



**INVENTORY OF DIRECT AND INDIRECT
EMISSIONS OF GREENHOUSE GASES**

BASE YEAR 2015



This report was prepared by Sustainable Carbon for BTG Pactual

Version 01¹ | June 20, 2016

¹ This report is the English Version of the Inventory of Direct and Indirect Emissions of Greenhouse Gases, dated on May 20, 2016.

Summary

1. Introduction	3
2. Summary of Emissions Results.....	4
2.1. Summary of total emissions of BTG Pactual in 2015.....	4
2.2. Scope 1 emissions broken down by category.....	5
2.3. Scope 2 emissions broken down by category.....	5
2.4. Scope 3 emissions broken down by category.....	5
2.5. Biomass emissions	6
3. Final Remarks	6



1. Introduction

Company Name	Banco BTG Pactual S.A. (BTGP)
Description	<p>BTGP is the leading investment bank in Latin America with expertise in the areas of Asset Management, Wealth Management and Investment Bank. The management of BTGP is based on partnership and meritocracy. The talent, dedication and performance of our employees are the foundation of growth, where the best employees become partners. All the main executives are partners of the BTGP, being dedicated to it on a full-time basis. This is possible because the bank has created an environment that attracts, develops and retains the most talented professionals, encourages entrepreneurship and values teamwork, as well as invest in the personal and professional development of its employees.</p> <p>The primary mission of Banco BTG Pactual is to serve its clients in a competitive, innovative and transparent manner. To do so, the Bank always puts clients at the heart of everything it does. Banco BTG Pactual invests capital alongside with its clients, providing tailor-made, effective solutions for short and long-term. The goal is to create value in various macroeconomic scenarios.</p> <p>In recent years, the Bank has built a diverse portfolio of products and services in order to maximize networking opportunities with clients and explore changes in market conditions at different times. Currently, revenue consists of services on return of capital invested in liquid or illiquid strategies, which provides resilience for the Bank to benefit even in the most challenging market conditions, while remaining stable and achieving consistent returns.</p>
Reporting Period	From January to December, 2015
Inventory Data	Inventory was conducted by Sustainable Carbon.
Verification	This inventory has been certified by third party – Green Domus Desenvolvimento Sustentável, which is consistent with the requirements for the “Gold” category of the Brazilian GHG Protocol Program.
Scopes	<p><u>Scope 1</u>: direct GHG emissions, understood as those that are owned or controlled by the company. Mobile combustion associated with vehicle use and owned airplane, stationary combustion associated with generators at the branches and fugitive emissions of refrigeration gases.</p> <p><u>Scope 2</u>: indirect GHG emissions associated with Energy. Purchase of electricity from the National Interconnected System. Once the energy is brought into the organization, emissions are considered indirect because they physically occur at the location where the energy is produced.</p> <p><u>Scope 3</u>: indirect GHG emissions. Mobile Combustion is associated with air travel by employees, load transportation, upstream transport and distribution, waste generated from operations, electricity emissions not allocated on scope 2. Emissions associated with the use of generator by the condominium where the Institution's headquarter is located were also considered.</p>
Inventory Limits	All BTGP sites in Brazil which are under its operational control. Operation control including companies and sites with headquarters located in Brazil.

2. Summary of Emissions Results

2.1. Summary of total emissions of BTG Pactual in 2015

GHG	In tonnes of gas			In tonnes of CO2 equivalent (CO2e)		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
CO2	7,93	2.559,245	5.916,39	7,93	2.559,24	5.916,39
CH4	0,00	0,00	30,54	0,09	0,00	763,50
N2O	0,00	0,00	0,32	0,16	0,00	95,86
HFCs	0,00	0,00	0,00	0,00	0,00	0,00
PFCs	0,00	0,00	0,00	0,00	0,00	0,00
SF6	0,00	0,00	0,00	0,00	0,00	0,00
NF3	0,00	0,00	0,00	0,00	0,00	0,00
Total				8,19	2.559,24	6.775,74

Table 2. Summary of total emissions.

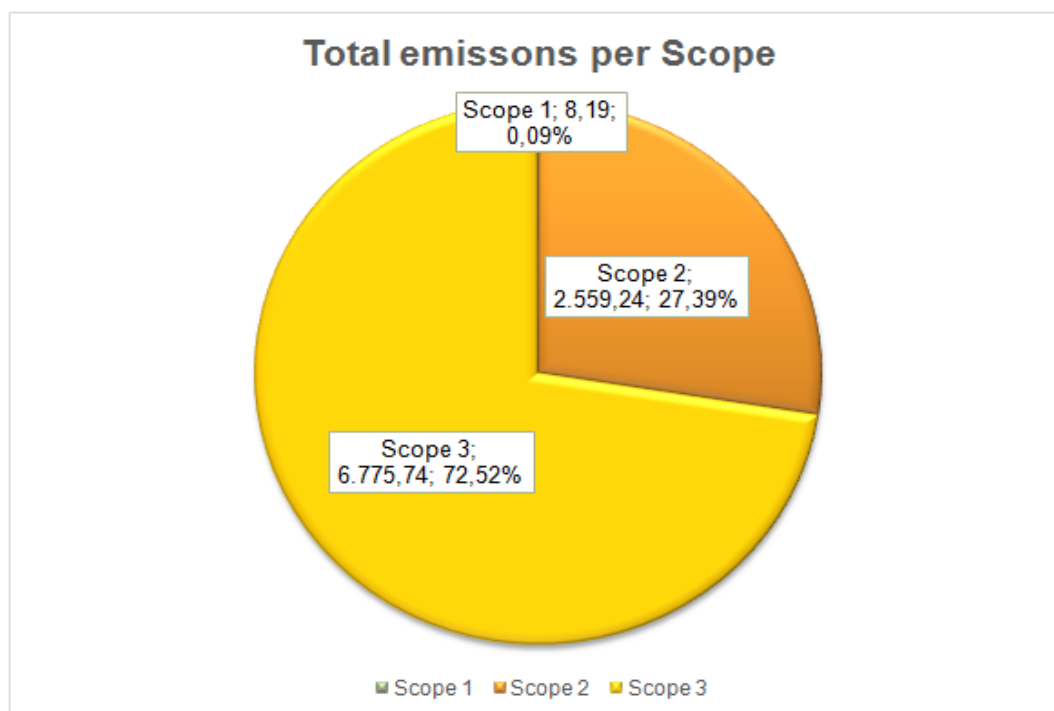


Chart 1. Total emissions per Scope

2.2. Scope 1 emissions broken down by category

Emissions broken down by category emissions (tCO ₂ e)		
Categories	GHG emissions	Biomass
Stationary combustion	3.33	0.22
Mobile Combustion	4.35	6.02
Fugitive emissions	0.52	0.00
Total Scope 1 emissions	8.19	6.24

Table 3. Scope 1 emissions per category / source.

2.3. Scope 2 emissions broken down by category

Emissions broken down by category emissions (tCO ₂ e)		
Categories	GHG emissions	Biomass
Electricity purchased and consumed	2,559.24	0.48
Total Scope 2 emissions	2,559.24	0.48

Table 4. Scope 2 emissions per category / source.

2.4. Scope 3 emissions broken down by category

Emissions broken down by category emissions (tCO ₂ e)		
Categories	GHG emissions	Biomass
Transport and distribution (upstream)	13.97	3.86
Waste generated from operations	737.36	0.00
Business travel	3,546.73	204.46
Employee commuting	2,224.03	1,221.84
Electricity emissions allocated under Scope 3	253.65	0.00
Total Scope 3 emissions	6,775.74	1,430.18

Table 5. Scope 3 emissions per category /source.

2.5. Biomass emissions

Total emissions from biomass combustion by Scope (tonnes of CO2e)	
Scope 1	6.24
Scope 2	0.49
Scope 3	1430.18
Total	1436.91

Table 6. Total emissions from biomass per scope.

3. Final Remarks

- BTG Pactual has decided to be ambitious in greenhouse emissions management. In 2015 BTGP engaged on its first inventory, measuring and monitoring its direct impact in green house emissions.
- BTGP has already many well recognized efforts in reducing green house emissions. Below the top 3:
 - 1) Implementation of an efficient waste management system which allows BTGP to reduce its CH4 (methane) emissions. Great amount of the waste generated is recycled/reused.
 - 2) Permanent encouraging employess to use video conference instead of in-person meeting. In 2015, BTGP reported more than 600 video conferences.
 - 3) Use of air conditioning system with high accuracy in the Datacenter which allows the reduction of energy consumption and increasing of equipments' work-life.
- Considering the total emissions of the three Scopes, the Bank has established three indicators to monitor emissions over time, as follows:
 - tCO2e/employee: 1.59.
 - tCO2e/R\$ million (revenue) : 1.39.
 - tCO2e/R\$ million (net profit): 2.75.

For further information, please contact: OL-ESG-RISK OL-ESG-RISK@btgpactual.com