

<b>PE 08</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**PE 08.1** | Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.

- ESG issues helped identify risks
- ESG issues helped identify opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

**PE 08.2** | Indicate how ESG issues impacted your private equity investment deals during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues were included in the post-investment action plan/100-day plan
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

**PE 08.3** | Additional information. [OPTIONAL]

In addition to rely on ESG aspects when we acquire a stake in a company and supporting to enhance ESG implementation, we also incorporate the principles in our divestment process. Is part of the process a form with some questions related to ESG that potential buyers have to answer, and are taking into account for the process, guaranteeing that the companies we owned will keep moving towards a better ESG practice.

## Post-investment (monitoring)

<b>PE 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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**PE 09.1** | Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

- Yes

**PE 09.2** | Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 09.3

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**

- Environmental
- Social
- Governance

List up to three example targets of governance issues

Example 1

One investment did not have a governance committee which was very important considering the company's exposure to the public sector

Example 2 (optional)

More independent members in companies' boards

- We do not set and/or monitor against targets
- No

PE 10

Mandatory

Public

Core Assessed

PRI 2

PE 10.1

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

- Yes

PE 10.2

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

- No

PE 11

Voluntary

Private

Additional Assessed

PRI 2

PE 11.1

Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.

**Types of actions taken by portfolio companies**

- Allocate responsibility for ESG issues to board/senior management
- Composition of board ensure ESG expertise

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes
- Define performance targets for applicable ESG issues in operations
- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information
- Developing/implementing an environmental/social management system (ESMS) or similar
- Other actions, specify
- None of the above

<b>PE 11.2</b>	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.
----------------	---

The private equity team participates in each portfolio company financial, legal and HR committee. Furthermore, the team is responsible to enforce that the budget/plan is executed and delivered by the investee. In addition, we have an ESG department with specialists to support the portfolio companies.

<b>PE 12</b>	<b>Voluntary</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 2,3</b>
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<b>PE 12.1</b>	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
----------------	---

**Type of reporting**

- Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated
- Standalone reports highlighting targets and/or KPIs covering ESG issues

**Typical reporting frequency**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by portfolio companies

<b>PE 13</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PE 13.1</b>	Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.
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- We included ESG issues in pre-exit information
- We did not include ESG issues in pre-exit information
- N/A, we did not have any exits in the reporting year

<b>PE 13.2</b>	Apart from disclosure, describe how your organisation considers ESG issues at exit.
----------------	---

We apply ESG in pre exit negotiations with buyers by evaluating social, environmental and governance issues. In one of our partial divestments, ESG was key for the transaction, since the company had lots of employees involved in its operation, and we made clear to the buyer that ESG was involved should they decide to buy. In addition, governance is always an aspect taking into consideration when we are selling a company; as we usually acquire small business with low governance level, one of our goals is to increase the corporate governance level, which will be recognized and will add value when we exit the investment

## Outputs and outcomes

<b>PE 14</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>PE 14.1</b>	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts the financial performance of investments
- We measure whether our approach to ESG issues impacts the ESG performance of investments
- None of the above

<b>PE 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 1,2</b>
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<b>PE 15.1</b>	Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.
----------------	--

- Add Example 1

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input checked="" type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit	
ESG issues	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">ESG issues</td> </tr> </table> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance One of the portfolio companies' subsidiary is being investigated of paying bribery to a political figure, but prior to BTG Private Equity acquisition	ESG issues
ESG issues		
Sector(s)	Waste Management	
Impact (or potential impact) on the investment	Impact on image, and external stakeholders	
Activities undertaken to influence the investment and its response	A third part specialist was hired to make internal investigations to identify if it happended in fact, wnad what exactly happened	

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5

<b>PE 15.2</b>	Describe how you define and evaluate the materiality of ESG factors.
----------------	--

Very material. We already have a high govrenance level in the company, with several committes, but was implemented when BTG Pactual acquired the company.

## Communication

<b>PE 16</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 6</b>
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<b>PE 16.1</b>	Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).
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We formally inform to all our LPs through a notice expliciting the fact, disclosing our positioning about and clarifying the informations. We also offer individual calls if they want to discuss further details.



Banco BTG Pactual S.A.

Reported Information

Private version

Direct - Infrastructure

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

INF 02	Mandatory	Public	Core Assessed	PRI 1-6
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**INF 02.1** Indicate if your organisation has a responsible investment policy for infrastructure.

Yes

**INF 02.2** Provide a URL if your policy is publicly available.

{hyperlink:https://static.btgpactual.com/media/esg-001-global-environmental-social-and-corporate-governance-policy-13-20190319123345.pdf}

No

**INF 02.3** Additional information. [Optional]

BTG Pactual's approach to sustainability is based on an understanding of our responsibility towards our partners, society and the environment as a complete financial service provider. BTG Pactual ESG Global Policy covers all business units and strategies followed by the Bank. The ESG Policy is public available on our website. Also, funds may have complementary ESG policies and procedures that are not public to enhance ESG controls in investments. To support this process, ESG specialists are available to support any DD process and monitoring processes.

## Fundraising of infrastructure funds

INF 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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**INF 03.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**INF 03.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**INF 03.3** Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

Banco BTG Pactual together with its respective affiliates has been active and responsible when refers to ESG matters not only in private placement memorandum but in side letters and investors reports.

The BTG Pactual Infrastructure Fund private placement memorandum has several points related to ESG issues. For instance, in table of contents, this topic is addressed in (i) key investment highlights, (ii) risk factors and (iii) potential conflict of interest.

- No
- Not applicable as our organisation does not fundraise

<b>INF 04</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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<b>INF 04.1</b>	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.
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- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

### Pre-Investment (Selection)

<b>INF 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>INF 05.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
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- Yes

<b>INF 05.2</b>	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.
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- Invest in companies which operate in compliance with the Brazilian environmental, health, safety and social laws and regulations;
- Not investing in (or considering investments related to) any illicit activities, as defined in the Brazilian laws and regulations;
- Monitor the portfolio companies to identify issues that may occur over time so that they can remain compliant with the previous two points.

- No

<b>INF 06</b>	<b>Voluntary</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 1,4</b>
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<b>INF 06.1</b>	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.
-----------------	--

- Internal staff
  - Specify role
  - Advisory

- Specify role
  - Controlling
- Specify role
- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles
- No use of internal or external advice on ESG issues

**INF 06.2**

Additional information. [Optional]

We have an internal ESG specialist that is part of the Investment Committee, responsible to support the deal approval also from the ESG perspective.

**INF 07**

**Mandatory**

**Public**

**Core Assessed**

**PRI 1,3**

**INF 07.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

**ESG issues**

- Environmental

List up to three typical examples of environmental issues

Compliance with environmental law and regulations  
 Environmental passives under litigation  
 Strong protests in land acquisition concerning environmental protected areas

- Social

List up to three typical examples of social issues

Compliance with regulatory framework  
 Health and safety management system in place  
 Accordance with Labor Laws

- Governance

List up to three typical examples of governance issues

Board independence ; Relationship between partners;  
 Management knowledge of ESG issues/risks  
 Anti-corruption/bribery controls

<b>INF 07.2</b>	Additional information. [Optional]
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Our Core ESG Principles are very related with our investment team philosophy. Following are examples of some of the investment themes:

- Evaluate ESG risks;
- Minimize adverse environmental and social impacts;
- Improving corporate governance;
- Seek for transparency in all situations.

<b>INF 08</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
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<b>INF 08.1</b>	Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.
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- Raw data from the target infrastructure asset/company
- Benchmarks/ratings against similar infrastructure asset
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, infrastructure sector codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. contractors and suppliers)
- Advice from external sources
- Other, specify
- We do not track this information

<b>INF 09</b>	<b>Voluntary</b>	<b>Private</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>INF 09.1</b>	Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues impacted the investment in terms of price offered and/or paid.
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants.
- ESG issues were considered but did not have an impact on the investment selection process.
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year.
- We do not track this potential impact

**INF 09.2**

Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year.
- We do not track this potential impact

### Selection, appointment and monitoring of third-party infrastructure operators

**INF 10****Mandatory****Public****Core Assessed****PRI 4****INF 10.1**

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- Yes

**INF 10.2**

Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.

- Selection process of third-party operators incorporates ESG issues
- Contractual requirements when appointing third-party operators includes ESG issues
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators
- Monitoring of third-party operators covers ESG responsibilities and implementation
  - For all third-party operators
  - For a majority of third-party operators
  - For a minority of third-party operators

**INF 10.3**

Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional]

BTG Pactual's investment strategy requires hands-on investment management and monitoring. A dedicated team, comprised of the Fund's investment professionals, is expected to work with each portfolio company throughout the period of the Fund's investment in such company. Following the closing of a transaction, the Investment Team remains actively involved with each portfolio company in order to help management teams maximize value.

The Team always count on internal supporting areas to help on advisory and controlling related to hiring third-party operators. Besides that, the due diligence process have the support of external parties (i.e. legal offices and technical advisories) in order to monitor its investments through constant regular communication with senior management and through active participation and oversight as members of the portfolio company's board of directors.

INF 10.4

Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional]

They support the Investment Team during the due diligence stage, creating a synergy with our internal support teams in order to analyze the investment structure and implement improvement plans.

No

## Post-investment (monitoring and active ownership)

### Overview

INF 11

Mandatory

Public

Gateway

PRI 2

INF 11.1

Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

Yes

INF 11.2

Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

INF 11.3

Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

Throughout two keys elements:

- Board Representation: obtaining board representation rights is generally a key investment criterion for the "Fund" where it obtains a controlling stake in the portfolio company. Board seats are occupied by representatives of the Investment Team and key external relationships. With that said, we can (i) develop a very close relationship with the investment companies and (ii) monitoring the ESG risks during the construction phase and/or operational phase of a infrastructure project.

-Communication: as part of its investment philosophy, the Investment Team will seek to partner with senior management teams that share the Fund's strong belief and commitment to constant dialogue and a collaborative business relationship with the companies.

No

## Infrastructure Monitoring and Operations

INF 12

Mandatory

Public

Core Assessed

PRI 2

**INF 12.1** Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

**INF 12.2** Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

Environmental

List up to three example targets per issue

Obtain a "Regulator Environmental License" for 100% of transmission line project  
 Prepare Simplified Environmental Report for every stage of our projects

Social

List up to three example targets per issue

Keep a good and constant communication with land owners (transparency)

Governance

List up to three example targets per issue

Update and review the shareholders agreement

We do not set and/or monitor against targets

<b>INF 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**INF 13.1** Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**INF 13.2** Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- >0% and <10% of infrastructure investees
- 0% of infrastructure investees

(in terms of number of infrastructure investees)



No

<b>INF 14</b>	<b>Voluntary</b>	<b>Private</b>	<b>Descriptive</b>	<b>PRI 2,3</b>
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<b>INF 14.1</b>	Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.
-----------------	--

**Type of Reporting**

Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated

**Typical reporting frequency**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

Standalone reports highlighting targets and/or KPIs covering ESG issues

**Typical reporting frequency**

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by infrastructure investees

**Infrastructure Maintenance**

<b>INF 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>INF 15.1</b>	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
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- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

## Stakeholder engagement

INF 16	Voluntary	Private	Additional Assessed	PRI 2
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**INF 16.1**

Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.

Stakeholders engaged

Regulators

Percentage of infrastructure assets these apply to

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

Communities

Percentage of infrastructure assets these apply to

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

- Other stakeholder, specify
- Other stakeholder, specify

**INF 16.2**

Describe your approach to stakeholder engagements in relation to your infrastructure assets.

Internal supporting areas, such as ESG and Legal, help the Investment Team during the due diligence stage and during the monitoring stage. Together with the companies board members they seek to preserve the BTG ESG principles. Update and public legal documents, i.e. licenses, concessions contracts and environmental reports for instance. Besides that, we often have a member of our internal team visiting the projects and structuring an agenda with the portfolio board members.

## Outputs and outcomes

INF 17	Voluntary	Private	Additional Assessed	PRI 1,2
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INF 17.1

Indicate whether your organisation measures how your approach to responsible investment in Infrastructure investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

INF 17.2

Describe how you are able to determine these outcomes.

The investment team makes revaluation of the portfolio investments in an annual basis. The improving of corporate governance, the approval of environmental licencing in a very effective process and the correct approach to responsible investments in infrastructure impacts in the valuation of the companies.

The portfolio business valuation report brings a full summary of factors that contribute for a positive / negative impact in financial performance.

### Communication

INF 19	Mandatory to Report Voluntary to Disclose	Private	Descriptive	PRI 6
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INF 19.1

Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.

It's part of our internal investment approval process an analysis with regard to ESG issues. The Investment Team performs, itself and through advisors and consultants, business, industry, accounting, and legal due diligence, as appropriate. In addition, the team may retain specific advisors to perform detailed investigations (i.e., market, engineering and **environmental studies**). We disclose ESG risks through the Infra Fund private placement memorandum, side letters and Limited Partner Advisory Committees (LPAC). The LPAC are formed for purposes of addressing a general overview of investments as well as any possible risks.

During the diligence process, the team will evaluate the potential portfolio company's environmental management capacity and its compliance with our policy and applicable brazilian EHSS (environment, health, safety and social review) legislation (or any other relevant jurisdiction, as the case may be). In circumstances where compliance cannot be demonstrated, an action plan ("Action Plan") will be established for the portfolio company.

Banco BTG Pactual S.A.

Reported Information

Private version

Confidence building measures

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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### CM1 01.1

Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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### CM1 02.1

We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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### CM1 03.1

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
  - BTG Pactual is audited by several different parties, such as internal and external audit, regulators, SRO (self regulatory ) and independent control units.
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1**

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

**Sign-off or review of responses**

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)